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Investor Engagement **Investor Engagement to Mitigate Climate Change Investor Engagement** *Facilitating Investor Engagement on ESG Issues* **Institutional Investor Engagement** The Cambridge Handbook of Shareholder Engagement and Voting **Investor Engagement in Europe in the Wake of the Shareholder Rights Directive Implementation** Knocking at the Boardroom Door *Corporate Governance and Investment Management ESG and Responsible Institutional Investing Around the World: A Critical Review* **Constructive Engagement** *Investor-led Sustainability in Corporate Governance* **Institutional Investors and Stewardship Institutional Investor Engagement Project Board-Shareholder Engagement Practices** *Shareholder Engagement and Identification Ownership, Activism and Engagement* **Forcing Shareholder Engagement - Theoretical Underpinning and Political Ambitions** Investor engagement Socially Responsible Shareholder Engagement **Value Shifts** The Role of Institutional Investors in Corporate Governance Community Engagement and Investment **Socially Responsible Investment in the 21st Century Shareholder Engagement and Shareholder Voting Modes** *Experiential Learning* **The Next Generation of Responsible Investing Environmental, Social, and Governance (ESG) Investing Handbook on Sustainable Investments: Background Information and Practical Examples for Institutional Asset Owners** *Why Do They Care? The Market for Corporate Global Responsibility and the Role of Institutional Investors Regulating Corporate Political Engagement* **The Shareholder Rights Directive II** Institutional Investors as Owners **Shareholder Engagement and the Integration of Environmental and Social Dimensions in Mainstream Investment Decisions : the Case of Investment in Chinese Companies** Talent, Strategy, Risk Understanding Institutional Shareholder Activism **Are Passive Index Funds Active Owners? Corporate Governance Consequences of Passive Investing The Influence of Institutional Investors on Firm Value An Investigation Into Stewardship** Shareholders' Duties

Handbook on Sustainable Investments: Background Information and Practical Examples for Institutional Asset Owners Sep 23 2020 A fast growing share of investors have recently widened their scope of analysis to criteria regarded as extra-financial. They are driven by different motivations. Adoption of sustainable investment strategies can be driven, on the one hand by the sole motivation to hedge portfolios against knowable risks by expanding the conceptual framework to incorporate the latest best practice in risk management. Other investors focus rather on a long-term view and make an active bet on societal change. Recent empirical research has shown that considering sustainability factors within investment practices does not come at a cost (i.e. through a reduced opportunity set) but allows for competitive returns. Furthermore, the growing market and resulting competition in the wake of sustainable investing going mainstream has the welcome effect to compress fees for such products. Hence, staying informed about recent trends in sustainable investing is imperative no matter what the main motivation is.
Investor Engagement to Mitigate Climate Change Jan 20 2023 We use an experimental setting to investigate the impact of investor engagement and management attitudes on the reporting and performance of climate change management. Our results show that engaged companies were more likely than the control group to improve both their climate change reporting and performance, and that management recalcitrance significantly impeded improvement but did not eliminate the effectiveness of engagement. The study contributes to the understanding of the role of shareholder activism in advancing environmental, social and governance issues by offering evidence from non-confrontational engagement by a relatively small institutional investor and by highlighting the role of management. The study offers evidence to institutional investors that relatively small investment institutions can effectively engage with firms and change management practice without necessarily embarking on costly or time consuming programmes. The results also have implications for targeting engagement for maximum effectiveness and for the design and implementation of policy and regulation to promote better carbon management.
Investor-led Sustainability in Corporate Governance Mar 10 2022 Investor-led Sustainability in Corporate Governance argues that ESG engagement can be a very powerful driver towards a more sustainability-oriented future in corporate governance. Investor-led sustainability has many advantages compared to a more prescriptive, regulatory approach. For example, a greater focus on investor initiatives would follow a more flexible and dynamic pattern rather than complying with pre-defined criteria that are slow to change. Moreover, investor-promoted assessments are not likely to impair welfare creation in the same way as ill-defined legal standards; they would also not trigger regulatory arbitrage and would avoid deadlock situations in corporate decision-making. Any regulatory responses should then be limited to a facilitative and supportive role.This monograph proceeds as follows: Section 2 traces the recent trend towards increased ESG and sustainability in corporate governance and finance, and in particular documents the rise of investor-led initiatives in this field. Section 3 discusses the merits of such shareholder engagement and makes the case that ESG initiatives pursued by investors are consistent with business realities and conform with market logic of both demand and supply. Section 4 turns to the main advantage of ESG engagement, namely that it increasingly relies on coalitions and team-building between different types of institutional investors. It is presented that these teaming-up strategies have a dual benefit and a double genius in that they give greater support to campaigns, but also serve as an in-built screening mechanism that would exclude the realization of idiosyncratic benefits for individual investors. Sections 5 and 6 develop some regulatory implications and conclude the analysis.
The Influence of Institutional Investors on Firm Value Dec 15 2019 The impact of corporate governance on firm value has been extensively debated by academics and business practitioners. Some studies show that companies that allow minority shareholders to have more control are likely to create greater shareholder value than those firms with concentrated control, while other studies suggest that the impact of having democratic governance is either negligible or even negative. In developed countries institutional investors have a significant stake in most of the companies. Active engagement by institutional investors is expected to decrease agency costs by strengthening monitoring mechanisms of operations and performance evaluations of the management, resulting in an increase in firm value. However, some academics and business practitioners argue that such minority shareholders' active engagement could be detrimental to firm value. In this thesis, I study the influence of institutional investors' active shareholder engagement on firm value and the relationship between the characteristics of corporate governance and firm value of target companies. I review previous studies that have evaluated both the effect of corporate governance and of institutional investors' activism on firm value. I conduct empirical analyses to examine the relationship between the institutions' shareholder engagement and firm value.
Are Passive Index Funds Active Owners? Corporate Governance Consequences of Passive Investing Jan 16 2020 The exponential rise of mutual funds designed to track stock indices has been one of the drivers behind the re-concentration of ownership of listed companies in the U.S.. Due to the high concentration of the passive index funds industry, the three leading passive fund managers (BlackRock, Vanguard and State Street) make up an increasingly important component of the shareholder base of listed companies. In spite of this however, it remains questionable whether they are actually interested in playing an active role in the corporate governance of investee companies. In fact, although

