COLUMBIA UNIVERSITY

ADVISORY COMMITTEE
ON SOCIALLY RESPONSIBLE INVESTING

ANNUAL REPORT 2006-2007

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Executive Summary

1. Introduction

The Advisory Committee on Socially Responsible Investing (ACSRI) serves as the University's vehicle to advise the Trustees on social and ethical issues confronting the University as an investor. Traditionally, the primary focus of the ACSRI's work has been on evaluating and formulating vote recommendations on social-issue shareholder proposals presented to publicly traded domestic companies held within the University's investment portfolio. In addition to this work, during the 2006-07 academic year, the ACSRI established a process for monitoring the Sudan divestment list, created in the April 2006 Statement of Position and Recommendation on Divestment from Sudan ("the Sudan Statement"), and recommended modifications to the list. The ACSRI also spent time learning about Chevron's legacy operations in Ecuador and hosting presentations by various stakeholders and experts. The ACSRI sent a letter expressing its views on the matter to Chevron management. This Executive Summary provides a synopsis of all of the ACSRI's activities during 2006-07. The remainder of the Annual Report provides the full detail and description of the ACSRI's work during the 2006-07 academic year.

2. Sudan Divestment Monitoring

In the fall of 2006, in accordance with the Sudan Statement, the ACSRI undertook Sudan divestment monitoring. The ACSRI agreed that monitoring and updating of the divestment list would take place once per year and established an informal subcommittee of its members to review the activities of companies doing business in Sudan. During the spring 2007, the ACSRI recommended the addition of ten new companies to the divestment list, as well as the removal of three companies (due to these companies' decisions to withdraw operations from Sudan). The ACSRI's recommendations were approved by the Trustees Subcommittee on Shareholder Responsibility (TSSR), as well as by the full Board of Trustees. The relevant press release is attached as Appendix 1.

3. Chevron's Legacy Operations in Ecuador

At the ACSRI's annual Town Hall in November 2006, students representing Columbia's chapter of Amnesty International asked the ACSRI to take shareholder action with respect to the controversy surrounding Chevron's (formerly Texaco's) legacy operations in Ecuador. The controversy surrounds the alleged dumping of toxic waste in the Ecuadorian rainforest, insufficient remediation of well sites and pits, and subsequent alleged negative health effects afflicting inhabitants of the region. To become fully informed on the issue, the ACSRI hosted presentations by a shareholder advocate from Amnesty International, members of Chevron corporate management involved in the Ecuador case, and two third-party experts from the Columbia faculty. The final presentation to the ACSRI was completed in late April 2007, and the ACSRI then composed a letter to Chevron's corporate management team (Appendix 2) recommending that Chevron broaden its approach to corporate social responsibility in the matter and settle the case.

4. 2007 Proxy Review

During the 2007 proxy season, the ACSRI and the TSSR reviewed 72 social issue shareholder proposals. The ACSRI was able to develop sufficient consensus (at least 6 out of 12 votes) for a formal recommendation in 63 cases, or 88% of these reviews. As has been the case in previous years, coordination and cooperation between the ACSRI and the TSSR have been excellent: this year there was agreement between the TSSR and the ACSRI on 59 of the 63 recommendations (94%). The table below compares the overall results of 2007 to the results of prior years:

	Number of		
Year	**Proposals Reviewed**	**Recommendations to TSSR**	**Agreement by TSSR**
2006-07	72	63 (88%)	94%
2005-06	89	83 (93%)	95%
2004-05	78	74 (95%)	99%
2003-04	97	87 (90%)	94%
2002-03	132	122 (92%)	92%
2001-02	89	68 (76%)	82%
2000-01	32	19 (59%)	89%

The table below provides the distribution of shareholder proposals by issue area and ACSRI recommendation during 2007. As the University holds a diversified portfolio of publicly traded securities, the issue area distribution likely reflects that of the universe of all social responsibility proposals filed:

	ACSRI Recommendations		
Issue	**Support**	**Reject**	**Total**
Animal Welfare	1		1
Banking Issues	1		1
Board Diversity/Independence	1		1
Corporate Charitable Donations		7	7
Corporate Political Donations	12	3	15
Environment and Energy	7	5	12
Equal Employment/Northern Ireland	3	3	6
Executive Compensation	1		1
Global Labor Standards	3	1	4
Health Issues	1		1
Human Rights	3	1	4
Job Cuts and Relocations (Outsourcing)		1	1
Military and Security/Weapons		3	3
Miscellaneous		1	1
Sustainability Reporting	4	1	5
Total	**37**	**26**	**63**

The table below summarizes all ACSRI recommendation and TSSR voting outcomes during the 2007 proxy season:

	TSSR Vote			
ACSRI Recommendation	None / Abstain	Reject	Support	**ACSRI Total**
None / Abstain	4	5		9
Reject		27		27
Support	3	1	32	36
TSSR Total	7	33	32	72

In 2007, the ACSRI recommended supporting the proposal on 36 of 63 recommendations (57%, excluding the nine cases on which it could not develop a formal recommendation). The corresponding figures for 2006 were 50 of 83 (60%). Of these 36 supporting recommendations in 2007, the TSSR agreed 32 times (89%) but chose to abstain on three occasions and voted to reject the proposal on one occasion. In 2006, the TSSR supported 46 of the 50 supporting recommendations (92%).

Appendix 4 lists each ACSRI proxy voting recommendation and TSSR vote for 2007. The main body of this report describes the ACSRI's deliberations with respect to the proposals reviewed. Please refer to Section VI of the report, "Social Responsibility Shareholder Proposals: Deliberations" beginning on page 15, for a full account of the reasoning and deliberations that yielded the following patterns in 2006-07:

- The ACSRI was divided on animal welfare proposals and was unable to develop a recommendation in three out of the four cases reviewed. Members were circumspect about the proponents' overall agenda and overreaching tone, had difficulty agreeing on what constituted appropriate criteria and standards of measurement for animal welfare, and thus were hesitant to support these proposals. The TSSR rejected or abstained in all cases. *(See deliberations on pages 15-17.)*

- The ACSRI and TSSR once again rejected all proposals requesting companies to disclose or report on charitable contributions and policy, considering these proposals a disincentive to corporate charitable giving. (*See deliberations on page 19.)*

- As in previous years, the ACSRI and TSSR produced a mixed voting record overall on proposals pertaining to energy and the environment. The committees approached proposals related to climate change with great concern for the issues at hand, but ultimately were unable to support most of the individual proposals. Both committees supported proposals requesting reports on the environmental impact of corporate practices on individual local communities; they approached proposals concerning corporate impact on protected areas or scarce resources, as well as proposals concerning the phasing out of harmful or non-certified substances, on a case-by-case basis; and they rejected proposals concerning genetically engineered foods and plants. *(See deliberations on pages 19-28.)*

- The committees continued to support proposals encouraging increased transparency with regard to equality in employment and requests for corporate statements of non-discrimination based on sexual orientation. The committees again rejected proposals requesting implementation of the MacBride principles in Northern Ireland. *(See deliberations on pages 28-29.)*

- In considering proposals related to global labor standards and human rights, the committees offered support, except in cases where a company was not a suitable target; the committees rejected a proposal motivated by an "anti-social" sentiment, and the

TSSR abstained on a proposal concerning Sudan divestment. *(See deliberations on pages 30-35.)*

- In the health area, no proposals concerning drug pricing and access came up for review. The ACSRI supported a proposal concerning access to health care, but the TSSR abstained. *(See deliberations on page 35.)*

- Both committees rejected proposals concerning military issues and sales. The proposals appeared to be motivated by opposition to weapons manufacture and sales generally, and the proposals, in essence, asked the targeted companies to not engage in this business. While the ACSRI felt that it was appropriate to question whether universities should be invested in the defense industry, they did not feel they could support the proposals as written. *(See deliberations on pages 35-36.)*

- As was the case last year, the ACSRI and TSSR supported all shareholder proposals requesting increased transparency with respect to corporate political donations. The committees rejected narrow proposals requesting advertising of corporate political contributions in newspapers and those requesting affirmation of non-partisanship or the disclosure of executives' prior government service. *(See deliberations on pages 36-38.)*

- In keeping with recent precedent, both committees supported proposals requesting reports on sustainability (with one exception). *(See deliberations on pages 39-40.)*

I. Introduction and Background

During the 2000 spring semester, Columbia established two committees to assist the University in addressing its responsibilities as an institutional investor: the Advisory Committee on Socially Responsible Investing (ACSRI) and the Trustees Subcommittee on Shareholder Responsibility (TSSR). The ACSRI's mission is to advise the University Trustees on ethical and social issues that arise in the management of the investments in the University's endowment. The ACSRI has a broad mandate to set its own agenda in pursuit of this mission. The legal and fiduciary responsibility for the management of the University's investments lies with the University Trustees. As a result, ACSRI recommendations are advisory in nature. The TSSR (and in some cases, the full board of Trustees) takes final action with regard to all matters that are the subject of recommendations of the ACSRI.

The work of the ACSRI starts from the premise that universities have a special role to play in giving careful consideration to socially responsible investment (SRI) issues. Many of the specific issues reviewed by the ACSRI are traditional "social" matters that are commonly part of the social policy agenda of committees of this sort at other universities. All of these issues are complex, and opinions among the members of the ACSRI vary, just as they do within the broader University community.

The ACSRI's membership process is designed to help ensure that it is broadly representative of the Columbia community. The President of the University appoints twelve voting members (four faculty, four students, and four alumni), who are nominated, respectively, by the deans of the schools, the student affairs committee of the University Senate, and the Office of University Development and Alumni Relations. In addition, one administrator (the Executive Vice President for Finance) sits as a non-voting member. Merritt Fox, Michael E. Patterson Professor of Law, chaired the ACSRI during the 2006-07 academic year.

This Annual Report describes the work of the ACSRI during the 2006-07 year. It details the ACSRI's activities with respect to Sudan divestment monitoring and inquiry into Chevron's legacy operations in Ecuador. As in previous years, the bulk of the Annual Report describes the ACSRI's deliberations and voting recommendations on the shareholder proposals it considered, as well as the actions taken by the TSSR with respect to those recommendations. The proposals are contained in the proxy statements of publicly traded companies whose shares are owned as part of the University's endowment investments. These proxy statements are sent to all shareholders in order to allow them to vote their shares at company annual meetings without being physically present. The proposals considered were a subset of those coming up for votes during the 2007 "proxy season," the period between March and June when most publicly traded corporations hold annual meetings. Finally, this Annual Report includes an account of the ACSRI's preparatory work during the 2006-07 year, including the setting of its Annual Agenda and hearing presentations from guest experts on social issues.

