FOR IMMEDIATE RELEASE
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CII Publishes Two Reports on Investor-Company Engagement

Washington, D.C.—The Council of Institutional Investors (CII) is releasing today two publications highlighting the most effective ways to conduct and disclose investor-company engagement.

The first report, CII Investor-Company Roundtable: Effective Engagement is the result of a roundtable convened by CII in July 2015 to discuss the most effective engagement practices for both types of representatives. Some of the recommendations that came out of that discussion include:

- Ground rules should be set beforehand on who can attend, what topics are open for discussion and which discussion format will be used.
- Periodic engagement outside of the proxy season yields stronger long-term relationships and better outcomes.
- Quantitative measures of engagements by companies should not lead to focus on quantity rather than quality in discussions.
- Both corporate governance/proxy voting staff and investment staff, such as portfolio managers should be included in engagements with companies.
- Corporate long-term strategy should be a focus of discussion because it is critical to understanding executive pay and governance practices.
- Preparation can set the tone for a discussion so companies should familiarize themselves with investors' proxy voting guidelines and shareholders should draft a roster of questions that make it clear where their priorities lie

The second CII publication, Best Disclosure: Company-Shareholder Engagement highlights 10 companies’ 2014 or 2015 proxy disclosures of their engagement practices. The companies were identified as having exemplary disclosure by CII members who responded to a survey conducted via the Council’s listserv.

An analysis found some common elements in these firms’ disclosure:

- Half of the companies provide detailed information about the processes they employ to facilitate engagement.
- Three include instructions and/or email addresses for shareholders wishing to engage with the companies.
- Four emphasize their boards’ role in the engagement process.
- Three companies say engagement with shareholders is primarily a management responsibility.
Several companies quantify their engagement activities.
Others list reforms they made to their governance practices as a result of feedback from discussions with shareholders.

This report is the third in a series of “Best Disclosure” issue briefs that seek to provide investors and companies with approaches to, and examples of, exemplary disclosure.