passive investors are, by definition, focused on the long term and, as such, should naturally be incentivized to monitor investee companies in order to improve their performance, passive fund managers generally adhere to a low-cost approach to voting and engagement in order to keep their fees low. Against this background, this Article will provide an in-depth analysis of available evidence concerning the corporate governance role of passive investing and, taking the current EU institutional investor-driven corporate governance strategy as a reference, will demonstrate the shortcomings of the regulatory approaches to institutional shareholder engagement focused mainly on short-termism. This article will therefore argue that, in order to promote more effective passive investor engagement, lawmakers, regulators and corporate governance professionals should tackle cost-related issues more effectively. Moreover, pursuing this line of thought, it will outline a analytical framework of potential regulatory strategies aimed at reducing engagement-related costs in order to encourage passive index fund managers and, more generally, non-activist institutional investors to play a more effective oversight role over investee companies.
Knocking at the Boardroom Door Jul 14 2022 Under the current context of (re)concentrated ownership, institutional shareholders are expected to play a more active role in corporate settings in making managers more accountable and urging them to favour a long-term view. Calls from institutional investors for engagement with the board have grown and private dialogue with directors is now an important instrument of institutional investor activism. In spite of this favourable trend, director-shareholder dialogue is still problematic. Public disclosure and insider trading rules set legal constraints on board-shareholder engagement. However, the reach of these constraints should not be overstated, as they do not appear to ban outright all private dialogue between directors and shareholders. In this regard, recommendations within corporate governance and stewardship codes, and from practitioners, have played a major role in developing a practical framework for director-shareholder dialogue that seeks to prevent the violation of insider trading and public disclosure rules, and to make dialogue more effective. Against this backdrop, this article will provide a comparative transatlantic overview of recent developments in the area of director-institutional shareholder dialogue in the US and in Europe with the aim of assessing the effective reach of legal constraints on board-shareholder dialogue under current legislation, and considering some practical solutions offered by corporate governance and stewardship codes that could facilitate board-shareholder engagement and enhance its effectiveness.
Talent, Strategy, Risk Mar 18 2020 Long-term value creation—the board's new agenda. A big shift in public ownership has created a new set of challenges for boards. Much of the $14 trillion of assets that firms like Vanguard, BlackRock, and State Street manage is now held in index funds, creating a huge class of permanent institutional investors who own almost 60 percent of the Fortune 500. These investors are stating in no uncertain terms that simply managing for short-term shareholder profit is not acceptable. Bill McNabb, Ram Charan, and Dennis Carey have been on the front lines of these changes with the investment community, corporate boards, and top-level management teams. Since TSR (total shareholder return) cannot keep the short and long term in balance, the authors argue, boards should focus on a different kind of TSR—talent, strategy, and risk—because decisions and actions around these factors, more than any others, determine whether or not a company creates long-term value. This book redefines the board's agenda and explains how to: Build and incentivize the right leadership team Help leaders take a longer view and communicate it to investors Refresh board composition and create diversity to meet the new challenges Keep major risks, such as cyberattacks and sexual harassment allegations, front and center Analyze the business through the eyes of a shareholder activist With the new realities of corporate ownership, boards need to lead for the long term. This authoritative book shows them how.