II. Sudan Divestment Monitoring

In April 2006, the ACSRI issued, and the Trustees approved, the Statement of Position and Recommendation on Divestment from Sudan. That document outlined the criteria for divestment from Sudan, named eighteen companies to be divested, and called for monitoring of both the divestment list and the activity of other companies with operations in Sudan. In the fall of 2006, in accordance with the April 2006 Statement, the ACSRI undertook Sudan divestment monitoring. The ACSRI agreed that monitoring would take place annually and established an informal subcommittee of its members to review company activity in Sudan. After careful review of available research and deliberation, the Sudan divestment subcommittee developed a recommendation to add ten new companies to the divestment list, and to remove two companies from the divestment list (due to those companies' decisions to withdraw from operations in the Sudan). The subcommittee presented its recommendations to the full ACSRI in the winter of 2006; the ACSRI voted to affirm all recommendations of the subcommittee and formally presented those recommendations to the TSSR. In turn, the TSSR forwarded the ACSRI's recommendations to the full Board of Trustees for approval. At its March 2007 quarterly meeting, the Board of Trustees formally approved the ACSRI's recommendations. (The related press release with the modified list of companies divested is attached as Appendix 1.) Subsequent to these actions, Rolls-Royce – which had just been added to the divestment list – announced that it would cease operations in Sudan due to the humanitarian crisis in Darfur. In light of this information, the ACSRI's Sudan divestment subcommittee recommended to the ACSRI that Rolls-Royce be removed from the list; the ACSRI concurred with the subcommittee's recommendation and sent the recommendation to the TSSR and full board of

Trustees for approval. The recommendation was approved at the Trustees' June quarterly meeting.

III. Chevron's Legacy Operations in Ecuador

At the ACSRI's annual Town Hall in November 2006, students representing Columbia's chapter of Amnesty International addressed the ACSRI on the controversy surrounding Chevron's (formerly Texaco's) legacy operations in Ecuador. The controversy includes the alleged dumping of toxic waste in the Ecuadorian rainforest, insufficient remediation of well sites and pits, and subsequent alleged negative health effects afflicting inhabitants of the region. The student presenters requested several actions by the University, including issuing a public statement and engaging with company management concerning the issue. The presenters submitted a petition signed by over 400 Columbia students in support of their requests. Following the Town Hall, an editorial, published in the winter 2007 issue of Columbia student publication *The Current* and formally submitted to the ACSRI for consideration, requested that Columbia divest from Chevron. The ACSRI gave careful consideration to these requests. To become fully informed on the issue, the ACSRI hosted presentations by a shareholder advocate from Amnesty International, members of Chevron corporate management involved in the Ecuador case, and two third-party experts from the Columbia faculty. The final presentation to the ACSRI was completed in late April 2007. The ACSRI determined that the most appropriate action was to communicate directly with corporate management via written correspondence. The ACSRI then forwarded a letter to Chevron's corporate management team (Appendix 2) recommending that Chevron broaden its approach to corporate social responsibility in the matter and settle the case.

IV. Activities In Preparation for the 2007 Proxy Season

A. Gathering Information

The ACSRI uses the period from the beginning of the academic year until proxy season, which starts in early spring, to gather information, develop expertise, consult with members of the University community, and carry out business consistent with the ACSRI's mandate but unrelated to proxy review. The ACSRI met five times during this period. In addition to undertaking Sudan monitoring and the inquiry into Chevron's legacy operations in Ecuador, the

ACSRI invited Klaus Lackner, the Maurice Ewing and J. Lamar Worzel Professor of Geophysics; Professor, Earth and Environmental Sciences; and Director, Lenfest Center for Sustainable Energy, to address the ACSRI on climate change. The ACSRI held a Town Hall for the Columbia community on November 14, 2006. Throughout the year, the ACSRI encouraged all members of the Columbia community to submit written views and suggestions by letter and e-mail. In spring 2007, the ACSRI launched the re-designed SRI website (http://finance.columbia.edu/sri/). The ACSRI kept the previous and current websites up-to-date by posting its minutes, reports and other announcements throughout the fall and spring so that members of the University community might stay abreast of its activities. The SRI website also enables members of the University community to comment on the issues that the ACSRI may consider and to submit views on the University's ethical and social responsibilities as an investor.

The ACSRI also met with the TSSR at the start of the proxy season and held an end-of-year “wrap-up” and planning meeting with the TSSR in late May.

B. The 2006-07 Agenda

Each year, the ACSRI selects a set of SRI issues that it will review in the context of shareholder proposals, as well as other SRI activities that it considers important. This selection occurs in the fall and serves as the basis for the preparation of an annual agenda that is distributed to the University Trustees and President, the University Senate, and the University community by the end of the fall semester. On December 5, 2006, the ACSRI adopted and disseminated to the University community its 2006-07 Agenda (Appendix 3).

As was the case in the previous academic year, the Agenda focuses on making recommendations to the Trustees on how the University, as an investor, should vote on selected shareholder proposals addressed to publicly traded U.S. corporations whose securities are held in Columbia’s endowment portfolio. As part of its 2006-07 Agenda, the ACSRI took up the issue of Sudan divestment monitoring in accordance with its April 2006 Statement of Position and Recommendation on Divestment from Sudan. In addition, the 2006-07 Agenda outlined other activities that the ACSRI further considered and explored with the TSSR throughout the year, including the invitation of guest experts to address the ACSRI on relevant social issues.

The issue areas selected for review during the 2006-07 academic year reflect most of the same broad categories as those selected during the previous academic year. The traditional categories selected include shareholder proposals related to animal welfare, board diversity, corporate charitable and political contributions, environment and energy, equal employment opportunity, executive pay as tied to social indicators, global labor standards, health issues, human rights, and sustainability.[1] As these broad groupings indicate, most current social issues are covered by the Agenda. During the 2006-07 academic year, the ACSRI once again chose to leave corporate governance and most executive compensation proposals outside its scope of review in order to apply greater and expanded focus to issues of social responsibility, most effectively apply its collective expertise, and accommodate the priorities of the University community.

As a general matter, the ACSRI expects that making recommendations to the TSSR with respect to shareholder proposals will continue to be one of its core activities. At the same time, each year has brought new elements as well as the accumulation of expertise on both process and substance, which have led the ACSRI to conduct and consider additional activities. By way of example, for the first time in spring 2007, the ACSRI communicated directly with the management of a corporation (Chevron) by inviting members of that corporation to address ACSRI members on an issue of concern and then sent formal written correspondence to the executive management team.

V. 2007 Proxy Review Approach and Process

The University does not own stock in all companies that are presented with shareholder proposals. In addition, in order to develop a manageable agenda, the ACSRI typically focuses on those issues of particular interest to the University community. The ACSRI also excludes from its review proxy proposals submitted by company management and those submitted to foreign companies. The University purchases the services of Institutional Shareholder Services (ISS) to vote these excluded items in accordance with ISS's "base" voting recommendations (which can be found through ISS's website at: http://www.issproxy.com). ISS is instructed to submit votes

[1] Consistent with recent years, the ACSRI did not enumerate "banking issues" as one of the traditional categories for review in its 2006-07 Agenda since such proposals had not been filed in the past several years. During the current proxy season, however, some banking proposals (for example, proposals on fair housing lending) did come up for review. The ACSRI felt that such proposals were relevant to its mandate and would be of concern to the Columbia community, and therefore included these proposals in the current proxy season's review.

to “abstain” – by which the University intends to convey a neutral position – on social-issue shareholder proposals that come to a vote at times outside of the ACSRI’s proxy review period.

Shareholder proposals motivate much of the University’s activities as a responsible investor. In the course of its proxy review, the ACSRI has found that many proposals are reflective of, or inspired by, principles and values that it supports and believes reflect those of the University community. However, shareholder proposals are not of uniform quality, and the ACSRI cannot always recommend supporting specific shareholder proposals when they are drafted in a manner that is overreaching or vague, or are implying actions that are not feasible. The ACSRI often weighs, on a case-by-case basis, whether to assess a proposal based on its exact terms or as a symbolic gesture to company management or a broader audience. The ACSRI’s general inclination has been to ask whether the target company should implement the proposal as drafted and specifically proposed. In several cases, the ACSRI was unable to support specific proposals because it appeared that a solution other than shareholder action (e.g., government regulation or market forces) would be more appropriate or effective, because the targeted company appeared to be engaging in action similar to that requested by the proposal, or because evidence used to support a given proposal’s request was lacking.

For those topical areas selected for review, the ACSRI and TSSR continued to review and vote shareholder proposals on a case-by-case basis. Although time intensive, the ACSRI considers this approach superior to other approaches, such as relying on written guidelines or the recommendations of external agencies. Flexibility is important so that all relevant facts can be considered in connection with each recommended vote. The case-by-case approach requires an examination of each shareholder proposal as applicable to each targeted company, the company’s response in SEC proxy filings, and review of background analysis and information provided by ISS[2]. The ACSRI’s case-by-case approach allows it to apply its own precedent, when appropriate, but at the same time to consider from one case to the next fine distinctions of company effort, progress and posture on an issue, and the degree of merit, feasibility, and value of the shareholder proposals.

[2] In previous years, the ACSRI subscribed to and carefully reviewed the non-recommendation based reports by the Investor Responsibility Research Center (IRRC). In 2005, IRRC was purchased by ISS, and the non-recommendation based reports – unchanged in structure and style – are now issued by ISS. The ACSRI continues to consult these reports.

VI. Social Responsibility Shareholder Proposals: Deliberations

During the 2007 proxy season, the ACSRI and TSSR reviewed 72 shareholder proposals; the ACSRI was able to develop sufficient consensus (at least 6 of the 12 voting members voting uniformly) for a formal recommendation in 63 (88%) of these cases. As in prior years, there was a high degree of overall agreement between the ACSRI and the TSSR, and in 2007 the TSSR followed the ACSRI recommendation in all but four cases (94% agreement). In the four cases of disagreement, the ACSRI recommended support, while the TSSR voted to either reject or abstain. The full record of the ACSRI's vote recommendations, actual TSSR votes, and overall shareholder support garnered for each shareholder proposal reviewed by the ACSRI in 2007 is attached as Appendix 3.

