


Activist Investment



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**““ A lot of people die
fighting tyranny.
The least I can do
is vote against it.**

Carl Icahn

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Meet Your Presenter



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Disclaimer



●●●●● **Agenda**
The Road to Change



What is
Investor
Activism?

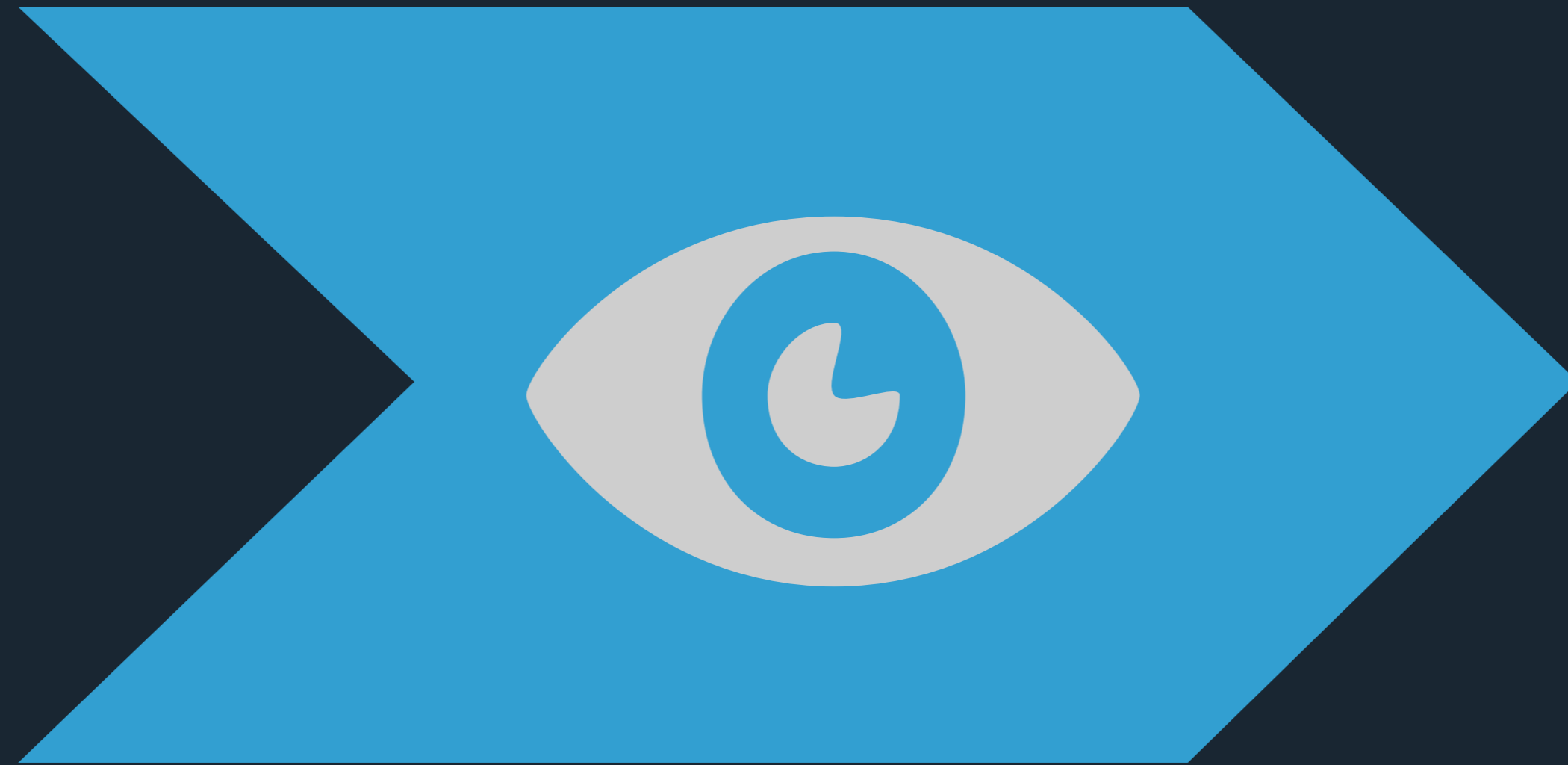
What are
the
Different
Types of
Activism?