Board-Shareholder Engagement Practices Dec 07 2021 Shareholder engagement is increasingly being added to the job description of the corporate director. The phenomenon is the natural evolution of the changes to the corporate governance landscape that have occurred during the last two decades. First, there is the expansion of the board's oversight responsibilities that resulted from the Sarbanes-Oxley and Dodd-Frank legislations. Second, there is the progress made by the shareholder rights movement, with investors' claim for a more direct involvement in business decision-making.This Director Notes analyzes and documents emerging practices in the role of the board of directors in the corporate-shareholder engagement process. It is based on a 2018 survey of corporate secretaries, general counsel and investor relations officers at SEC-registered public companies conducted by The Conference Board and Rutgers University's Center for Corporate Law and Governance (CCLG).It has long been customary for public companies to interact with their shareholders, on earnings calls and at annual general meetings (AGMs). These traditional forums of communications are periodically convened to apprise investors of financial results, material organizational decisions, and key strategic choices. However, they seldom actively involve shareholders' main fiduciaries -- the members of the board of directors.
Investor Engagement Dec 19 2022 "The growth of shareholder value has been a major change in Western economies since the 1980s. This growth has reignited debates concerning relations between investors and managers. The book argues that investors are more than passive providers of finance, on whose behalf managers seek to maximize shareholder returns. Instead, many investors directly influence management practice, through investor engagement. The book examines the role of institutional investors and private equity firms, two types of investors with overlapping but different reasons for engagement."--Résumé de l'éditeur.
Institutional Investors and Stewardship Feb 09 2022 The sustained growth of institutional investors' assets under management, together with the growing use of passive investment strategies, raises the question of whether existing frameworks adequately address issues related to investor engagement and disclosure. There has been a growth in the regulation of institutional investors and market intermediaries to address conflicts of interest and to enhance their transparency. In parallel, the adoption of stewardship codes and the number of signatories to such codes has been increasing. Their proliferation and to some extent convergence offers insights on recognised good practices. The paper also explores the apparent increase in engagement among institutional investors with respect to environmental, social and governance (ESG) issues, their increasing reliance on ESG ratings and data services, and whether regulatory frameworks or guidance should evolve to take into account these new developments.
Institutional Investors as Owners May 20 2020 This paper provides a framework for analysing the character and degree of ownership engagement by institutional investors. It argues that the general term "institutional investor" in itself doesn't say very much about the quality or degree of ownership engagement. It is therefore an evasive "shorthand" for policy discussions about ownership engagement. The reason is that there are large differences in ownership engagement between different categories of institutional investors. There are also differences in ownership engagement within the same category of institutional investors such as hedge funds, investment funds, etc. These differences arise from the fact that the degree of ownership engagement is determined by a number of different features and choices that together make up the institutional investor's "business model". When ownership engagement is not a central part of the business model, public policies and voluntary standards aiming to improve the quality of ownership engagement among institutional investors are likely to have limited effect. Based on an empirical overview of the relative size of different categories of institutional investors, the paper identifies a set of 7 features and 19 choices that in different combinations define the institutional investor's business model. These features and choices are then used to establish a taxonomy for identifying different degrees of ownership engagement ranging from "no engagement" to "inside engagement."
Value Shifts Jun 01 2021 Socially responsible investment is fast becoming established practice. This book anticipates and responds to the need to take stock of the current state of investor engagement on sustainability, offering a comprehensive assessment of investor-led sustainability and responsible investment movements.
Regulating Corporate Political Engagement Jul 22 2020 This report provides an analysis of regulations and “soft law” instruments that shape corporate political engagement activities across 17 jurisdictions (Australia, Brazil, Canada, European Union, France, Germany, Hong Kong (China), India, Italy, Japan, Korea, Netherlands, People's Republic of China, South Africa, Spain, United Kingdom, United States). It provides an