A. Animal Welfare (4 proposals)

- *Report on progress toward humane slaughter methods (one proposal: no recommendation)*
- *Review animal welfare standards (two proposals: no recommendation)*
- *Review overseas animal testing (one proposal: reject)*

The ACSRI was divided on these proposals, and had difficulty in achieving sufficient uniform votes to carry a recommendation in most cases. In general, the ACSRI approached these proposals with a humane but pragmatic eye, looking to minimize mistreatment of animals but mindful of the need for uniform industry requirements and standards. The ACSRI was sensitive to whether the targeted company engaged in substantial animal testing.

Report on progress toward humane slaughter methods

This proposal to a fast food restaurant chain asks the company to report on the feasibility of requiring that all of its chickens be raised and killed according to the recommendations made by former members of its own animal welfare council on March 11, 2005. The ACSRI agreed that the humane treatment of animals is an important issue of concern to consumers as well as members of the Columbia community, and that it is important for restaurants to consider carefully the treatment of the animals in their supply chain. However, many members could not recommend supporting the proposal, as the recommendations proponents sought to have implemented were not made explicit within the proposal itself; these members felt they did not know precisely what they were being asked to support. Moreover, some members believed that the tone of the proposal was deliberately provocative and that the proponents' overall agenda was extreme. Members supporting the proposal felt that the referenced recommendations could be satisfactorily determined, and that supporting the proposal need not represent a wholesale endorsement of the proponents' tone and agenda. Members abstaining argued that the proponents and the target company occupied extreme but opposite ends of the spectrum, and as such, felt that the ACSRI should abstain from taking one position over the other.

Review animal welfare standards

As presented to a pharmaceutical corporation, the proposal requests that the targeted company commit to superior standards of animal care and extend this policy to all contracted labs. Members in support of the proposal believed that the referenced standards of care were well-defined, species-specific, and fully recognized and accepted within the industry, and therefore reasonable and appropriate to require; furthermore, these members believed it was logical for the targeted companies to require their outsourced labs to adhere to the same standards as those upheld within the corporation. Members rejecting the proposal argued that requiring the company's animal welfare policy to include provisions for animals' "social and behavioral needs" was overreaching and vague. These members objected to proponents' use of inflammatory rhetoric about conditions in a specific contract laboratory. Rejecting members believed that proponents' ultimate goal was to eradicate animal testing: a goal they did not support, recognizing the practice as necessary for ensuring human health and advancing scientific goals.

The ACSRI reviewed a similar proposal to an oil company legally required to perform certain animal tests. Supporting members believed it was essential for the company to adopt an explicit policy on testing and hold its labs to a consistent and industry-accredited standard. Members rejecting the proposal cited similar arguments as stated in the paragraph above, with the further observation that in this case the proposal was not aptly targeted, as animal testing is not a significant part of the company's business.

Review overseas animal testing

The ACSRI rejected this proposal to a pharmaceutical company requesting that it report on the rationale for exporting its animal testing to countries with non-existent or substandard animal welfare regulations and enforcement, and to report on the extent to which it requires adherence to U.S. animal welfare standards at its foreign facilities. Members rejecting the proposal objected to proponents' use of inflammatory rhetoric, as well as their perceived ultimate goal of eliminating all animal testing. Furthermore, these members believed that the company was an inappropriate target, noting that the company has an adequate animal welfare policy; these members felt that proponents singled out the company because of its high visibility rather than any evidence that it is a bad actor. Members supporting the proposal viewed it as an extension of the principles they supported in the "review animal welfare" proposal to the same company. These members believed that it was important to hold foreign labs to the same standards that would be required in-house or of contracted labs in the United States.

B. Banking Issues (1 proposal)

- *Report on fair housing lending policy/record (support)*

This was the first year in several years that any "banking issues" proposals came up for review. While the ACSRI had not included "banking issues" in its Annual Agenda for that reason, the ACSRI nevertheless felt that this proposal would be of interest and concern to the Columbia community and that it fell under the rubric of its social agenda; as such, the ACSRI included this proposal in its proxy review.

The ACSRI supported this proposal, which asked a bank to prepare a report explaining the racial and ethnic disparities pertaining to high-cost mortgages as revealed in the company's Home Mortgage Disclosure Act data. ACSRI members believed that unfair lending practices were an issue of great concern, and that these issues would be of concern to the Columbia community. ACSRI members in support of the proposal highlighted the social and economic importance in the United States accorded to home ownership, and felt that unfair lending was one of the greatly neglected issues coming out of the civil rights movement. These members believed that the racial disparities in the issuance of high-cost mortgages could not be fully explained by income, credit-rating, and other non-racial factors alone. The ACSRI felt it is important for the company to consider carefully the causes for these disparities with an eye toward developing a policy to discontinue contributing practices. One member abstained on the proposal due to a potential professional conflict of interest.

C. Board Diversity (1 proposal)

- *Commit to/report on board diversity (support)*

The ACSRI once again was unanimous in its support of this proposal, which it has reviewed each of the past two years. In its support, the ACSRI observed that the encouragement of racial and gender diversity is a value strongly shared by the Columbia community. The ACSRI noted that the composition of the targeted company's board has changed modestly over the past two years, but that the company was still dragging its feet and not taking the issue seriously. Members observed that the policy of the company's nominating committee does not specify a goal of racial or gender diversity, as those of many major corporations do. Members found the company's assertion that a stronger and more fixed diversity policy "may not necessarily achieve the best possible Board for the company and accordingly will not serve the best interests of the company" to be dismissive, backward-thinking, and offensive.

D. Charitable Contributions (7 proposals)

- *Review/report on charitable giving/policy (seven proposals: reject)*

This year, the ACSRI reviewed and unanimously rejected seven proposals seeking disclosure of or reports on charitable contributions; last year, the ACSRI rejected all six such proposals that came up for review. These proposals request that the targeted corporation report on or disclose its charitable contributions and/or policy for charitable giving. The ACSRI noted that, on the surface, the resolved clauses of the proposals seem neutral and not dissimilar to proposals requesting disclosure of political contributions. However, the supporting statements contained within the proposals indicate that proponents appear to espouse a strong social agenda antithetical to many values, such as diversity and inclusiveness, held by the University community, and that the proposals were motivated by proponents' objections to companies' contributions to specific charities rather than good-faith interest in encouraging transparency. Members objected to proponents' request that company management provide a "rationale" for its charitable donations, commenting that the "rationale" is to be charitable and that there need be no business purpose or goal of maximizing shareholder value. As in previous cases, members felt that these proposals are designed as a disincentive to charitable giving. Believing that corporate charitable giving is a positive practice generally and should not be discouraged, and noting that that, unlike political contributions, charitable donations are encouraged by the government and society, in that they are tax deductible, the ACSRI unanimously rejected all such proposals.

E. Environment and Energy (18 proposals)

Proposals on energy and the environment represented the largest category of proposals the ACSRI reviewed this year, comprising 25% of proposals reviewed. This year saw a significant increase in the number of shareholder proposals filed with respect to climate change and the related issues of emissions and renewable energy alternatives. As in previous years, other environmental proposals addressed the broad areas of protection of key natural and cultural sites from drilling; the environmental and health impacts of corporate practices on individual local communities; corporate use of scarce resources; the reduction of pollutants, toxins, or non-certified materials in products; and genetically engineered foods and plants. The variety of these proposals and the ACSRI's case-by-case approach resulted in a mixed voting record again this year. Generally, the ACSRI sought to support well-targeted and feasible proposals, particularly those directed to companies whose practices and/or industry pose inherent risks, or to companies whose responsibility for existing environmental hazards was clear. The ACSRI, while uniformly recognizing the severity and imminent threat of climate change, did not offer strong support for several of the related proposals as written; frequently the proposals requested reports that were more appropriately left to scientific experts or requested actions that several members felt were better left to governmental regulation.

1. Climate Change/Emissions/Energy Alternatives (6 proposals)

- *Report on climate change science (two proposals: reject)*
- *Set GHG reduction goals (two proposals: 1 support, 1 no recommendation)*

- *Disclose GHG emissions from company products (one proposal: no recommendation)*
- *Develop renewable energy alternatives (one proposal: no recommendation)*

The ACSRI believes that climate change is a topic of major global concern. The ACSRI invited Klaus Lackner – the Maurice Ewing and J. Lamar Worzel Professor of Geophysics; Professor, Earth and Environmental Sciences; and Director, Lenfest Center for Sustainable Energy – to address the ACSRI on climate change. In his presentation, Professor Lackner discussed the science behind climate change, the potential impact of climate change, and the best possible methods for emissions recovery and limiting the impact of climate change. Professor Lackner stressed the necessity of grand-scale market forces and government participation for the success of these efforts. As it did last year, the ACSRI rejected proposals to "report on climate change science," which ask the companies to provide reports on the science behind climate change, as well as analyses of the companies' perceived impact of their operations on climate change. In its rejections, ACSRI members noted that reports on the science behind climate change are well-known, readily available, and attributable to respected scientific authorities and agencies; additional reports on this issue compiled by the companies would be redundant and would not add much value when compared with reports authored by experts in the field.

The ACSRI reviewed three proposals concerning greenhouse gases to two oil companies. The ACSRI felt divided on two of the proposals, unable to reach a recommendation. On these proposals, rejecting members argued that a shareholder proposal is an improper vehicle by which to address the issue of GHG reduction goals or the labeling of GHG emissions from products. These members agreed that regulations for the emissions and labeling of GHGs must be implemented by the government, and companies must then follow with strategies to meet those regulations. While it may be good practice for the company to anticipate such legislation, rejecting members believed that it was unfair to burden any one specific company with the onus of reducing or labeling its emissions, as this would put the targeted company at a competitive disadvantage. Members in support of the proposals believed that it was in the company's best interest to set emissions reduction goals in anticipation of existing state and impending federal emissions reduction legislation, and that failure to do so would pose a serious threat to the companies' long-term viability. In the case of labeling, supporting members believed that labeling was an important issue for consumer rights, and given the climate change crisis, these labels would encourage consumers to make informed choices, such as buying less oil and/or using alternative fuels.

In contrast to its divided position above, the ACSRI unanimously supported one of the proposals to an oil company to reduce its GHG emissions. Many members still held the belief that GHG reductions should be left to governmental regulation. However, in this case, the targeted company's stance on climate change was perceived as extreme and egregious, so that members felt they must support this proposal as a wake-up call to the company. The ACSRI believes the company's continued refusal to seriously consider the impact of climate change and consequent impending legislation is not only socially irresponsible, but it poses a significant risk to the company's long-term profitability. The TSSR, while sympathetic to the ACSRI's views of the targeted company's position on climate change, abstained on the proposal, believing that despite the company's stance, GHG emissions reductions is only appropriately left to government legislation.