How have
these
Strategies
Impacted
Different
Companies?

How can
Individuals
Create Change?

●●●●● What is Investor Activism?

Understanding the Concept



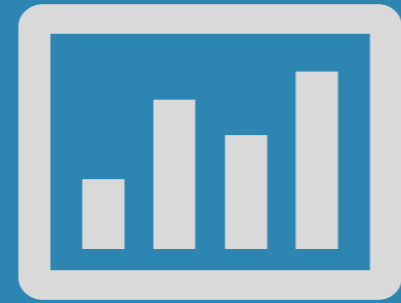
What is
Investor
Activism?

What is Investor Activism?

Understanding the Concept



Identifying a
Specific Issue



Deciding on a
Solution to
the Issue



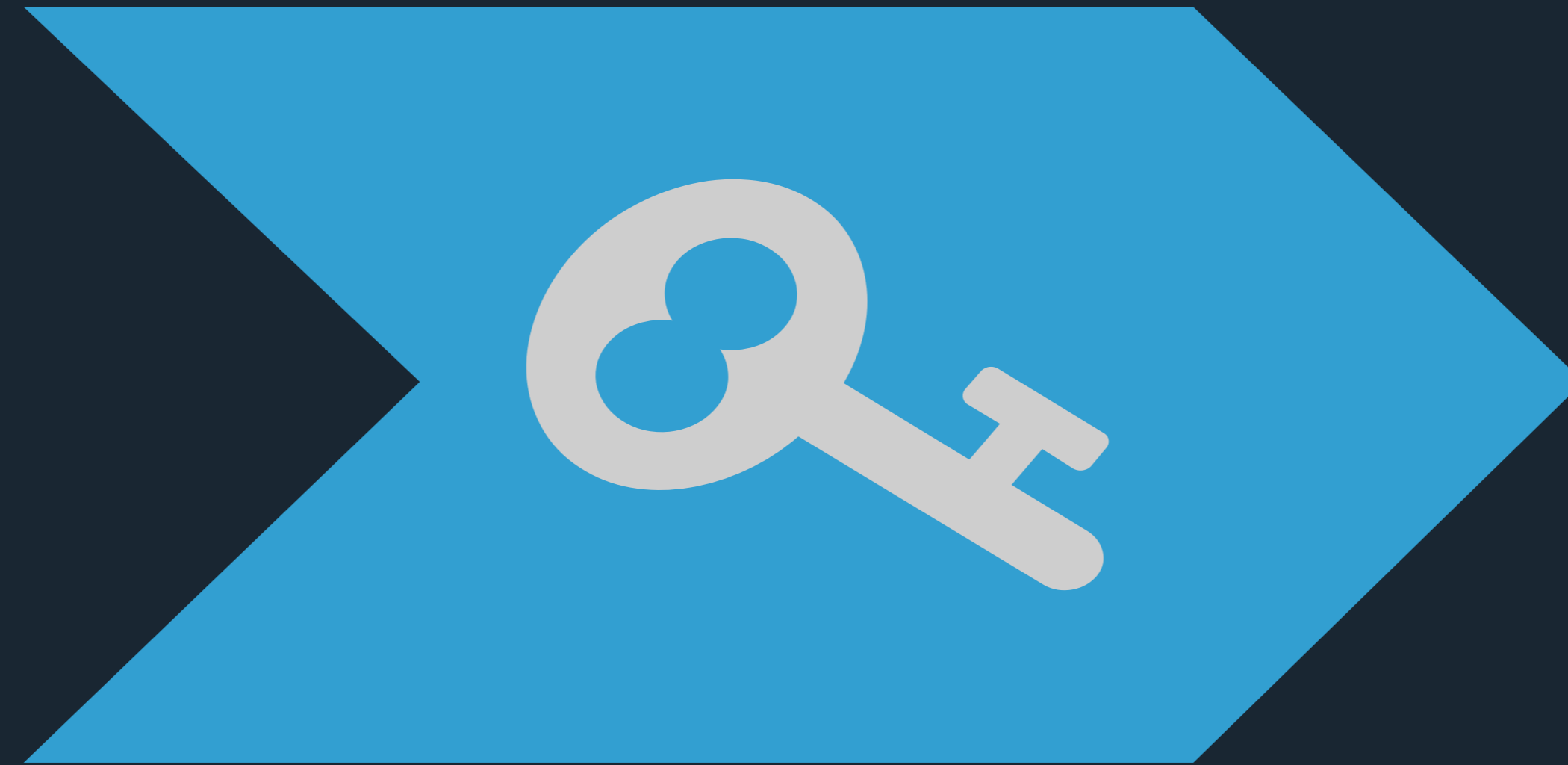
Deciding the
Method of
Change



Putting the
Plan into
Action

An **activist shareholder** is one using an equity stake in a corporation to put public pressure on its management.

●●●●● **Method of Change**
Putting solutions to work



What are
the
Different
Types of
Activism?

●●●●● **Method of Change**
Putting solutions to work



Proxy Battles



Litigation



Publicity Campaigns



Negotiations with Management



Shareholder Resolutions



Online Petitions/Campaigns



Pros

Broad Reaching

No equity in company
required

Cons

Can be Costly

Message may not be
acted upon

Typically “Noise” to
companies

●●●● Shareholder Resolutions



Pros

Specifically targets an issue

Shareholders of the company will see it and vote

Cons

Not Legally Binding

Complicated to execute

Requires shares in the company (sometimes significant)

●●●● Online Petitions/Campaigns



Pros

Generally
inexpensive

Targeted,
Documented Issue

Cons

Difficult to generate
interest

Lacks impact

●●●●● Question Break

Any thoughts on the various activism methods?



