

# PROXY SEASON PREVIEW 2008

## Helping Foundations Align Investment and Mission

### INCLUDED IN THIS ISSUE:

- Hot Issues in 2008, Top Vote Getters in 2007, Trends in Voting
- Social Proposals: Animal Welfare, Environment, Global Warming, Health Care, Human Rights, Labor Standards, Political Donations, Product Safety, Sexual Orientation, Sustainability
- Governance Proposals: Board Diversity, Executive Compensation, Say on Pay, Separate CEO and Chairman of the Board
- Aligning Investment and Mission: Proxy Voting, Shareholder Advocacy, Screened Portfolios, Mission Related Investments, Foundation Involvement
- Resources: Foundation Reports, Investor Networks, Shareholder Campaigns, Proxy Voting Services, Socially Responsible Investing
- 2008 Spring Proxy Vote: Companies, Dates, Social Proposals



As You Sow

Planting Seeds for Social Change

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Philanthropy  
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Foundation

# Proxy Season Preview — 2008

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# INTRODUCTION

Combating climate change, limiting the influence of political donations, ensuring access to health care, supporting fair and equitable labor standards — every year there are hundreds of shareholder proposals on social and environmental issues that are directly relevant to the missions of 72,000 U.S. foundations. The Proxy Season Preview helps foundations identify these proposals and vote their proxies in an informed manner.

The 2008 Proxy Preview highlights key issues, describes current social and environmental proposals, identifies key investors and organizations filing them, provides a list of companies and upcoming proxy votes, features new reports, and offers a resource section that will further enable foundations to learn more about what their colleagues in the philanthropic community are doing to align investment and mission.

More and more foundations are examining the role of their endowments in relation to their missions. Proxy voting is a basic first step in aligning investments and mission. It supports strong management practices which in turn protects long-term shareholder value and the value of a foundation's endowment. It also supports the stated charitable mission of many foundations by backing stronger corporate social and environmental practices of U.S. corporations without compromising return. Yet when it comes to using the proxy process, most foundations still passively follow management recommendations even when they are not aligned with the foundations' own mission and values.

The majority of companies hold their annual meetings in the spring and hundreds of proxy proposals will be voted on in the next few months. This is the time for foundations to identify and support those proxy issues that are related to their mission. **We encourage you to share this publication with foundation trustees, staff, and the investment managers and advisors used by your foundation.**

## TYPES OF PROPOSALS

Shareholders file two types of proposals — governance and social.

**Governance Proposals** focus on traditional management issues such as selection of directors, appointment of auditors and approving company stock plans. Several hundred governance proposals are filed every year. Numerous sources of information on these

proposals are available, some of which are included in our Resource section. This preview only focuses on those governance proposals that overlap with social issues such as board diversity or linking executive compensation to social criteria.

**Social Proposals** call for reports or policy changes on social or environmental issues. These shareholder proposals relate most directly to foundations' programmatic goals. Most foundations delegate proxy voting to investment managers who often automatically vote in accordance with company management recommendations. Given that management almost uniformly votes against social proposals, foundations are, quite simply, supporting company actions that are often in direct opposition to their program mission.

Proposals listed here are up-to-date as of March 20, 2008. At that time more than 380 social proposals had already been filed and nearly 200 will be voted on this year. Some proposals described here may not be listed on your proxy statement. Historically, about half of those filed will not go to a vote. Changes occur constantly as proposals are withdrawn by the filers in exchange for company dialogues or due to policy changes, or omitted by the company in accordance with Securities and Exchange Commission (SEC) rules.

**Filed and Pending Proposals** are distinguished throughout this preview. Pending means the proposal is still to be voted on — and upcoming votes are of course the main focus of this preview. Yet we will often discuss the number of proposals *filed* as a means of highlighting the scope or impact of the proposal or issue. For example, a proposal may be filed but later withdrawn for a company dialogue, which might indicate that the company has taken action or made substantive progress behind-the-scenes as is now commonly happening with many global warming and sexual orientation proposals. The number of filed proposals is often a good way to gauge growing or slowing shareholder interest in particular issue areas.