The ACSRI was unable to reach a recommendation on a proposal to the same oil company to develop renewable energy alternatives. Members in support of the proposal referred to the company's stance on climate change, finding it myopic. Supporting members cited the significant investments made in renewable energy technologies (such as solar and wind power) by the company's competitors. Members rejecting or abstaining on the proposal, while agreeing with supporting members' objections to the company's policies on climate change, observed that the company is an oil company, not an "energy" company: requiring the company to develop other forms of energy – which utilize completely different technologies – is tantamount to requiring the company to change its business. Irrespective of any climate change and social responsibility concerns, these members felt that this is a business decision to be left to company management.

2. Environmental impact on local communities

- *Report on community hazards (two proposals: support)*
- *Report on environmental impact and plans (one proposal: support)*
- *Report on environmental review process overseas (one proposal: support)*

The ACSRI supported these four proposals that specifically address corporations' past or current operations and the impact those operations have had or may have on the local communities in which they operate.

Report on community hazards

This is the second year that the ACSRI reviewed this type of proposal. Both proposals, presented to oil companies, ask the companies to report on the environmental impacts and health risks posed by their operations in specific local communities. The ACSRI believed that the proposal's focus on community-based reporting was a clever and important way to address sustainability at a local level, with tangible assessments and outcomes. The ACSRI felt that the oil companies' operations (particularly their refining operations) indeed pose environmental and health risks to its host communities, and it is necessary and socially responsible for the companies to evaluate and communicate these risks and effects.

Report on environmental impact and plans

The ACSRI unanimously supported this proposal to a chemical company to report on any new company initiatives to address the health, environmental, and social concerns resulting from its legacy chemical plant disaster in Bhopal, India. In its discussion, the ACSRI noted that the effects of the disaster linger to this day in the form of ongoing pollution contamination and major health effects. The matter is still being adjudicated in India's criminal courts. The targeted company, having purchased another chemical company at whose plant the disaster occurred, refuses to take any responsibility for the remediation of this disaster – in its response to shareholders, but more importantly, in the Indian courts. ACSRI members find the targeted company's position to be of concern; the ACSRI believes that the company must assume the liabilities related to the disaster, likely on a legal basis, and even if not, certainly on a social/humanitarian basis. Furthermore, the ACSRI noted that the company faces a public relations disaster in India and severe reputational risk; the ACSRI strongly believes that the company should address the situation to help improve the company's reputation on this issue.

Report on environmental review process overseas

The ACSRI unanimously supported this proposal to an oil company requesting that it assess the laws and regulations of host countries in which it operates with respect to their adequacy to protect human health, the environment and the company's reputation. As written, the proposal highlights challenges and controversies that the company faces in various countries of operation; however, during their deliberations ACSRI members focused on the company's troubles in Ecuador. The ACSRI has been following closely this company's legal entanglements and public controversy in Ecuador that resulted from its legacy operations in the Amazonian rainforest from the 1970s through the early 1990s, including its allegedly insufficient remediation of well sites and pits (which has been complicated by the Ecuadorian state-run oil company's continued operations there) and subsequent alleged negative health effects. Representatives from the company have repeatedly asserted that the company has fulfilled its remediation obligations within the scope of the Ecuadorian law and bears no further responsibility.

ACSRI members felt that the whole controversy, and in particular, the fact that much of the controversy has arisen because of the legal agreements negotiated in Ecuador and the Ecuadorian government's participation in the project, argues in favor of supporting this proposal. The ACSRI believes that the situation in Ecuador illustrates how the company can be directly, and adversely, impacted by operating in a country with inadequate laws.

3. Environmental impact on natural or scarce resources/protected sites

- *Review National Petroleum Reserve – Alaska (one proposal: support)*
- *Review environmental impact of fishing practices (one proposal: support)*
- *Report on water use (one proposal: no recommendation)*

These proposals address the impact that company operations have or will have on specific sensitive areas or resources. In general, the ACSRI felt that companies should carefully consider the impact their operations will have, but was unable to reach a recommendation in one case.

Review National Petroleum Reserve - Alaska

The ACSRI unanimously supported a proposal asking an oil company to consider the environmental impact of drilling for oil in the National Petroleum Reserve – Alaska. As in the past, the ACSRI observed that the supply of oil from relatively "benign" sources is shrinking and that there is increasing pressure on oil companies to find new sources of oil; seeking to drill in the Petroleum Reserve is an inevitability that all oil companies will face. Members believed strongly that this conflict must be faced sooner rather than later, and that it is beholden upon companies to assess the potential damage and future viability of this practice. Furthermore, the ACSRI believed that members of the Columbia community would support careful consideration by oil companies of the potential damage and economic impact of these practices.

Review environmental impact of fishing practices

The ACSRI unanimously supported a new proposal to a fast-food seafood restaurant chain to report on company policies and procurement practices to ensure that all fish/seafood served in its restaurants are caught and/or raised in a manner that is certified to be environmentally sound and sustainable. The ACSRI reflected on its precedent of supporting more generalized sustainability proposals, and believed that this was an appropriate application of sustainability principles to a specific and particularly concerning situation. The ACSRI carefully considered the dire state of the world's fisheries and the resultant ecological impact that large-scale, unsustainable fishing has had on marine life. In this case, the ACSRI noted that the proponents' request was particularly reasonable, as it does not require certification by any one specific organization.

Report on water use

For a second year, the ACSRI was unable to formulate a recommendation on this proposal to a soft-drink company, which asks the company to commission an independent third-party group to evaluate and prepare a report on the potential environmental and public health damage related to the company's extraction of water from areas of water scarcity in India. All ACSRI members agreed that water scarcity in India was an issue of grave concern; however, the ACSRI noted that the water scarcity was due to severe drought and major infrastructure issues; the company's water use was not responsible for the shortage, although it is one element in the complex of contributing problems. Members in support of the proposal noted that the company has been involved in controversy in India surrounding this issue, observing that there have been multiple protests against the company and that the company's license to operate had been temporarily revoked by local government in at least one state. Supporting members further believed that the company's continued use of the scarce water – at a ratio of nearly 3 liters of water used for 1 liter of product – was contributing to a public relations nightmare, with consequent direct economic impact on the company. These members believed it was therefore important to encourage company management to continue to look at the issue and evaluate the costs and benefits of its related operations. Members rejecting the proposal believed that the proponent's request was moot, as the company had already commissioned a third party to undertake an assessment and report very similar to that which the proposal requests. At the time of review, the third-party report had not yet been released, but members felt that supporting the current proposal would not accomplish anything at that point.

4. Reduce harmful substances/non-certified materials from products

- *Review/reduce asthma triggers in pesticides (one proposal: no recommendation)*
- *Report on toxics phaseout plan (one proposal: reject)*
- *Consider phasing out non-FSC products (one proposal: no recommendation)*

The ACSRI reviewed three proposals requesting that companies reduce their use of potentially harmful substances to manufacture products, or that companies phase-out the use of sourced materials that have not been certified by environmental councils. While members of the ACSRI have great concern about issues addressed in these proposals, many members could not support the proposals as written: these members asserted that the proposals either misrepresented facts, cited evidence that was circumstantial, or made requests that were redundant with efforts already undertaken by the targeted company.

Review/reduce asthma triggers in pesticides

While the ACSRI supported this proposal to the same company last year, this year the ACSRI was unable to develop a recommendation. The proposal asks a chemical company to issue a report analyzing the extent to which its products may cause or exacerbate asthma and describing public policy initiatives and company activities to phase out or restrict materials linked with such effects. In its reconsideration of the proposal, ACSRI members observed that the asthma epidemic is of grave concern, but that the evidence linking pesticides to higher asthma rates is only circumstantial. Rejecting members commented that any number of chemical products (including fertilizers, plastics, etc.) or other environmental factors, and not just pesticides, could be related to increased asthma rates, and it seemed inappropriate to target one company to report on one potential source of the problem. Furthermore, rejecting members believed that studies such as those requested would be more effectively and reliably left to the scientific community. Members in support of the proposal, recognizing the gravity of the epidemic and the potential, if not certain, link between pesticides and asthma, believed that it was important for the company to consider carefully the risks of these products. Furthermore, they believed that producing the report would show that the company was getting out in front of the issue, and would be good from a public relations perspective.

Report on toxics phaseout plan

The ACSRI voted to reject this proposal to a chemical company to report on the pace and effectiveness of the environmental remediation process with respect to dioxin contamination downstream from its Midland headquarters. The ACSRI observed that the shareholder proposal refers to many facts concerning the area's dioxin contamination-levels and their effects. However, the ACSRI, upon reading the company response and background materials, determined that proponents were grossly misrepresenting those facts, particularly facts and assertions made in studies conducted by the National Academy of Science and the Michigan Department of Environmental Quality; proponents furthermore do not cite mitigating evidence found by a much more comprehensive study conducted by the University of Michigan. ACSRI members were impressed with the company's response in particular, which convincingly refuted almost all of the proponents' claims. In its deliberations, the ACSRI agreed that while the proposal and the situation it addresses seem, on the surface, to be worthy of careful consideration, members could not, as a matter of principle, support a proposal that employs such misleading information.

Consider phasing out non-FSC products

In a departure from last year's vote to support this proposal, the ACSRI was unable to reach a recommendation on this proposal to a paper-products manufacturer. The proposal requests a report assessing the feasibility of phasing out the use of fibers from forests that have not been certified by the Forest Stewardship Council (FSC) over the course of ten years. The proposal further requests that the report discuss the company's commitment to increasing the use of recycled fiber as a means to reduce the use of virgin fiber. ACSRI members noted that the FSC has the most rigorous and demanding certification process for forests available, and includes provisions for the removal of virgin pulp from forests as well as sustainability guidelines for forest replacement. Members supporting the proposal noted that the company currently uses (in addition to FSC-certification) several certification schemes that are not as demanding or prestigious as the FSC. Supporting members question the company's contention that there is not enough FSC-certified fiber in existence to meet its demand and note that within this argument lies a chicken-and-egg conundrum: the more demand there is for products from FSC-certified forests, the more stakeholders in forests will be inclined to have the forests certified. Members rejecting or abstaining from the proposal argue that, while laudable, the report requested is redundant and that last year the company commissioned an independent party to conduct a study very similar to that which the proponents are requesting.