Proxy Battles



Litigation



Publicity Campaigns



Negotiations with Management



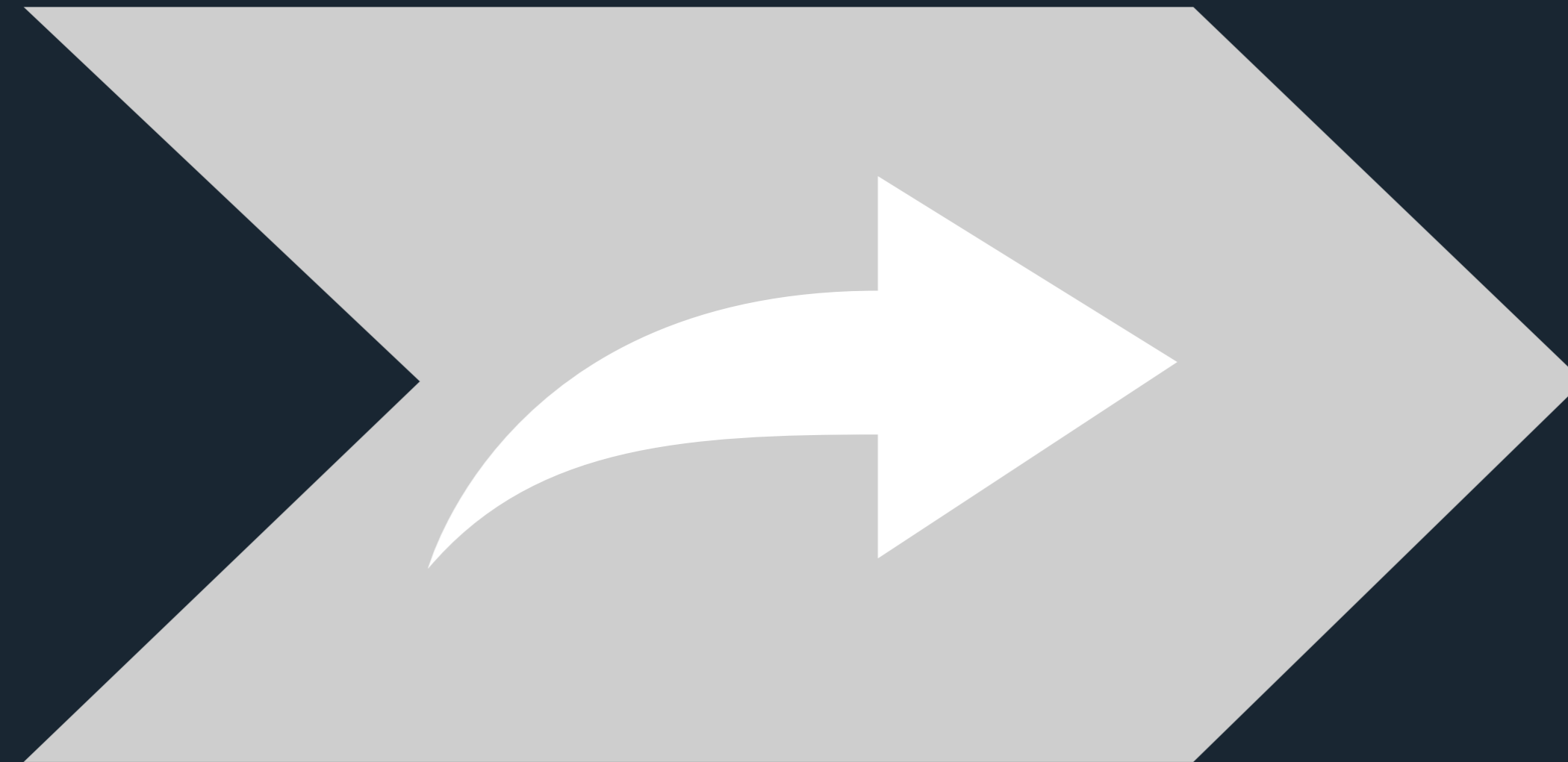
Shareholder Resolutions



Online Petitions/Campaigns

●●●●● **Activism Impact**

What happened when someone spoke out?



How have these
Strategies
Impacted
Different
Companies?

●●●● RBC, BMO and the Big Banks

Shareholder “Say on Pay”



Issue: Perceived over compensation of executive team members

Outcome:

- Investors filed non-binding motions with Canada’s big five banks asking fellow shareholders to endorse a request to give investors a vote on executive compensation packages.
- A few years ago, no Canadian companies gave their shareholders a say-on-pay. Today, approximately 125 of Canada’s largest corporations give shareholders a voice on those decisions.

●●●●● Tim Horton's Fair Trade Coffee

Buying the Beans



Issue: The company had a Coffee Partnership Program to help small-scale coffee farmers, yet it didn't buy beans from those farmers.

Outcome:

- Investors lobbied the company for years to provide fair trade coffee in its stores.
- Tim Horton's eventually launched its Partnership Blend coffee in the Spring of 2013. Sales of that coffee are helping to build sustainable coffee farming communities in key areas of the world.



Issue: Multiple areas for improvement (sustainability reporting disclosure)

Outcome:

- Investors engaged with Loblaw on a range of issues since 2006, including sustainability reporting disclosure, “say on pay,” and supply chain issues.
- The company has published corporate sustainability reports every year since 2007 and has participated in the Carbon Disclosure Project since 2009.



What can we do?

How those in the room can make an impact



How can
Individuals Create
Change?

Change Agents

Aligning shareholder goals



Share Canada

<http://www.share.ca/>



Canadian Coalition for Good
Governance

<http://www.ccgga.ca/>



Responsible Investment
Association

<http://www.riacanada.ca>

●●●●● Environmental, Social and Governance
E, S and G



Negative Screening



Divesting



Positive Screening



Open Communication with Management



Shareholder Resolutions



Power in Numbers

●●●●● Questions?
Get Engaged



What is
Investor
Activism?

What are
the
Different
Types of
Activism?

How have
these
Strategies
Impacted
Different
Companies?

How can
Individuals
Create Change?



Thank You