analysis of high-level trends, examines commonalities and differences in regulatory scope across jurisdictions, and highlights key areas of unregulated influence. The report includes examples of leading as well as weaker regulatory frameworks in each of the assessed jurisdictions, and suggests critical areas for investor engagement with policy makers, companies and other relevant actors.

Institutional Investor Engagement Oct 17 2022 In order to encourage meaningful and constructive engagement, countries have promulgated and published stewardship codes. The distinctiveness of such codes is the attempt to create more responsible and purposeful investor engagement. In particular, institutional investors must be viewed - and view themselves - as “stewards” of a company.This paper argues that stewardship codes do matter. Looked at in isolation, the impact of regulatory initiatives aiming to mobilize institutional investors can often seem underwhelming in their effects and might easily be perceived as failing, in some sense. In general, regulatory interventions don't seem to have an immediate or significant impact on the incentives and actions of investors.Nevertheless, the process of designing and then implementing regulatory measures can play a crucial role in triggering interest in, and discussion around, the need for a more engaged relationship between institutional investors and the companies that they own. It is in this less formal mode -- via a process of “spotlighting” -- that regulation can play a crucial role in fostering a corporate culture in which all of the stakeholders in a company become more engaged with senior management.

Shareholder Engagement and Identification Nov 06 2021 The European Commission launched, in April 2014, a new initiative to amend the shareholder rights directive as regards to the encouragement of long-term shareholder engagement. Under this heading, the Commission proposal intends to grant rights to shareholders concerning director remuneration (say on pay) and related party transactions. Moreover, it also imposes duties concerning an engagement policy on institutional investors and asset managers and gives rights to the management concerning shareholder identification. This paper deals with shareholder engagement and identification by referring to the initial Commission proposal. Both instruments are motivated by referring to the support shareholders have allegedly given to managers' excessive risk taking before the financial crisis. The current level of “monitoring” of investee companies and engagement by institutional investors and asset managers is considered inadequate, leading to suboptimal governance of listed companies (see preamble 2). It is questionable whether the financial crisis revealed weak governance in listed companies and whether the rules proposed are likely to meet the objectives as stated in the directive.

Shareholder Engagement and Shareholder Voting Modes Jan 28 2021 This paper provides evidence that remote voting became the current technique for voting. Based on data for French companies, I found that gradually more and more shareholders, and not only institutional shareholders, vote in absentia. While a controlling shareholder continues to participate and vote in the general meeting in personam, other large shareholders, including institutional investors, make use of the technique of remote voting. Next, a decreasing group of shareholders with very small stakes attend the general meeting in person or empower the chairman of the board to vote. Consequently, shareholder engagement cannot take place in the general meeting. The 'forum function' of this “physical” general meeting of shareholders as the place where presentations by the board are followed by a fruitful debate and discussion with the shareholders helping to further form their opinion before issuing an informed vote, is eroded. New technological developments should be considered for shareholder engagement. Distributed ledger technology, like blockchain, is certainly one avenue that deserves further study to serve as an alternative tool for the development of the voting and communication process in an accessible, open and transparent way.

Investor engagement Aug 03 2021

Environmental, Social, and Governance (ESG) Investing Oct 25 2020 Environmental, Social, and Governance (ESG) Investing: A Balanced Analysis of the Theory and Practice of a Sustainable Portfolio presents a balanced, thorough analysis of ESG factors as they are incorporated into the investment process. An estimated 25% of all new investments are in ESG funds, with a global total of $23 trillion and the U.S. accounting for almost $9 trillion. Many advocate the sustainability goals promoted by ESG, while others prefer to maximize returns and spend their earnings on social causes. The core problem facing those who want to promote sustainability goals is to define sustainability investing and measure its returns. This book examines theories and their practical implications, illuminating issues that other books leave in the shadows. Provides a dispassionate examination of ESG investing Presents the historical arguments for maximizing returns and competing theories to support an ESG approach Reviews case studies of empirical evidence about relative returns of both traditional and ESG investment approaches

The Role of Institutional Investors in Corporate Governance Apr 30 2021 Corporate governance has emerged as a decisive business issue. Less corporate governance research is undertaken in civil law countries like Germany. In this thesis, the role of institutional investors in Germany is studied with the aim of providing an answer to the following research question: What role do independent institutional investors play in the corporate governance of listed German companies? This study follows an inductive qualitative research approach. The research model is based on six variables - board oversight, board nomination, identifying weaknesses, making recommendations, introducing changes in corporate strategy and exercising institutional power - to determine the role of institutional investors and to provide answers. Overall, the results show that the participants of the research study experience the role and responsibilities of institutional investors in the German two-tier corporate governance system as weak to medium across all six variables. The handling of recommendations from institutional investors to companies is not structured or executed in a systematic way by the study participants. The results indicate that the interviewees are convinced that institutional investors could be valuable partners in strengthening and improving corporate governance. They can play a role in corporate governance and can add value because they have a good understanding about the strategy and business model of the companies, expertise in research & analysis as well as a good sector expertise. However, the type of institutional investor matters in corporate governance. The strongest players are private equity and hedge funds. The weakest players are endowments and insurances. The most common company situations when institutional investors prompt change are underperformance, special companysituationsicrisis, corporate finance issues and management remuneration. The majority of the study participants expect a higher shareholder engagement in the future. Most of them have a positive point of view about the future role of institutional investors in corporate governance. III R The managerial implications of this study are that the investor relations function is well established and the programmes are sufficiently executed in German companies. Communication is the most appropriate measure. However, other typical and presumably more powerful measures like use of voting rights, engagement in the AGM, regular contact to the members of the supervisory board, taking a seat in the supervisory board, owning a meaningful company stake and collaboration with other shareholders seem to play a minor role. There is still potential for institutional investors to improve their role in corporate governance in German companies. In order to improve their influence in corporate governance institutional investors need to be prepared to pursue an escalation strategy. This encompasses for example to increase their stake to a meaningful and powerful level and/or they need to collaborate effectively and systematically with other shareholders to increase their acceptance vis-a-vis the company and to .ask for a seat in the supervisory board. However, such an approach also needs a strong long-term commitment and investment perspective as well as an attitude that also considers the long-term interests of the company. It can be concluded that institutional investors with a high level of expertise can contribute to the widely discussed improvement of the competence and independence of German supervisory boards. Important prerequisites of institutional investors to play a role in corporate governance are no conflict of interest and a sufficient sector expertise. Therefore, disadvantages like conflict of interest and lack of expertise have to be addressed properly. The results from this research can be used to draw lessons for (1) members of supervisory boards, members of the management board (in particular CEOs, and CFOs), as well as investor relations officers of listed companies, who want to improve governance and the relationship with their institutional shareholders; (2) institutional investors who want to enhance their engagement in their portfolio companies; and (3) standard setters like institutions and commissions that want to improve corporate governance.