5. Gene-Engineered (GE) Foods/Plants

- *Label gene-engineered foods (one proposal: reject)*
- *Report on gene-engineered plants (one proposal: reject)*

The ACSRI rejected these two proposals, observing that many studies exist on genetically engineered (GE) plants/food, and that the general consensus within the scientific community is that GE plants and foods are indeed safe. Members felt that the proliferation of this type of food technology is inevitable and should be promoted, noting that GE methods to increase crop yields are safer than the use of pesticides and fertilizers. Furthermore, the ACSRI felt that the proposals were not feasible, as, given the ubiquity of GE ingredients, it would be nearly impossible to track and label all such ingredients in food products. Finally, ACSRI members believed that requiring labeling of GE ingredients may inappropriately cause alarm about an issue that is neither currently of widespread public concern nor of actually questionable safety. Members in support of the proposal to label GE foods argued that the proposal addresses an issue of consumer rights: consumers have a right to know what they are consuming and where that food has come from, and therefore labeling is appropriate.

F. Equal Employment/Equal Opportunity (6 proposals)

- *Adopt sexual orientation anti-bias policy (one proposal: support)*
- *Implement equality principles (one proposal: support)*
- *Report on EEO (one proposal: support)*
- *Report on stock options by race/sex (one proposal: reject)*
- *Implement MacBride principles (one proposal: reject)*
- *Urge MacBride on franchisee (one proposal: reject)*

The ACSRI believes that, as an institution with an educational mission, the University values diversity and equal opportunity and seeks to uphold the related goals of equal employment and non-discrimination. The ACSRI shares these sentiments, and supported the proposals that advocate these values, including proposals to report on EEO policies, to adopt sexual orientation anti-bias policies, and to implement equality principles. (One member abstained on two proposals due to that member's professional affiliation with the proponents.) Factors that influenced the ACSRI to support proposals included situations where a targeted company had negative records on the issues, where a company's response indicated that it was not considering the issues seriously, or where the company had EEO policies that did not explicitly address sexual orientation. The ACSRI did reject one proposal to report on stock options by race/sex, believing the proposal failed to approach the very real issue of discrimination in compensation in a direct or productive manner. The ACSRI felt that the report would add little knowledge, as the gender and race of the highest paid employees would be evident from a review of the required corporate filings with regulatory agencies, and that the proposal's focus on stock options and equity compensation was misguided, as options are only one piece of compensation packages and cover a very small proportion of employees. The ACSRI also rejected all proposals urging the implementation of the MacBride principles in

Northern Ireland, as these principles, while motivated by values of inclusiveness, have been rendered obsolete by more recent legislation and effective enforcement.

G. Executive Pay and Social Criteria (1 proposal)

- *Link executive pay to social criteria (one proposal: support)*

The ACSRI reviewed only one proposal concerning executive pay and links to social criteria this year; noting its recent mixed precedent on these types of proposals and that it was unable to reach a recommendation on an identical proposal to the same company last year, the ACSRI supported this proposal to an oil company. The proposal requests that the company review its executive compensation policies and specifically: compare the CEO's compensation package to that of the lowest paid U.S. workers; analyze and justify the changes and trend in the relative size of the gap between highest and lowest paid; evaluate whether the compensation packages for top executives are excessive and should be modified; and whether sizable layoffs by the company should result in an adjustment of executive pay.

The prevalent view in the ACSRI was that, while it is not convinced that the discrepancy in compensation at the crux of this proposal is a social issue, it believes that, in the case of this particular company, executive compensation borders on the egregious and warrants special scrutiny and explanation. These members believed that it would be helpful to ask that the company provide more information about its decision process and the reports of the compensation consultants on which the decision was likely based.

The TSSR rejected the proposal, believing this to be an attempt to micromanage on a governance – rather than a social – issue. The TSSR posited that companies have compensation committees who have clearly considered the referenced issues and have developed a rationale and justification for CEO salaries; furthermore, the market for executives is different than the market for regular employees, and it is unclear that there is a multiple of salary differential that could be appropriately applied.

H. Global Labor Standards and Human Rights (9 proposals)

- *Implement ILO standards (two proposals: support)*
- *Adopt comprehensive human rights policy (one proposal: support)*

- *Report on implementation of global principles (one proposal: reject)*
- *Review impact of poor labor practices (one proposal: support)*
- *Report on risks of outsourcing strategy (one proposal: reject)*
- *Adopt/report on policy on indigenous peoples (one proposal: support)*
- *Don't invest in firms in US-barred companies (one proposal: support)*
- *Review actions on slavery history (one proposal: reject)*

This year, the ACSRI examined nine shareholder proposals that concerned global labor standards (GLS) or human rights. Proposals on GLS specifically address the employment practices of U.S. companies (or their subsidiaries or suppliers) operating abroad, labor conditions, or other workplace issues. Human rights proposals – usually presented to companies with significant overseas operations, operations in countries with oppressive regimes, or a history of labor abuses – range from requests for a review and/or report of a company's existing human rights policy to requests that companies adopt or implement concrete actions or policies pertaining to human rights. Following a trend established last year, the ACSRI tended to support proposals requesting the implementation of recognized standards and norms, such as ILO labor standards and the norms established by the UN Declaration of Human Rights. The ACSRI rejected proposals to companies with existing comprehensive labor or human rights policies and a good track records on the issue. This year saw the inclusion of several new proposals that the ACSRI has not reviewed previously, including a proposal that addressed the humanitarian crisis in the Darfur region of the Sudan.

Implement ILO standards (two proposals)

Adopt comprehensive human rights policy

The ACSRI strongly supported these three proposals, which were presented to a paper manufacturer, a fast food restaurant chain, and an oil company; all of these companies source materials and/or have significant operations abroad. Although the proposals differed somewhat in their specific requests, they were all quite similar in spirit, and requested the implementation of standardized codes of conduct such as the ILO standards, and/or the adoption of a human rights policy based on the norms delineated in the UN Declaration of Human Rights. Consistent with recent precedent, ACSRI members cited the importance of companies adopting recognized human rights norms and core ILO standards and the responsibility companies have in holding their suppliers to these codes. With respect to the proposals requesting implementation of ILO standards, the ACSRI was particularly concerned that the targeted companies' existing codes did not explicitly include the rights of workers to freely associate and organize.

Report on implementation of global principles

The ACSRI unanimously rejected this proposal to a toy company requesting that it report on the concrete measures and the money spent on the improvement of working and living conditions at its and its subcontractor's facilities. The proposal, specifically referring to the company's operations in China, alleges that the company has failed to effectively implement the comprehensive code of conduct that it adopted almost a decade ago. ACSRI members wholeheartedly disagreed with proponents' allegations, remarking that the company, on the contrary, appears to be a model actor doing its best to effectively implement its code in the very difficult environment in China. It has one of the most comprehensive labor codes in the manufacturing industry in China and has set the standard for toy manufacture there: the company adheres to the Global Manufacturing Principles (stringent standards that address wages, working hours, forced labor, etc.); it has implemented independent third-party auditing of its corporate social responsibility program and auditing of labor conditions in its suppliers' factories; and the company issues its own Global Citizenship Report and reports on its adherence to the guidelines of the Global Reporting Initiative. Furthermore, there is evidence that when the company has encountered problems adhering to its labor codes, it has made every effort to take corrective measures.

Review impact of poor labor practices

The ACSRI strongly supported (unanimous support minus one abstention due to that member's affiliation with the proponents) this proposal to a big-box retailer to report on the negative social and reputational impacts of management's non-compliance with ILO conventions and standards on workers' rights and the company's legal and regulatory controls. The targeted company has a poor reputation with respect to its labor practices in the United States, and the proposal cited violations and lawsuits concerning workers' right to organize, wage and hour laws, sex discrimination and illegal use of undocumented workers. The ACSRI found the company's tactics on union-busting to be particularly egregious, and observed that its aggressive anti-union stance has severely impacted its reputation and has prevented the company from opening stores in New York City and other major metropolitan areas where there are strong pro-union sympathies. The ACSRI, citing its precedent of supporting strong labor rights, felt that the company would do well to review its policies and practices and issue the requested report.

Report on risks of outsourcing strategy

As it has for the past two years, the ACSRI rejected this proposal to a computer hardware manufacturer, which requests that the company establish an independent committee to evaluate the potential damage to its reputation because of offshoring initiatives. While the ACSRI agreed that globalization and outsourcing of jobs to other countries raises serious considerations, members felt that this proposal was an inappropriate method to address the impact of offshoring. Rejecting members believed the company was inappropriately targeted, as its policies and practices are exemplary with respect to this issue; furthermore, the company is truly international, with sales all over the world, and it only makes sense that its workforce be spread globally where it generates revenue. Finally, members noted that the company has cast off much of its manufacturing operations in favor of consulting services, and commented that concern over the offshoring of the company's manufacturing jobs is not particularly relevant. Members supporting the proposal believed that any potential risk to the company's reputation should be taken very seriously and that the company would still benefit from evaluating its image and brand strength.

Adopt/report on policy on indigenous peoples

The ACSRI supported this proposal, which asks an oil company to report on its policies and procedures for assessing the adequacy of host country laws with respect to protecting indigenous rights and for obtaining the consent of affected indigenous communities. The proposal specifically refers to the company's recently acquired concessions in the Amazonian rainforest, where there has been concern and opposition by indigenous peoples to oil operations on their lands. Members in support of the proposal observed that oil operations in the Amazon have historically been fraught with great conflict. Opposition by indigenous groups against oil companies has often led to government intervention and violence against those groups.

Supporting members felt it was essential for an oil company with operations in the Amazon to have clear policies and strategies for ensuring good relations with indigenous peoples to avoid this type of conflict. Supporting members believed that the target company's current 189-word human rights policy, while asserting its support of the Universal Declaration of Human Rights and the ILO principles, was vague and does not meaningfully address the conflicts facing oil companies operating in the Amazon. The member rejecting the proposal argued that given the company's good track record in Alaska, there is no indication that the company is going to handle its operations in the Amazon poorly.

Don't invest in firms in U.S.-barred countries

This proxy season saw the inclusion of a shareholder proposal that specifically addresses the humanitarian crisis in the Darfur region of the Sudan and the growing movement to divest companies with operations in Sudan. The ACSRI supported this new proposal to an investment company requesting that the company "not invest in the securities of any foreign corporation or subsidiary thereof that engages in activities that would be prohibited for U.S. corporations by Executive order of the President of the United States." The proposal specifically refers to Executive Order #13067, which imposes a trade embargo prohibiting American businesses from operating in Sudan, and further refers to the company's investment in PetroChina, a subsidiary of China National Petroleum Corporation, the dominant international player in Sudan's oil sector.

