INSTITUTIONAL INVESTORS’ POWER TO CHANGE CORPORATE BEHAVIOR: INTERNATIONAL PERSPECTIVES

EDITED BY

SUZANNE YOUNG
La Trobe Business School, Melbourne, Australia

STEPHEN GATES
Audencia Nantes School of Management, France

United Kingdom – North America – Japan
India – Malaysia – China
CONTENTS

LIST OF TABLES ix
LIST OF FIGURES xi
LIST OF CONTRIBUTORS xiii
EDITORIAL ADVISORY AND REVIEW BOARD xv
ABOUT THE EDITORS xix
ABOUT THE AUTHORS xxi
ACKNOWLEDGMENTS xxvii

PART I: INTRODUCTION

INSTITUTIONAL INVESTORS' POWER TO CHANGE CORPORATE BEHAVIOR: AN INTRODUCTION
Suzanne Young and Stephen Gates 3

PART II: THE POWER OF INSTITUTIONAL INVESTORS IN PROMOTING A SUSTAINABILITY AGENDA

ORGANIZING THE COLLECTIVE ACTION OF INSTITUTIONAL INVESTORS: THREE CASE STUDIES FROM THE PRINCIPLES FOR RESPONSIBLE INVESTMENT INITIATIVE
Jean-Pascal Gond and Valeria Piani 19
RESPONSIBLE INVESTMENT, ESG, AND INSTITUTIONAL INVESTORS IN AUSTRALIA
   Suzanne Young 61

CORPORATE CLIMATE CHANGE DISCLOSURE PRACTICES AND REGULATION: THE INFLUENCE OF INSTITUTIONAL INVESTORS
   Julie Cotter and Muftah M. Najah 81

FINANCIALIZATION OF CORPORATE OWNERSHIP AND IMPLICATIONS FOR THE POTENTIAL FOR CLIMATE ACTION
   David Peetz and Georgina Murray 99

SOCIAL AND ENVIRONMENTAL SHAREHOLDER RESOLUTIONS: INVESTOR ACTIVISM AND CORPORATE COMPROMISES
   Paul Dunn 127

INSTITUTIONAL INVESTORS, FIRM PERFORMANCE, AND THE PROSPECTS FOR SOCIALLY RESPONSIBLE INVESTING: EVIDENCE FROM NEW ZEALAND
   Krishna Reddy and Andrea Bather 149

PART III: LEGAL, REGULATORY AND CULTURAL FRAMEWORKS FOR EXERCISING INSTITUTIONAL INVESTORS' POWER

STRATEGIC RESPONSES TO NEW INSTITUTIONAL PRESSURES: THE CASE OF INSTITUTIONAL INVESTOR ACTIVISM IN FRANCE
   Nathalie Del Vecchio and Carine Girard 179
<table>
<thead>
<tr>
<th>Title</th>
<th>Authors</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INSTITUTIONAL INVESTORS: ACTIVE OWNERSHIP THROUGH NOMINATION COMMITTEES</td>
<td>Hanne Søndergaard Birkmose and Therese Strand</td>
<td>201</td>
</tr>
<tr>
<td>BANKING FOUNDATIONS AND THE CSR OF ITALIAN LISTED BANKS: THE CASE OF MONTE DEI PASCHI DI SIENA</td>
<td>Nicola Moscariello and Barbara Masiello</td>
<td>225</td>
</tr>
<tr>
<td>THE DEVELOPMENT OF SRI IN CHINA</td>
<td>Monica Macquet and Emma Sjöström</td>
<td>253</td>
</tr>
<tr>
<td>PART IV: IMPEDIMENTS TO INSTITUTIONAL INVESTORS’ PROMOTION OF THEIR SUSTAINABILITY AGENDA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INSTITUTIONAL INVESTOR SUPPORT FOR CLIMATE CHANGE RESOLUTIONS: A NEW CHALLENGE TO CAPITALISM OR CO-OPTED ACTIVISM?</td>
<td>Ben Jacobsen</td>
<td>279</td>
</tr>
<tr>
<td>THE ROLE OF SOCIAL PERFORMANCE IN MICROFINANCE INVESTMENT DECISIONS</td>
<td>Ludovic Urgeghe</td>
<td>309</td>
</tr>
<tr>
<td>ESG: FROM NEGATIVE SCREENING TO HUMAN CAPITAL ANALYSIS</td>
<td>Carol Royal and Loretta O’Donnell</td>
<td>339</td>
</tr>
<tr>
<td>A MOTIVATION PUZZLE: CAN INVESTORS CHANGE CORPORATE BEHAVIOR BY CONFORMING TO ESG PRESSURES?</td>
<td>Kyoko Sakuma-Keck and Manuel Hensmans</td>
<td>367</td>
</tr>
</tbody>
</table>
PART V: CORPORATE RESPONSES TO INSTITUTIONAL INVESTORS' PROMOTION OF THEIR SUSTAINABILITY AGENDA

PROACTIVE INVESTOR RELATIONS: HOW CORPORATIONS RESPOND TO PRESSURES FROM SOCIAL RESPONSIBILITY INVESTORS

Stephen Gates 397