The Shareholder Rights Directive II Jun 20 2020 This Commentary is the first comprehensive work to analyse the revised EU Shareholder Rights Directive (SRD II). SRD II sets a new agenda for engaged shareholders and sustainable companies in the EU, sparking a wider debate on the adoption of duties in company and capital markets law. By providing a systematic and thorough framework for analysis, this Commentary evaluates the purpose and aims of SRD II and further enriches the debate on the usefulness of the EU's drive to encourage long-term shareholder engagement.

Ownership, Activism and Engagement Oct 05 2021 Research Question: We research two questions: First, why do some institutional investors operate at a distance from organizations seemingly acting only to "exit" and "trade" shares while others actively engage through various means of "voice"? Second, what processes and behaviour are associated with active ownership? Research Findings/Insights: We develop the concept of active ownership by drawing on contrasting theories and images of ownership, identifying antecedents of active ownership and distinguishing between alternative processes of active ownership. Theoretical/Academic Implications: Alternative pathways to active ownership contrast the distant, sometimes adversarial nature of shareholder activism with an engaged, collaborative relationship between investors and corporations. Few studies examine active ownership as a process of engagement and mutual exchange between parties taking a generally longer-term perspective towards investment in the firm and its affairs. After modelling active ownership, we develop a research agenda of substantive issues ranging from market and institutional conditions, through investment organization and practice, to board and investor relations. Practitioner/Policy Implications: Opening up the multidimensionality of engagement and relations between investors and corporations is crucial to promoting good corporate governance. Policymakers and practitioners require such knowledge when anticipating and developing adjustments to institutions of corporate governance.

The Cambridge Handbook of Shareholder Engagement and Voting Sep 16 2022 All over the world, companies play an important role in the economy. Different types of stakeholders hold the reins in these companies. An important class are the shareholders that finance the activities of these companies. In return, stakeholders have a say on how these companies should be organized and structure their activities. This is primarily done through voting and engaging. These mechanisms of voting and engaging allow the shareholders to decide significant aspects of the company structure, from who governs it to how much directors are paid. However, how shareholders vote and engage and how far their rights stretch are organized differently in different countries. This pioneering book provides insights into what rights these shareholders have and how the shareholders of companies in nineteen different jurisdictions participate in corporate life through voting and engaging. Comparative and international in scope, it pays particular attention to how jurisdictions align and differ around the world.

Investor Engagement in Europe in the Wake of the Shareholder Rights Directive Implementation Aug 15 2022 This report briefly outlines major governance issues that, in light of the new legal and economic environment, the boards of European public companies should consider, especially in connection with their general meetings.

An Investigation Into Stewardship Nov 13 2019 With substantial contributions from ECRI Managing Director Karel Lannoo and Research Fellow Diego Valiante, a new report addresses the question of stewardship (or thoughtful ownership) in the UK and the European Union, after the financial crisis. Sponsored by the CFA Institute and the FGRE Foundation for Governance Research and Education and written in cooperation with ECMI, this report considers the potential inadequacy of stewardship by the investment industry and the degree of integration of corporate governance analysis in the investment process. It does not to suggest that there are no examples of good practice on both the corporate and investment sides, but rather that good stewardship practice is not sufficiently robust and universal. The report analyses three key impediments to stewardship, namely, the lack of direction on the part of asset owners in mandates, the costs of carrying out diligent stewardship, and the cultural and structural barriers within the investment management industry. It proposes solutions under three headings: the investment chain and fiduciary duty, shareholder engagement and the investment management practice.--Publisher description.

Shareholder Engagement and the Integration of Environmental and Social Dimensions in Mainstream Investment Decisions : the Case of Investment in Chinese Companies Apr 18 2020

Corporate Governance and Investment Management Jun 13 2022 Shareholder engagement with publicly listed companies is often seen as a key means to monitor corporate malpractices. In this book, the authors examine the corporate governance roles of key institutional investors in UK corporate equity, including pension funds, insurance companies, collective investment funds, hedge and private equity funds and sovereign wealth funds. They argue that institutions' corporate governance roles are an instrument ultimately shaped by private interests and market forces, as well as law and regulatory obligations, and that policy-makers should not readily make assumptions regarding their effectiveness, or their alignment with public interest or social good.