The ACSRI noted that while the resolved clause initially appears broad, the proposal is designed to address the company's sizable investment in PetroChina. Supporting members strongly believed that the ACSRI cannot fail to support this proposal given Columbia's statement of position on divestment from Sudan, the fact that PetroChina is one of the worst offenders operating in Sudan, and the inclusion of PetroChina on Columbia's own divestment list (as well as on the divestment lists of other universities, states, and institutional investors). Members abstaining from the proposal posited that during Sudan divestment monitoring, the ACSRI set a precedent that it would not divest from "second-order" companies – companies that were a step removed from direct operations in Sudan; these members felt that the targeted company falls into this category, and as such, believed that the ACSRI should abstain from becoming involved in its investment decisions.

The TSSR abstained from this proposal. TSSR members agreed with abstaining ACSRI members' position that the targeted company qualifies as a "second-order" company and that, according to the ACSRI's own Sudan divestment precedent, should not dictate its investment decisions. Furthermore, TSSR members noted that the "resolved" clause contains language barring investment from a much broader swath of companies than Columbia's own, very specific, criteria for divestment established in the spring of 2006.

Review actions on slavery history

The ACSRI unanimously voted to reject this new proposal to an investment bank. The ACSRI noted that this is an "anti-social" proposal, requested by the same proponents who filed many of the charitable giving proposals the ACSRI has reviewed this year, and which were motivated by a anti-social agenda. At issue within the proposal is an admission by the company, having completed a historical review under the requirements of an ordinance in Chicago, of links to slavery in the company's ancestral past; the company then publicly apologized for those links and established a related $5 million scholarship fund. Proponents condemn the company's apology and pledge as examples of "guilt based on race or ethnicity" and "cross-generational guilt," and claim that both concepts are contrary to the concept of individual rights. The ACSRI finds the proponents' position to be antithetical to the social concerns of Columbia community members and the goals of the ACSRI. Furthermore, the ACSRI considers the proponents' concern that the public apology renders the company vulnerable to reparations lawsuits by other ethnic groups to be unfounded, particularly given that the statutes of limitations on most of these matters have expired.

I. Health Issues (1 proposal)

- *Report plans on healthcare challenges (one proposal: support)*

In 2007, there were no proposals up for review concerning drug pricing and access. However, the ACSRI reviewed a new proposal concerning access to healthcare to a big-box retailer. The proposal requested that the company report on the implications of rising health care expenses and its positioning to address this public policy issue; the ACSRI found the proposal rather unclear as to its purpose and implications if adopted. Nevertheless, the ACSRI noted that the company has recently joined forces with the Service Employees International Union, an atypical alliance, to promote a healthcare initiative and to publicly advocate for significant healthcare reform; furthermore, the company did not challenge the inclusion of the proposal on its proxy statement with the SEC, implying a willingness to consider the issue. The ACSRI concluded that, in this case, the company does not mind positioning itself on the issue in this way and being perceived as a partner in addressing it. They felt that, although the company seems to already be fulfilling at least the spirit of the proposal through its recent advocacy, nevertheless, it would be helpful to support the proposal, and thus help sustain the momentum that the company has been developing on its own.

The TSSR abstained on this proposal due to the very unclear nature of the proposal's request and implications.

J. Military and Security (3 proposals)

- *Develop military contracting criteria (one proposal: reject)*
- *Report on depleted uranium (one proposal: reject)*
- *Report on foreign military sales (one proposal: reject)*

The ACSRI rejected all three military and security proposals. While the three proposals differed in their individual requests, the ACSRI felt that the motivation behind each of the three proposals boiled down to the fact that proponents were opposed to military weapons manufacture and sales, generally; in effect, these proposals ask the companies not to engage in the business they are in. (In the case of the proposal to develop military contracting criteria, the proposal was submitted to a company that does not actively engage in weapons manufacture, but manufactures components that can be and are sometimes utilized by companies in the defense industry.) While the ACSRI had concerns about the weapons industry, and whether universities should be invested in such companies, members felt that these proposals are an inappropriate method to address those questions. Furthermore, most members of the ACSRI believe that regulation of military weapons and sales should come from the government rather than from shareholder directives. Members in support of the proposal to report on foreign military sales believe that the government's oversight of weapons sales has been questionable and it is therefore appropriate for shareholders to request the company to report.

K. Miscellaneous

- *Review tax, tort, and regulatory reform (one proposal: reject)*

The ACSRI considered this proposal to a big-box retailer to be very strange, containing an unclear resolved clause and broad, over-reaching and seemingly unrelated supporting statements. The gist of the proposal, as best as the ACSRI could gather, seems to be that the company produce a report affirming the centrality of the purpose of increasing shareholder value, at the exclusion of any other consideration. The ACSRI considered the proposal vague and the requested report superfluous.

L. Political Contributions (15 proposals)

- *Report on political donations and policy (twelve proposals: support)*
- *Disclose political contributions in newspapers (one proposal: reject)*
- *Affirm political nonpartisanship (one proposal: reject)*
- *Disclose prior government service (one proposal: reject)*

This is the fourth year that the ACSRI included this issue in its proxy review agenda, and it was the second largest issue area (after environment/energy proposals), accounting for 21% of all resolutions reviewed. The ACSRI generally favors the transparency encouraged by these proposals and recommended supporting all proposals asking companies to report on their political donations and policies. Related proposals whose requests went beyond transparency to narrowly focused actions on the part of the company, such as proposals requiring the company to affirm political nonpartisanship or to disclose political contributions in newspapers, did not receive the ACSRI's support.

Report on political donations and policy

The ACSRI reviewed more of these proposals this year than any other type. They request that companies report on their political contributions to candidates, parties, and section 527 organizations, the rationale for these contributions, and the names of the employees making these decisions. Many of the proposals reviewed this year included additional language that was first seen last year, asking for disclosure of contributions made to trade associations that would not be deductible under section 162 (e)(1)(B) of the tax code due to their political nature.

The ACSRI unanimously recommended support in all cases of this proposal. The ACSRI cited its precedent of support for these proposals, and expressed the position that, as an institution committed to the free flow of ideas and open exchange, it is appropriate that Columbia encourage greater transparency in political donations; furthermore, as a shareholder, Columbia has an interest in knowing how its money is spent. The ACSRI observed that increased openness has contributed to recent trends in good governance and believed the cost of preparing the report to be outweighed by these factors. In the case of proposals containing language requesting disclosure of contributions made to trade associations not deductible under section 162 (e)(1)(B) of the tax code, ACSRI members felt that the requested extension of the transparency principle was warranted due to the specifically political nature of the donations in question.

Disclose political contributions in newspapers

As in previous years, the ACSRI unanimously rejected this proposal. Members noted that while it is similar in spirit to proposals to "report on political donations and policy," in this case, the requested means of reporting the donations – publishing them in newspapers – is very limited and does not provide interested parties with continuous access to the data (such as making the report available on the company's website). Furthermore, ACSRI members felt the request was unreasonable in that it only gives the company five days to publish the information were the proposal to pass.

Affirm political non-partisanship

The ACSRI unanimously voted to reject this proposal, agreeing that it is not necessarily in a company's best interest to be non-partisan and that it would not ask a company to be so. In its rejection, the ACSRI noted that most of the actions requested of the company in the proposal are already prohibited under the law, and that the company already appears to have policies in place that address many of the proponent's requests.

Disclose prior government service

The ACSRI voted to reject this proposal, which asks the company to provide shareholders with a list of company vice presidents, executives and directors, and individuals hired as consultants, lobbyists, lawyers, or investment bankers who have served in any governmental capacity over the past five years. Members rejecting the proposal observed that any governmental service of company executives and directors would be disclosed through regular reporting requirements and the company's policies. These members argued that the extension of the disclosure to consultants, lobbyists, and lawyers, etc. would be onerous and could encompass hundreds of people or more. These members questioned what the proposal seeks to accomplish, noting that many people have served in a governmental capacity before entering the private sector, and that there are laws that regulate the activities of these officials after they leave government service.

M. Sustainability (5 proposals)

- *Issue sustainability report (five proposals: four support; one reject)*

Following the precedent developed as the proxy season progressed last year, the ACSRI supported four of the five proposals. The proposal in the four cases of support requested a report including the company's definition of sustainability and a review of current company practices with respect to social, environmental, and economic sustainability and recommended, but did not require, the use of the Global Reporting Initiative's Sustainability Reporting Guidelines to prepare the report. Members cited the importance of tracking the social and environmental considerations included in the concept of sustainability, noting that forward-looking policies on these issues are important factors in companies' long-term growth and viability. Many members argued in favor of every major corporation, regardless of industry, thinking carefully about sustainability principles and reporting on their policies and strategies to address them. These members did not intend for their support of these proposals to be punitive, but simply to encourage the companies to engage in a comprehensive overview of their impact and long-term sustainability. In some cases, members abstained from or rejected the proposal, believing the proposal to be inappropriately targeted to a company in a sector without a strong impact on the environment.

The ACSRI rejected the proposal in one instance, as submitted to a financial services firm. In this case, the proposal was motivated by a very specific agenda of the proponents, and seemed similar to the motivation driving proposals asking companies to report on charitable donations. (In fact, a charitable donations proposal was submitted to this same company and addressed the same issue). While the "Resolved" clause appeared straightforward, the supporting statements indicated that proponents opposed a company donation of 680,000 acres of forest on the island of Tierra del Fuego, Chile to the Wildlife Conservation Society (WCS). Proponents claim that there is a conflict of interest, in that the son of the then CEO was an official with the WCS at the time of the donation. Proponents further claim that donation of the land is a less desirable outcome than development of the land in a sustainable manner which would help provide jobs in a depressed economy. The ACSRI believed that the donation of the forest to the WCS for preservation represented defensibly sustainable action and further noted that the company already has policies in place and reports publicly on environmental and corporate citizenship issues. The ACSRI was not overly concerned with any "conflict of interest" between the CEO and his son, as the issue in question was a charitable donation and not a business deal. Finally, while some ACSRI members believe there may be value in asking every company to report on sustainability issues, these same members felt particularly loath to ask this company to do so on the basis of this proposal.

