

# IRRC Institute/ISS Survey on Investor-Company Engagement 2013

## Respondent Information

In collaboration with the [IRRC Institute](#), ISS is conducting a study of the state of issuer-investor engagement in the U.S., to update our [previous study published in 2011](#).

As an initial step, we are seeking input from a broad base of issuers and investors on their engagement activities. We have developed a short survey that investigates the issues, goals and outcomes of engagement, and how these have changed in recent years. Your responses will provide important information on the level and focus of engagement activity, insight into the expectations and experiences of both issuers and investors, and illuminate how the engagement process can become more productive and successful for both issuers and investors.

Thank you for providing your input through this brief survey on your engagement activities. It should take only a few minutes to complete.

Your responses will be held strictly confidential and will be used only for the purposes of this study. No individually identifiable information from this survey will be released.

For your reference, you can [download a copy of the survey](#). If you have any questions, please contact [Marc Goldstein](#).

### **1. Please provide contact information so we can send you a copy of the survey results.**

Name	<input type="text"/>
Title	<input type="text"/>
Organization	<input type="text"/>
E-mail address	<input type="text"/>

### **\*2. Which category best describes the organization on whose behalf you are responding?**

- Asset owner (e.g., pension fund, insurance company)
- Asset manager (e.g., mutual fund)
- Corporate issuer
- Advisor

## Respondent Information - Issuers

**\*1. What is your role/function in the company on whose behalf you are responding?  
(choose all that apply)**

- Board Member (Director)
- Chief Executive
- CFO/Financial Executive
- General Counsel
- Corporate Secretary
- Investor Relations
- Other (please specify)

**2. What is the size of your company's market capitalization (in US dollars)?**

- Under \$100 million
- \$100-250 million
- \$250-500 million
- \$500 million - 1 billion
- \$1 billion - 5 billion
- \$5 billion - 10 billion
- Over \$10 billion

**3. What is the size of your organization's total workforce in all locations?**

- 1-100 employees
- 101-250 employees
- 251-1,000 employees
- 1,001-2,500 employees
- 2,501-5,000 employees
- 5,001-10,000 employees
- More than 10,000 employees

**\*4. How many staff in your organization are typically involved in engagement between management/directors and shareholders?**

- None
- One
- 2-5
- 6-10
- More than 10

## Respondent Information - Institutional Investors

### 1. What is the size of your organization's equity assets under management or assets owned (in US dollars)

- Under \$500M
- \$500 million - 1 billion
- \$1 billion - \$5 billion
- \$5 billion - \$10 billion
- Over \$10 billion

### 2. What is the size of your organization's total workforce in all locations?

- 1-100 employees
- 101-250 employees
- 251-1,000 employees
- 1,001-2,500 employees
- 2,501-5,000 employees
- 5,001-10,000 employees
- More than 10,000 employees

### 3. How many staff in your organization are typically involved in engagement between management/directors and shareholders?

- None
- One
- 2-5
- 6-10
- More than 10

## How much engagement is there and why?

Please answer the following questions based on a definition of “engagement” that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

Contact such as investor conferences and capital-raising would also not be considered engagement.

### 1. How much engagement activity have you experienced in the past year?

	None	One	2-5	6-10	11-24	25-100	>100
Engagements you have initiated	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Engagements initiated by others	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

### 2. What was the reason(s) for the engagement request(s)? (check all that apply)

	Requests You Made	Requests You Received
Financial results	<input type="checkbox"/>	<input type="checkbox"/>
Transactions/corporate strategy	<input type="checkbox"/>	<input type="checkbox"/>
Environmental issues	<input type="checkbox"/>	<input type="checkbox"/>
Non-financial/social issues	<input type="checkbox"/>	<input type="checkbox"/>
Executive compensation issues	<input type="checkbox"/>	<input type="checkbox"/>
Other corporate governance issues	<input type="checkbox"/>	<input type="checkbox"/>

### 3. What percentage of the engagement you do is tied to:

Quarterly earnings releases?

Annual shareholder meetings?

## Who participates in engagement?

Please answer the following questions based on a definition of “engagement” that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

### **1. When an investor initiates engagement with management, who at a company is likely to be contacted?**

- IR
- Corporate Secretary/General Counsel
- CEO/CFO
- Other (please specify)

### **2. When an investor initiates engagement with the board, who at a company is likely to be contacted?**

- IRO
- Corporate Secretary
- Chair
- Lead Director
- Nominating Committee Chair
- Compensation Committee Chair
- Other (please specify)

### **3. When a company seeks to engage, who generally initiates engagement with an investor or investor group?**

- IRO
- Corporate Secretary/General Counsel
- CEO/CFO
- Chairman or Lead Director
- Nominating Committee Chair
- Compensation Committee Chair
- Not applicable
- Other (please specify)

## 4. For investors: How often does your organization engage alone with issuers versus collectively with other like-minded institutions?