ESG and Responsible Institutional Investing Around the World: A Critical Review May 12 2022 This survey examines the vibrant academic literature on environmental, social, and governance (ESG) investing. While there is no consensus on the exact list of ESG issues, responsible investors increasingly assess stocks in their portfolios based on nonfinancial data on environmental impact (e.g., carbon emissions), social impact (e.g., employee satisfaction), and governance attributes (e.g., board structure). The objective is to reduce exposure to investments that pose greater ESG risks or to influence companies to become more sustainable. One active area of research at present involves assessing portfolio risk exposure to climate change. This literature review focuses on institutional investors, which have grown in importance such that they have now become the largest holders of shares in public companies globally. Historically, institutional investors tended to concentrate their ESG efforts mostly on corporate governance (the "G" in ESG). These efforts included seeking to eliminate provisions that restrict shareholder rights and enhance managerial power, such as staggered boards, supermajority rules, golden parachutes, and poison pills. Highlights from this section: · There is no consensus on the exact list of ESG issues and their materiality. · The ESG issue that gets the most attention from institutional investors is climate change, in particular their portfolio companies' exposure to carbon risk and "stranded assets." · Investors should be positioning themselves for increased regulation, with the regulatory agenda being more ambitious in the European Union than in the United States. Readers might come away from this survey skeptical about the potential for ESG investing to affect positive change. I prefer to characterize the current state of the literature as having a "healthy dose of skepticism," with much more remaining to be explored. Here, I hope the reader comes away with a call to action. For the industry practitioner, I believe that the investment industry should strive to achieve positive societal goals. CFA Institute provides an exemplary case in its Future of Finance series (www.cfainstitute.org/research/future-finance). For the academic community, I suggest we ramp up research aimed at tackling some of the open questions around the pressing societal goals of ESG investing. I am optimistic that practitioners and academics will identify meaningful ways to better harness the power of global financial markets for addressing the pressing ESG issues facing our society.

Understanding Institutional Shareholder Activism Feb 15 2020 Institutional shareholder participation has long been considered as vital to good corporate governance yet its potential does not seem to have been realized. The recent banking crisis exposed the passivity of some institutional shareholders, many of whom appear to have chosen to sell their stakes in the banks rather than intervene or challenge the board when they realized the strategies followed by the banks were excessively risky. Institutional shareholders' role to scrutinize and monitor the decisions of boards and executive management in the banking sector in the UK is considered by many to be a failure, resulting in the phenomenon of 'ownerless corporations', as described by Lord Myners. In China, despite the fast rising of institutional investment in the securities market, institutional shareholders have not yet played a contributory role in monitoring corporate managers in listed companies. Drawing on empirical