VII. Looking Ahead

For the upcoming 2007-08 academic year, the ACSRI plans to complete its annual Sudan monitoring in the fall and maintain its scope of proxy review in the spring. During 2007-08, the ACSRI will continue its discussions on possible activities to undertake in addition to proxy review, such as corresponding with shareholder proponents and/or company management in selected cases and continuing to invite faculty members and other experts from the Columbia community to address and educate the ACSRI on relevant social issues. The ACSRI may consider various additional actions with respect to the issues on its Agenda as it evaluates the need for these actions in the context of specific shareholder proposals. Furthermore, the ACSRI continues to investigate methods of outreach to and conversation with the university community.

COLUMBIA NEWS
The Homepage of the Public Affairs Office and Its Publication, The Record

Columbia Revises Sudan Divestment List

Columbia University announced March 20 that it will remove two companies, ABB and Siemens, from the Sudan divestment list developed in April 2006, and it will add ten new companies to that list.

The decision is based on the unanimous recommendation of Columbia's Advisory Committee on Socially Responsible Investing, a 12-member body composed of students, faculty and alumni that makes recommendations to the University Trustees on social and ethical issues confronting the University as an investor. The Advisory Committee's recommendation was approved by Columbia's Board of Trustees at its most recent meeting. The decision follows the Board's approval of the Advisory Committee's April 2006 Statement of Position and Recommendation for Divestment from Sudan, which called for divestment from and prohibition of future investment in 18 companies with business operations in Sudan.

In the fall of 2006, as prescribed by the April 2006 Statement, the Advisory Committee undertook monitoring of the 18 companies on the divestment list, as well as monitoring of the activity of other companies active in Sudan. After extensive review of the available research, the Advisory Committee recommended divesting from 10 additional companies with activity in Sudan. Columbia University currently does not have any direct holdings in the 10 companies to be added to the divestment list. The 10 new companies marked for divestment are Bollore, Electricity Generating Company (EGCO) PLC, Ericsson, ICSA, Indian Oil Corporation, Mobile Telecommunications Co., Muhibbah Engineering (M) Berhad, Petrofac, Reliance Industries, and Rolls-Royce Group PLC.

Below is a full list of all companies marked for divestment.

- Alcatel
- Alstom
- Bharat Heavy Electricals
- Bollore
- Electricity Generating Company (EGCO) PLC
- Ericsson

- Harbin Power Equipment
- ICSA
- Indian Oil Corporation
- Lundin Petroleum International
- Mobile Telecommunications Co.
- Muhibbah Engineering (M) Berhad
- Nam Fatt
- ONGC
- PECD Berhad
- PetroChina
- Petrofac
- Reliance Industries
- Rolls-Royce Group PLC [*]
- Schlumberger
- Sinopec
- Sudatel
- Sumatec
- Tatneft
- Videocon Industries
- White Nile Petroleum

Published: Mar 22, 2007
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*[*Please note that Rolls-Royce was subsequently removed from the divestment list in June 2007 following that company's announcement that it will cease operations in Sudan.]*

APPENDIX 2

May 7, 2007

David J. O'Reilly, Chairman & CEO
Chevron Corporation
6001 Bollinger Canyon Road
San Ramon, CA 94583

Dear Mr. O'Reilly,

I am writing on behalf of Columbia University's Advisory Committee on Socially Responsible Investing ("The Committee"), chartered by the University Trustees in March 2000. The Committee serves as an advisory body to the Trustees concerning social and ethical issues confronting the University as an investor of its endowment. As part of its work, the Committee tries to inform itself of the views of members of the University community with regard to such issues. This past fall and winter, a group of students, aware that Columbia was an investor in Chevron, formally addressed the Committee to express their concerns surrounding Chevron's legacy operations in Ecuador. The Committee decided to initiate an inquiry into the matter and, as part of this inquiry, hosted a presentation by members of Chevron's corporate, legal, and toxicological teams. The purpose of this letter is to provide you with feedback on our reactions to this presentation.

The Committee would like to start by thanking Chevron Corporation for agreeing to send this team of experts to address the Committee concerning the dispute in Ecuador. Committee members would like in particular to extend their gratitude to Renae Magaw, Charlie Stewart, and Ricardo Reis Veiga for their willingness to travel to New York to speak to the Committee, and for their thorough and extensive presentation. The Committee would also like to thank Maria Pica for serving as the Committee's liaison with company management and for her work in arranging the presentation.

During its presentation, the Chevron team strongly emphasized the legal facts of the case and Chevron's belief that it has fulfilled its obligations under the remediation agreement negotiated with the Ecuadorian government. The Committee is not in a position to judge the legal merits of the dispute concerning the Ecuador cleanup, but it recognizes that Chevron may well have fulfilled these obligations. The Committee is concerned, however, that Chevron has defined its goals with respect to this dispute too narrowly. The question is not as simple as whether Chevron has fulfilled its formal legal obligations. Corporate social responsibility by definition extends *beyond* the law. The Committee believes that the situation in Ecuador offers Chevron the opportunity to become a leader in the area of corporate social responsibility, particularly as those responsibilities apply to legacy issues. The Committee feels that Chevron's refusal, or inability, to broaden its focus and work to assure the repair of all of the joint ventures' environmental damage is out of step with evolving expectations of responsible corporate behavior. The Committee is unconvinced that the dispute could not be settled on reasonable and fair terms, if Chevron were willing to be more flexible in this regard.

The Committee is concerned that Chevron's refusal to broaden its outlook is becoming increasingly detrimental to the company's reputation. As it stands, Chevron is in the midst of a public relations disaster due to the situation in Ecuador. Articles in major media sources such as the New York Times (October 2005) and Vanity Fair (May 2007) have brought high visibility to the matter and helped to spread a broad negative public opinion of the company. As one Committee member expressed during the Q&A portion of the team's presentation, settling this case and putting an end to the controversy would stem this increasing damage to the company's reputation. Even if a verdict ultimately comes down in Chevron's favor and absolves the corporation of any further remediation obligations, the Committee wonders whether such a victory would be worth the further damage to the company's reputation from continuing the legal struggle to reach this result. Indeed, an earlier, broad-based settlement might complement Chevron's widely reported recent push to become more environmentally sensitive.

The Committee unanimously recommended support for the 2007 host-country laws shareholder proposal in Chevron's 2007 proxy statement. Columbia's Trustees agreed with the Committee's recommendation and voted Columbia's Chevron shares accordingly. The Committee believes that the situation in Ecuador clearly illustrates how Chevron, unless it binds itself to adhere globally to some higher set of standards, can be directly and adversely affected by operating in a country with inadequate laws and flawed governmental processes. It appears that much of the controversy in Ecuador has arisen out of its government's participation in the project, the agreements negotiated with Ecuador and the alleged inadequacy of the government's follow-through on its own remediation obligations. Against this background, Chevron's insistence on defining its responsibility in the matter only according to its narrowly defined legal obligations argued directly in favor of supporting the shareholder proposal. Our support for this proposal is not intended to be punitive, but rather strongly to encourage Chevron's management to review carefully the laws of the countries in which it operates, and to consider pre-emptive strategies for avoiding problems in the future like those that have developed in Ecuador. The Committee observes that companies in the oil industry are becoming increasingly sensitive to the environmental, public health, and security laws and policies of the foreign countries in which they operate. High risks and large potential externalities are inherent to the industry, and dealing with them according to high standards is part of the cost of doing business internationally, whatever the local laws.

In conclusion, the Committee strongly encourages Chevron to reconsider its adherence to its narrow definition of its responsibilities in Ecuador, determined only by its previously negotiated remediation obligations. The Committee encourages Chevron to broaden that definition to be consistent with current expectations of corporate social responsibility. The Committee encourages Chevron to settle the legal dispute in Ecuador in order to avoid further damage to the company's reputation. Finally, the Committee encourages Chevron to implement the requests of the 2007 host-country law shareholder proposal.

Very truly yours,

Merritt B. Fox

Chair, Advisory Committee on Socially
Responsible Investing
Michael E. Patterson Professor of Law

cc: Chevron Corporation:
Sam Nunn, Chair, Public Policy Committee of the Board of Trustees
Charles A. James, VP & General Counsel
Patricia A. Yarrington, VP for Policy, Government, and Public Affairs

Renae Magaw, Senior Research Toxicologist
Charlie Stewart, Manager – Public Relations
Ricardo Reis Veiga, Managing Counsel – Latin America
Maria Pica, Manager – Global Issues and Policy

Columbia University:
Trustees Subcommittee on Shareholder Responsibility
Lee C. Bollinger, President
Al Horvath, EVP Finance

MBF/cl

APPENDIX 3

ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING
2006-2007 AGENDA
December 5, 2006

INTRODUCTION

At the recommendation of the President, and with the approval of the University Trustees, the Advisory Committee on Socially Responsible Investing was established in March 2000 to address issues of corporate social responsibility confronting the University as an investor. The Committee was asked to "set out a specific agenda" for each academic year, and to provide it to the Columbia community during the fall semester. The Committee has developed the following agenda for the 2006-2007 academic year, which builds on the Committee's first six years of experience generally, and which specifically reflects discussion of the shareholder proposals reviewed last year, other issues – such as Sudan divestment – ongoing from last year, the input from the Committee's annual Town Hall on November 14, 2006, consideration of external sources and materials, and careful discussion and deliberation.

AGENDA

During the 2006-2007 academic year, the Committee will continue to review selected shareholder proposals made to public corporations in which the University has invested its endowment. The Committee will recommend to the University Trustees how to vote on shareholder proposals from several broad social issue categories, namely: animal welfare; board diversity; corporate charitable and political contributions; environment and energy; equal employment opportunity; executive pay as tied to social indicators; global labor standards; health issues; human rights; and sustainability. In keeping with its precedent of recent years, the Committee anticipates excluding most shareholder proposals on corporate governance from its review, but may decide to review and formulate recommendations in a select number of cases where it believes it can add some value to the discussion. The Committee may further refine its focus as the proxy landscape becomes better defined in the winter of 2007.

In accordance with the Committee's April 2006 Statement of Position and Recommendation on Divestment from Sudan, the Committee will monitor company activity in Sudan and may make a recommendation to the Trustees to maintain the current divestment/disinvestment list, or to add companies to and/or remove companies from the current list. Over the course of the academic year, the Committee may advise the Trustees on other compelling issues involving socially responsible investing and adjust its agenda, if and when relevant matters arise. The Committee will explore other ways to communicate its concerns about issues of corporate social responsibility through methods other than proxy review, such as contact with proxy proponents and direct communication to corporate managers.