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## MAJOR PLAYERS

**Religious Institutional Investors** are traditionally represented by the Interfaith Center on Corporate Responsibility (ICCR), which pioneered shareholder activism on social issues 30 years ago and continues to be the world's leading practitioner. ICCR members and associates — with combined assets of \$110 billion — work together to coordinate efforts on many proposals. ICCR is comprised of 275 religious institutional investors — along with associate members, including two-dozen socially responsible investment firms, pension funds and foundations (many of which are highlighted below) — who together account for two-thirds of all 2008 social proposals filed. ICCR has traditionally been the leader on issues of diversity, environment, global warming, health, human rights, labor, violence and militarization. The most active faith based proposal filers this year are the Sisters of St. Francis of Philadelphia, Sisters of Charity of the Incarnate Word, Catholic Healthcare West, Trinity Health, Missionary Oblates of Mary Immaculate, and Mercy Investment Program, all of whom have each filed more than 20 proposals.

**Socially Responsible Investors (SRI)** consider their investments' returns as well as their investments' impact on society. SRIs are best known for developing positive or negative investment screens encompassing a variety of issues and industries. Some SRIs go a step further and actively engage companies on issues related to their screens. The most active SRIs engaged in shareholder dialogues and filing proposals in 2008 include Walden Asset Management, Calvert Group, Trillium Asset Management, Domini Social Investments, Harrington Investments, Northstar Asset Management, Green Century Funds, Boston Common Asset Management, and Newground.

**Labor Unions** have historically been very engaged as shareholder activists. They are major players on governance issues as shown by the leadership role of the American Federation of State, County and Municipal Employees (AFSCME) in coordinating the filing of 100 executive compensation proposals this year (see *Say on Pay – Hot Issues*, pg. 5). The AFL-CIO, SEIU and Teamsters are all very active in governance proposals and this year unions also filed about 25 social proposals. The AFL-CIO filed a dozen proposals — nine regarding political donations and three on health care reform. The Teamsters filed eight proposals — five pushing for improved security safeguards in response to potential terrorist attacks and three asking for political donation disclosures. Both the Sheet Metal Workers and

Steelworkers also filed proposals on political contributions, and DuPont workers are calling for a committee to review plant closings.

**Pension Funds** have been prominent shareholder activists over the years both as proposal filers and in influencing company policies behind the scenes. New York City Pension Funds — a consortium of five pensions including firefighters, police and teachers — has become the most active pension fund and the most active social proposal filer with more than 70 proposals this spring alone. Some of its core issues are labor rights, sexual discrimination, sustainability, political donations, climate change and product safety. The State of Connecticut Treasurer's Office is always an active filer and this year has a dozen proposals on greenhouse gas emissions, product safety and board diversity. The Vermont State Treasury filed human rights proposals regarding Darfur. The California State Teachers' Retirement System filed proposals on greenhouse gas emissions. The California Public Employees' Retirement System (the world's largest pension fund) rarely files social proposals but was one of the founders of shareholder activism on governance issues.

**Non-Governmental Organizations (NGOs)** activity has dropped to just a few players although they continue to account for a significant number of proposals with about 50 filed this year. This is based largely on the activity of two very different organizations. The People for the Ethical Treatment of Animals (PETA) filed 22 animal welfare related proposals. Amnesty International filed a human rights proposal at Citigroup regarding its investment policy relating to Darfur; and Jewish Voice for Peace continues to press Caterpillar on its poor human rights record. Meanwhile socially conservative investors, concerned about such issues as environmentalism, homosexuality, illegal immigration, and abortion have filed two dozen proposals led by the Free Enterprise Institute's Action Fund which continues to file proposals doubting the scientific validity of climate change with 14 proposal concerning global warming, and two each questioning the financial benefits of sustainability policies and the Equator Principles (see *Trojan Horse*, pg. 4). The National Legal and Policy Center filed five charitable giving proposals, and Human Life International again had a proposal opposing embryo destruction omitted by the company.