evidence this book seeks to systematically analyses institutional shareholders' incentives to activism to explain when and why shareholder activism will occur. The book puts forward a model which explains the factors that determine institutional shareholders' propensity for activism. The model both elaborates the collective benefits of activism as a means of achieving managerial accountability asks whether and when shareholder activism is rational for any individual shareholder. The book then goes to on to apply these finding to both the UK and China in order to explain the varying levels of shareholder activism in each jurisdiction. The book is the first to take an in-depth look at institutional share-holder activism in China providing prescriptions to promote greater shareholder engagement and exploring the potential it holds for improving corporate governance in the region.
Investor Engagement Feb 21 2023 Western business practice has been transformed since the 1980s, especially in the US and Britain, with the growth of shareholder value. This book examines the resulting change in relations between investors and managers as investors have become actively engaged with the companies in which they invest, the rationale for this, and forms it takes.
Community Engagement and Investment Mar 30 2021 This book is a comprehensive guide to community engagement and investment, beginning with a survey of community-related voluntary standards and then turning to strategy and management, community engagement, community investment and reporting and communications on community-related activities. Sustainability is about the long-term wellbeing of society, an issue that encompasses a wide range of aspirational targets including ending poverty and hunger; ensuring healthy lives and promoting wellbeing for all; ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all; and promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Clearly the challenges associated with pursuing the goals are daunting and for most businesses it may be difficult for them to see how they can play a meaningful role in address them. While it is common for "society" to be identified as an organizational stakeholder, the reality is that one company cannot, acting on its own, achieve all the goals associated with societal wellbeing. However, every company, regardless of its size, can make a difference in some small, yet meaningful way, in the communities in which they operate, and more and more attention is being focused on the impact that companies have within their communities. Focusing on the community level allows an organization to set meaningful targets and implement programs that fit the scale of its operations and which can provide the most immediate value to the organization and its stakeholders. Societal wellbeing projects and initiatives must ensure that the organization does not compromise, and instead improves, the wellbeing of local communities through its value chain and in society-at-large. This book is a comprehensive guide to community engagement and investment, beginning with a survey of community-related voluntary standards and then turning to strategy and management, community engagement, community investment and reporting and communications on community-related activities.
Constructive Engagement Apr 11 2022 The relationships between investors, directors and companies have never been so vital, or so confusing. Gone are the days when being a non-executive director (NED) meant an agreeable lunch and when CEOs wanted them to meet investors 'over my dead body'. Even the most admired companies can be engulfed in scandal and the NEDs find themselves having to drive through fundamental changes. The corporate environment is full of pitfalls for unwary boards. And there are plenty of headline stories of directors who have failed to measure up. Equally, a high quality board which has the confidence of the investors is a major strategic asset: making better decisions, attracting better people and allowing bolder strategies to succeed with investor backing. Nicholas Beale uses research gathered from leading FTSE 100 chairmen, directors, non-executive directors and investors to explore their changing roles. What emerges is a fascinating and instructive picture of constructive engagement; an approach that sees these companies (and the people behind them), each in their own way, address the challenges that are at the heart of global capitalism, and that have lead to the Higgs Review, Sarbanes-Oxley and other regulatory attempts to address corporate mismanagement. From discussions with over 100 leading practitioners, detailed studies of three leading companies, three leading investors and an extended case study on investor engagement at Royal Dutch Shell, the author draws a series of ideas and guidance for all of the parties involved. Sadly this book has come too late for the directors and investors of those companies that have crashed and burned, but all others who are, or aspire to be, directors or significant investors in listed companies should read this book, learn the lessons it has to offer and start adopting them in the organization(s) with which you work and in the portfolios you develop. For more information visit www.conseng.net
Experiential Learning Dec 27 2020 In many universities innovations in financial education have allowed a movement beyond simulations to student management of real dollar funds. Through the investment of real money, students have the additional responsibility to act as a steward on behalf of their client. When purchasing equities as part of their investment portfolio, students can practice real life shareholder advocacy and engagement through socially responsible investing. The focus of this paper will be the experience of shareholder engagement within a student managed investment fund at Anderson University. Specifically, this paper will detail the experience of attending actual annual meetings in person and online, corporate visits, proxy voting, and writing shareowner proposals.
Why Do They Care? The Market for Corporate Global Responsibility and the Role of Institutional Investors Aug 23 2020 Institutional investors, primarily pension funds, drive global financial markets. The result is investors vulnerable to the risks companies face in global consumer and capital markets. While some market risks are inevitable, others such as reputation risk can be mitigated through increased corporate social and environmental standards and the increased transparency that such higher standards demand. The transparency necessitated by reputation management has a dual role in monitoring corporate behaviour and providing all stakeholders (internal and external) with the information to evaluate corporate behaviour. Driving this process is the belief that higher standards of corporate responsibility pay off for investors over the long-term through both potential equity premia and risk reduction. This paper presents a model for understanding how and why institutional investors may encourage firms to adopt higher standards. To illustrate our argument, we rely upon the experience of two large pension funds: the UK Universities Superannuation Scheme's strategy of corporate engagement and its attempts to encourage firms to raise their environmental standards by focusing on the climate change impacts of USS investments, and CalPERS' policy of company-screening in emerging markets using both the CERES and Sullivan Principles to monitor corporate behaviour. Investor engagement in corporate responsibility offers an insight into investors' role in global standard-setting and global citizenship.
Socially Responsible Investment in the 21st Century Feb 26 2021 Does Socially Responsible Investment (SRI) affect society in the 21st century? This book explores various facets of SRI to address its potential and limits to create societal change. Little research has been undertaken on the societal impacts of SRI. With this book we contribute to this debate, pushing the boundaries of SRI even further.
Institutional Investor Engagement Project Jan 08 2022
The Next Generation of Responsible Investing Nov 25 2020 In the face of the recent financial crisis there is increased focus on long-term investment strategies. This is particularly true for institutional investors who manage our retirement savings. Simultaneously there is increased demand that financial assets be invested with an understanding of long-term environmental and social sustainability. Responsible investing provides a long-term sustainable investment strategy that values environmental, social and governance (ESG) factors in investment decision-making. Responsible Investing has always had a broad mandate. Put simply, it is a long-term sustainable investment strategy that seeks to reduce risk in investment portfolios through managing ESG issues in today's corporations. The Next Generation of Responsible Investment explores this topic in an edited volume intended for those with an interest in finance and business.
Shareholders' Duties Oct 13 2019 It is often assumed that shareholders have rights, not duties. In recent years, however, this assumption has come under intense scrutiny in all aspects of company law and capital market law -legislation, the courts, soft law, and scholarship - and, in