PROCESSES

With respect to proxy review for 2006-2007, the Committee anticipates continuing to address shareholder proposals on a case-by-case basis, as this approach allows for a thorough and nuanced response to each proposal as it pertains to a specific company or industry. The Committee will strive to hone its expertise and proficiency on matters identified on its agenda and develop sound and consistent positions; in so doing, members will review shareholder statements and company responses, as well as other supporting and opposing statements and independent reports and opinions. The Committee intends to invite outside experts and members of the University community with expertise in selected areas covered by this agenda to address the Committee and further educate members on these issues. The Committee will create an informal subgroup to engage in Sudan divestment monitoring and will undertake the monitoring process once annually. The Committee may continue to form other subgroups, where appropriate, to consider select issues.

The Committee will keep a record of all matters that are put to formal vote, including all recommendations that are submitted to the University Trustees. The Committee will work with the Trustees' Subcommittee on Shareholder Responsibility to make possible the timely and accurate submission of proxy ballots.

An interim annual report of the activities of the Committee will be released at the conclusion of the academic year, and a final report will be released the following autumn along with other reports, as appropriate. The Committee will communicate this agenda to the President, the University Trustees, and the University Senate, and will post it on its website.

APPENDIX 4

2007 ACSRI PROXY RECOMMENDATIONS, TSSR VOTES, AND OVERALL SHAREHOLDER SUPPORT

Issue	**ACSRI Review Date**	**Company**	**Resolution**	**ACSRI Votes to Support (#)**	**ACSRI Votes to Reject (#)**	**ACSRI Votes to Abstain (#)**	**ACSRI Rec**	**TSSR Vote**	**Overall Shareholder Support (%)**
Animal Welfare	5/8/2007	Yum Brands, Inc.	Report on progress toward humane slaughter method	4	5	1	None	Reject	8.1
	4/17/2007	Pfizer Inc.	Review animal welfare standards	5	4	0	None	Abstain	7.3
	4/17/2007	Chevron Corporation	Review animal welfare standards	4	4	0	None	Abstain	7.3
	4/17/2007	Pfizer Inc.	Review overseas animal testing	3	6	0	Reject	Reject	8.5
Banking Issues	4/10/2007	Wells Fargo & Company	Report on fair housing lending policy/record	8	0	1	Support	Support	8.3
Board Diversity	4/10/2007	Torchmark Corp.	Commit to/Report on Board Diversity	10	0	0	Support	Support	8.2
Charitable Donations	4/10/2007	Anheuser-Busch Companies, Inc.	Review/report on charitable giving/policy	0	10	0	Reject	Reject	Withdrawn
	4/3/2007	Citigroup Inc.	Review/report on charitable giving/policy	0	7	0	Reject	Reject	9.0
	4/10/2007	General Electric Co.	Review/report on charitable giving/policy	0	10	0	Reject	Reject	8.2
	4/24/2007	PepsiCo, Inc.	Review/report on charitable giving/policy	0	10	0	Reject	Reject	7.5
	3/20/2007	The Goldman Sachs Group, Inc.	Review/report on charitable giving/policy	0	10	0	Reject	Reject	7.2
	4/24/2007	Verizon Communications	Review/report on charitable giving/policy	0	10	0	Reject	Reject	14.3
	5/15/2007	Wal-Mart Stores, Inc.	Review/report on charitable giving/policy	0	9	0	Reject	Reject	2.7
Environment and Energy	4/10/2007	General Electric Co.	Report on climate change science	0	10	0	Reject	Reject	6.4
	4/24/2007	Occidental Petroleum Corp.	Report on climate change science	0	10	0	Reject	Reject	6.2
	5/15/2007	Exxon Mobil Corp.	Set GHG emissions reduction goals	9	0	0	Support	Abstain	31.1
	4/17/2007	Chevron Corporation	Set GHG emissions reduction goals	2	4	1	None	Reject	8.5
	5/15/2007	Exxon Mobil Corp.	Disclose GHG emissions from company products	3	5	1	None	Abstain	7.1
	5/15/2007	Exxon Mobil Corp.	Develop renewable energy alternatives	4	5	1	None	Reject	7.3
	5/1/2007	ConocoPhillips	Report on community hazards	7	0	0	Support	Support	10.0
	5/15/2007	Exxon Mobil Corp.	Report on community hazards	9	0	0	Support	Support	9.8
	5/1/2007	The Dow Chemical Company	Report on environmental impact and plans	7	0	0	Support	Support	8.9
	4/17/2007	Chevron Corporation	Report on environmental review process overseas	9	0	0	Support	Support	8.6
	5/8/2007	Yum Brands, Inc.	Review environmental impact of fishing practices	10	0	0	Support	Support	Awaiting
	5/1/2007	ConocoPhillips	Review Natl. Petroleum Reserve-Alaska	7	0	0	Support	Support	16.7

	4/10/2007	The Coca-Cola Company	Report on water use	5	5	0	None	Reject	6.7
	5/1/2007	The Dow Chemical Company	Review/reduce asthma triggers in pesticides	2	5	0	None	Reject	6.8
	5/1/2007	The Dow Chemical Company	Report on toxics phaseout plan	0	7	0	Reject	Reject	22.2
	4/17/2007	Kimberly-Clark Corp.	Consider phasing out non-FSC products	4	2	1	None	Abstain	8.1
	5/15/2007	McDonald's Corp.	Label gene-engineered or cloned food	2	7	0	Reject	Reject	7.0
	5/1/2007	The Dow Chemical Company	Report on gene-engineered plants	0	7	0	Reject	Reject	7.0
Equal Employment	5/15/2007	Wal-Mart Stores, Inc.	Report on stock options by race/sex	0	9	0	Reject	Reject	N/A
	5/15/2007	Home Depot, Inc. (The)	Report on EEO	10	0	0	Support	Support	25.6
	5/15/2007	Exxon Mobil Corp.	Adopt sexual orientation anti-bias policy	8	0	1	Support	Support	37.7
	4/24/2007	Timken Co. (The)	Implement Equality principles	9	0	1	Support	Support	35.1
	4/3/2007	Crane Co.	Implement MacBride principles	0	7	0	Reject	Reject	12.1
	5/8/2007	Yum Brands, Inc.	Urge MacBride on franchisee	0	9	1	Reject	Reject	10.1
Executive Pay	5/15/2007	Exxon Mobil Corp.	Link executive pay to social criteria	8	1	0	Support	Reject	11.6
Global Labor Standards	5/15/2007	McDonald's Corp.	Implement ILO standards	9	0	0	Support	Support	9.8
	4/17/2007	Kimberly-Clark Corp.	Implement ILO standards and third-party monitoring	8	0	0	Support	Support	10.7
	5/8/2007	Mattel, Inc.	Report on implementation of global principles	0	10	0	Reject	Reject	7.4
	5/15/2007	Wal-Mart Stores, Inc.	Review impact of poor labor practices	8	0	1	Support	Support	4.2
Health Issues	5/15/2007	Wal-Mart Stores, Inc.	Report plans on healthcare challenges	8	1	0	Support	Abstain	2.6
Human Rights	4/17/2007	Chevron Corporation	Adopt comprehensive human rights policy	7	0	0	Support	Support	26.9
	5/1/2007	ConocoPhillips	Adopt/report policy on indigenous peoples	6	1	0	Support	Support	10.0
	4/24/2007	Berkshire Hathaway Inc.	Don't invest in firms in U.S.-barred countries	8	0	2	Support	Abstain	2.4
	5/8/2007	JPMorgan Chase & Co.	Review actions on slavery history	0	10	0	Reject	Reject	2.9
Job Cuts & Relocations	4/10/2007	International Business Machines Corp.	Report on risks to image of globalization strategy	2	8	0	Reject	Reject	7.9
Military and Security	4/10/2007	General Electric Co.	Develop military contracting criteria	0	9	0	Reject	Reject	7.9
	5/8/2007	Northrop Grumman Corp.	Report on foreign military sales	2	6	2	Reject	Reject	6.2
	4/10/2007	Lockheed Martin Corp.	Report on depleted uranium	0	9	0	Reject	Reject	10.0
Miscellaneous	5/15/2007	Wal-Mart Stores, Inc.	Review tax, tort & regulatory reform	0	9	0	Reject	Reject	1.7
Political Contributions	5/15/2007	Home Depot, Inc. (The)	Affirm political nonpartisanship	0	9	0	Reject	Reject	10.5
	4/10/2007	Merck & Co., Inc.	Disclose political contributions in newspapers	0	10	0	Reject	Reject	3.9
	4/10/2007	Citigroup Inc.	Disclose prior government service	0	8	2	Reject	Reject	5.7

	4/24/2007	AT&T Inc	Report on political donations and policy	10	0	0	Support	Support	13.3
	4/3/2007	Citigroup Inc.	Report on political donations and policy	7	0	0	Support	Support	30.4
	5/15/2007	Comcast Corp.	Report on political donations and policy	9	0	0	Support	Support	5.5
	5/1/2007	ConocoPhillips	Report on political donations and policy	7	0	0	Support	Support	11.9
	5/15/2007	Exxon Mobil Corp.	Report on political donations and policy	9	0	0	Support	Support	25.5
	5/8/2007	JPMorgan Chase & Co.	Report on political donations and policy	10	0	0	Support	Support	12.0
	5/8/2007	Marsh & McLennan Companies, Inc.	Report on political donations and policy	10	0	0	Support	Support	25.7
	4/10/2007	The Chubb Corp.	Report on political donations and policy	10	0	0	Support	Support	29.7
	4/17/2007	The McGraw-Hill Companies, Inc.	Report on political donations and policy	9	0	0	Support	Support	37.9
	4/24/2007	Union Pacific Corp.	Report on political donations and policy	10	0	0	Support	Support	37.1
	4/3/2007	Wachovia Corp.	Report on political donations and policy	7	0	0	Support	Support	12.5
	5/15/2007	Wal-Mart Stores, Inc.	Report on political donations and policy	9	0	0	Support	Support	11.0
Sustainability	5/15/2007	Comcast Corp.	Issue sustainability report	9	0	0	Support	Support	14.8
	5/8/2007	Comerica Inc.	Issue sustainability report	8	1	1	Support	Support	45.0
	4/3/2007	Dover Corporation	Issue sustainability report	7	0	0	Support	Support	34.6
	3/20/2007	Lennar Corp.	Issue sustainability report	10	0	0	Support	Support	6.7
	3/20/2007	The Goldman Sachs Group, Inc.	Issue sustainability report	0	10	0	Reject	Reject	7.7