**Foundations** are major institutional investors with hundreds of billions invested in the stock market. Yet when it comes to using common fiduciary tools — such as proxy votes — to enhance their mission and protect

the invested endowments on which their grantmaking depends, most foundations passively follow management’s recommendations even when they are not aligned with the foundation’s own mission. A handful of foundations such as the As You Sow, Educational Foundation of America, Nathan Cummings, Jessie Smith Noyes, Needmor and Rose foundations have been active in filing shareholder proposals for more than a decade; and foundation involvement continues to grow with nearly 20 foundations filing proposals this year. Several others such as Boston Foundation, Rockefeller Brothers Fund, V.K. Rasmussen and Ford do not file proposals but make special efforts to vote them based on their own carefully developed proxy voting guidelines, most of which are publicly available (see Foundation Involvement, pg. 15). More foundations are internally discussing how best to align investment with mission, and many are actively addressing this through approaches besides proxy voting, such as screening their investments or mission related investing (see Aligning Investment with Mission, pg. 15).

## REVIEW OF 2007

Although there were a few notable surprises, shareholder concerns basically stayed consistent for the second year in a row.

### TOP VOTES

**Human Rights:** Surprisingly, a Human Rights Report proposal accounted for the biggest vote at Newmont Mining, receiving an astounding 95% vote in response to “A pattern of community resistance to the company’s operations, especially in Peru, Indonesia, and Ghana, raises concerns about issues such as the company’s mining waste disposal practices, the potential for water pollution, development on sacred sites, and community resettlement ...”

This is the first time a mining company has supported a social resolution and the company has committed to review and report on how it will improve its policies, practices and relations in the communities in which it operates.

**Sustainability Reporting,** which asks companies to review economic, social and environmental impacts of its operations, again accounted for the most votes in the Top Ten garnering four top votes in 2007 (see Table 1) and three in 2006.

**Adopting Sexual Orientation Discrimination Policies** again accounted for the best average vote —

Table 1: 2007 Top Ten Social Proposal Votes

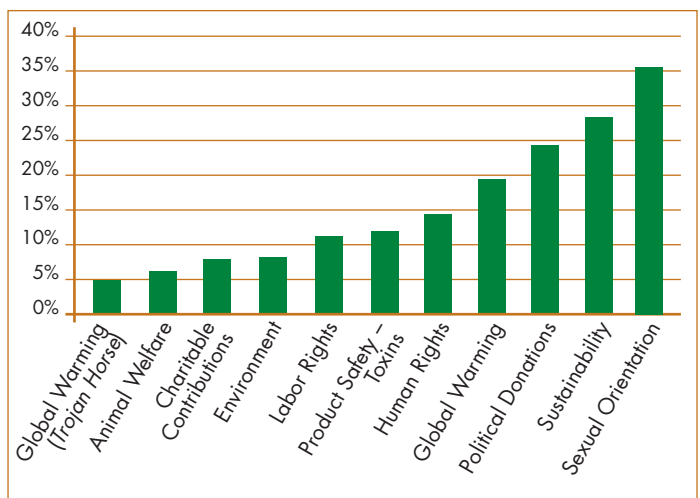
Company	Proposal	Vote For
Newmont Mining Corp.	Review human rights record	95.3%
HCC Insurance Holdings	Implement equality principles	52.2%
Unisys Corp.	Report on political donations and policy	51.1%
Dillards, Inc.	Issue sustainability report	46.4%
Clear Channel	Report on political donations and policy	46.2%
Expeditors International	Adopt sexual orientation anti-bias policy	45.2%
Comerica, Inc.	Issue sustainability report	45.0%
Hasbro, Inc.	Issue sustainability report	44.8%
Commercial Metals Co.	Adopt sexual orientation anti-bias policy	43.0%
Safeway, Inc.	Issue sustainability report	40.0%

37% in 2007 and 31% in 2006 (see Graph 1). By comparison, opposing proposals calling to Drop Sexual Orientation Policies received a 4.3% vote in 2007 and an average 2.7% vote in 2006.

### MOST POPULAR ISSUE

**Political Donations** were again the largest single issue for proposals with 58 proposals filed and 32 voted on in 2007. A testament to the success of this campaign is that 20 companies adopted policies of disclosure in 2007 (compared to seven in 2006, three in 2005 and one in 2004) and that last year’s average vote of nearly 24% was more than double the average votes when the campaign started in 2004.

Graph 1: 2007 Social Proposals Average Vote



## LARGEST AREA OF CONCERN

**Environmental** proposals have historically accounted for the largest category of social proposals filed. This was still the case as shareholders filed nearly 90 proposals on a wide range of issues such as greenhouse gas emissions, recycling, water, forestry, genetically engineered food, nuclear waste, oil production, protected lands, environmental justice and energy.