Europe especially, major changes are under way across a diverse spectrum all the way from revised contractual arrangements to mandatory statutory provisions. Such a shift has important implications for the fundamentals of European company law, and there is a need to examine shareholders' duties and to consider where this trend is taking shareholders and their stance in law. This focused collection of essays by twenty notable scholars addresses this complex subject from a highly informative and useful variety of perspectives. Examining shareholders' duties along three axes - types of investee companies, types of shareholders, and types of business situations - the essays deal with such topics and issues as the following: - shareholders' duties as reflections of the interests they are intended to safeguard; - shareholders' duties to society; - shareholders' disclosure obligations; - duties of parent companies; - institutional investor's fiduciary duty; - how regulatory duties constrain value-reducing forms of opportunism; - the state's continuing duties in the transformation of state-owned companies; - significant shareholders' duties in transactions with the company; and - powerful shareholders' duty not to abuse right. Examining the implications of this shift in discourse - how shareholders' duties are coming to the fore under the impetus of legislation, legal doctrine, case law, and enforcement strategies - as well as its ideological underpinnings, this book offers a comprehensive and in-depth consideration of this rapidly developing field. It will prove of inestimable value not only to policymakers and academics, but also to investors and practitioners committed to creating conditions favourable to sustainable economic growth and responsible business behaviour.
Facilitating Investor Engagement on ESG Issues Nov 18 2022 This article summarizes the key practical insights and results from a study published by the authors in Business and Society. It demonstrates that collaborative engagement with companies on environmental, social, and corporate governance (ESG) issues provides institutional investors with material benefits including opportunities to share resources, time, and knowledge as well as to increase the weight of investors' demands in the eyes of corporate management. The article also notes that these collaborations come with typical barriers to collective action, such as properly funding such initiatives. The primary focus of the article is to explore the multiple roles that an organization such as PRI can play to overcome these challenges and support the collaborative engagement process. The authors begin by setting out a conceptual framework to address this question, then describe the findings of three actual case studies in which PRI played such a role.
Forcing Shareholder Engagement - Theoretical Underpinning and Political Ambitions Sep 04 2021 The rights and duties of shareholders have increasingly been included in the European debate on how to ensure good corporate governance, particularly in listed companies. The 2008-2009 financial crisis added urgency to the debate as it revealed a lack of critical oversight by shareholders, and in particular by institutional investors. The response of the EU Commission, as well as the Member States, has been to promote legislative initiatives aimed at increasing shareholder engagement and accountability. The aim of this paper is to examine three lines of argument that have been made to support initiatives to promote shareholder engagement in company law and to discuss the legitimacy of shareholder engagement. Undoubtedly, other arguments can be made as well, but as the Commission has chosen to promote shareholder engagement through the Shareholder Rights Directive and thereby the existing company law framework, the paper will not include arguments found outside the company law sphere.The starting point of this paper is the traditional argument for shareholder engagement in corporate governance theory. These theories presented in section II may give an understanding of the mechanisms of shareholder engagement and the limitations of shareholder engagement as a corporate governance mechanism. Second, this paper discusses the post-crisis critique of shareholder passivity and the references to shareholders' ownership. The discussions in section III seek to establish what a shareholder owns and how ownership may determine the rights and duties of a shareholder, in particular whether ownership may justify that shareholders should increase their engagement with investee companies. Finally, the paper examines the Commission's emphasis on the overall corporate governance framework as a tool to ensure the long-term sustainability of EU companies. Section IV borrows from stakeholder theory and public policy theory in order to seek to establish whether the call for increased shareholder engagement can be justified by shareholder accountability. Summarizing the findings in section II to IV, section V discusses the implications and justification of the apparent shift from traditional corporate governance concepts to a stronger emphasis on shareholder engagement and shareholder accountability.
Socially Responsible Shareholder Engagement Jul 02 2021 Bachelor Thesis from the year 2016 in the subject Business economics - General, grade: 8.5, Maastricht University, language: English, abstract: There is a growing attention for the corporate social responsibility and socially responsible investing (SRI) of organisations, and shareholders are increasingly voicing their concerns. This research examined whether the different characteristics of these shareholders have an impact on the support for shareholder proposals that are related to SRI. The effects of European ownership and political views on SRI proposal success of US firms were researched. It was hypothesised that Europeans have a positive effect on proposal success since there is more progression with respect to CSR in Europe, compared to the US. No evidence could be found in support of this hypothesis; the results show that European ownership has no significant effect on proposal success. It was also hypothesised that Democratic shareholders increase the chances of proposal success when compared to Republicans. The results show that a 1% increase in the share of Democratic shareholders increases the amount of positive votes on SRI proposals with 0.25%. The same increase in the share of Republican shareholders increases these positive votes by 0.23%. The hypothesis can thus be accepted, although the impact is very small. Several limitations were discussed which could be addressed in future research; with an improved regression model the research question could be researched in a more secure manner.