	Typically alone	Sometimes with others	Always with others	Not applicable
Involve others in engagement process once the target/subject matter has been decided	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Coordinate engagement with others to choose target companies or subjects on which to engage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional comments	<div style="border: 1px solid black; height: 50px; width: 100%;"></div>			

## What is involved in a typical engagement?

Please answer the following questions based on a definition of “engagement” that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

### 1. How do you usually initiate engagement?

- By letter/e-mail
- By telephone call
- Proxy resolution filing
- We do not initiate engagement
- Other (please specify)

### 2. What types of communication are generally involved in the engagement episode (check all that apply)?

- In-person discussions
- Exchange of letters/e-mails
- Telephone calls
- Proxy resolution filing
- Other (please specify)

### 3. For Management/Directors: Based on your actual activity, what type of investor are you most likely to engage with? (check all that apply)

- Large shareholder (regardless of type)
- Institution
- Any shareholder
- Domestic shareholders only
- Depends on the issue (explain)



## 4. For Institutions: Based on actual activity, what type of companies are you most likely to engage with? (check all that apply)

- Large cap
- Small/midcap
- Companies heavily weighted in the portfolio
- Domestic only
- Underperforming companies
- Companies with contentious issues
- Any
- Depends on issue
- Depends on the issue (explain)

## 5. How long does an engagement typically last?

- A week or less
- Two weeks to one month
- More than one month

Additional comments

## 6. Have your engagements been made public?

- Most have been made public
- Less than 50% have been made public
- Not typically public, with occasional exceptions
- None have become public

Additional comments

## Engagement results

Please answer the following questions based on a definition of “engagement” that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

### 1. What outcomes of an engagement process are sufficient to make an engagement “successful”? (check all that apply)

- Establishment of a dialogue, even if contentious, between investors and issuer
- Constructive dialogue on specific issues of concern
- Company commitment to engage on issues of concern in the future
- Additional company disclosure or specific changes in company policies/practices
- Changes in shareholder proxy vote
- Withdrawn shareholder proposal(s)
- Other (please specify)

### 2. Does your definition of a successful engagement vary by subject area?

- No
- Yes (explain)

### 3. Considering your activities in the last year, how would you generally characterize your engagement efforts?

- Always successful
- Usually successful
- Sometimes successful
- Never successful

## Engagement trends

Please answer the following questions based on a definition of “engagement” that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

### 1. The number of engagements in the most recent year has been:

- Increasing significantly (up by more than 50%)
- Increasing somewhat (up by between 10-50%)
- Unchanged
- Decreasing somewhat (down by 10-50%)
- Decreasing significantly (down by more than 50%)

Additional comments

### 2. If you are engaging more than you did three years ago, to what do you attribute the increase? (check all that apply)

- More time/resources
- Receiving more requests
- Advisory votes on pay
- United Nations Principles on Responsible Investing
- Changes to broker may vote (discretionary voting) rule
- Other (please specify)

### 3. If you are engaging less than you did three years ago, to what do you attribute the decrease? (check all that apply)

- Less time/fewer resources
- Receiving fewer requests
- Resolved issue leading to previous engagement
- Changed internal policy on engagement
- Other (please specify)

## 4. What is the three-year trend in the topics of your engagement?

- Expanding to cover more topics
- Contracting to focus on fewer topics
- About the same

If you answered "expanding" or "contracting", please briefly explain:

## 5. For investors Are you engaging more with corporate directors than you did three years ago?

- More
- Less
- About the same
- We have not engaged with corporate directors

## 6. For issuers Are your directors engaging more with shareholders than was the case three years ago?

- More
- Less
- About the same
- Our directors have not engaged with shareholders

## 7. For investors and issuers What percentage of your engagements have involved a director?

## 8. Which of the following directors were involved?

- Board Chair or Lead Director
- Compensation Committee Chair
- Nominating/Governance Committee Chair
- Other
- N/A (no directors involved)

## 9. What is the three-year trend in the success of your engagement activities, as you define it?

- Becoming more constructive/successful
- Becoming less constructive/successful
- About the same

If your definition of "successful" engagement has changed in the last three years, please briefly explain:

## Engagement impediments

Please answer the following questions based on a definition of "engagement" that includes some direct contact between a shareowner and an issuer (including a board member); such engagement may include the filing/presentation of a shareholder proposal, but should not consist solely of such a filing.

### 1. What in your view are the most common impediments to engagement? (check all that apply)

- Regulatory concerns (e.g., Reg FD)
- Time considerations
- Staffing considerations
- Philosophical considerations
- Stubbornness or unreasonable behavior
- Insufficient information (e.g., OBOs)
- Unwillingness to talk
- Other (please specify)

**Thank you for your participation.** Please click "Done" below to submit your results.