## FASTEST GROWING ISSUE

**Say on Pay** proposals skyrocketed from seven in 2006 to 60 proposals in 2007. This trend is continuing as more than 100 have already been filed in 2008. While not included in our Top Ten Social Proposal Votes because these are technically governance proposals — a Say on Pay proposal filed by As You Sow at Activision garnered overwhelming support with a 70% vote.

## TRENDS

### THE ART OF DIALOGUE

It is important to note that voting is just one side of shareholder advocacy. The goal of shareholder advocates is to change a company’s practice or policy. Most shareholders prefer to do this through a “good faith” dialogue with the company. Shareholders file proposals if a dialogue is not going well or the company is unresponsive. Filing a proposal can often bring the issue to the company’s attention and lead to a dialogue or change in policy or practice, in which case a proposal is no longer warranted and ultimately withdrawn. Table 2 shows that since 1999 just over half of all proposals filed actually go to a vote. The rest were either withdrawn in exchange for dialogues due to company action, or a small percentage of proposals were omitted by the SEC.

Table 2: Social Proposals Filed and Voted On

Year	# filed	# voted on	% voted on
2007	368	194	53%
2006	352	186	53%
2005	342	174	51%
2004	315	185	59%
2003	305	145	48%
2002	297	161	54%
2001	274	160	58%
2000	266	150	56%
1999	219	121	55%

## SOCIAL VOTES GOING MAINSTREAM

Many social proposals that go to a vote are now receiving higher votes. Social proposals have historically received single digit votes. While that is still the case for many, several crossover issues — such as sustainability and discrimination — have become important to mainstream investors as well. Table 3 shows that the number of social proposals receiving votes in the 20–50% range has raised significantly over the last four years. These votes are comparable to or better than traditional governance proposals and serve as further evidence that social, environmental and reputational risks are being viewed as legitimate concerns in their own right by mainstream investors.

Table 3: Upward Trend in Higher Votes for Social Proposals

% Voted FOR the Proposal	2004 Number of Proposals	2007 Number of Proposals	Percent Change
<10%	127	88	-31%
10–19%	46	31	-33%
20–29%	10	25	+150%
30%+	10	30	+200%

### “TROJAN HORSE” DOUBLES

Socially conservative investors have doubled the number of proposals they have filed over the last few years. Many of these proposals use similar language — but have vastly opposing intentions — than those proposals filed by socially progressive investors. The global warming issue has the largest number of these *Trojan Horse* proposals calling for Global Warming and Climate Science Reports. On first glance these seem similar to the Greenhouse Gas Emission and Climate Change Report proposals filed by progressive investors. Yet one set of proposals wants the company to act on global warming issues, while *Trojan Horse* proposals aim to pressure the company to abandon efforts to address climate change. A similar approach is used in proposals filed on Sustainability Reporting. This effort is led by the Free Enterprise Action Fund which doubts the impact of humans on climate change and sees the corporate responsibility movement as a barrier to free enterprise.

Meanwhile, a proposal calling for disclosing Charitable Contributions Disclosure, which asks companies to report on contributions and their rationale on the company web site, virtually duplicates the language of the highly

successful Political Contribution Disclosure proposals coordinated by the non-partisan Center for Political Accountability. Yet Charitable Contribution proposals filed by the National Legal and Policy Center and Human Life International are opposed to corporate funding of the Rainbow Coalition, Mexican American Legal Defense Fund, and Planned Parenthood, among others. Similarly, there have also been several filings of Equal Employment Opportunity proposals which sound like they could support, but actually oppose, sexual orientation anti-discrimination policies.

## PREVIEW OF 2008

Many of last year's top issues will still dominate this year's crop of proposals, yet 2008 will also see a slew of new proposals and three new shareholder campaigns.

Several major shareholder issues and campaigns continue their expansion including Political Donations (55+ proposals filed), Global Warming (50+ proposals covering climate change, greenhouse gas emissions, energy and related other issues), Sustainability (35+ proposals), Sexual Orientation Discrimination (30+ proposals), and Animal Welfare (25+ proposals).

The largest increase in proposals this year is found in Health Care Reform with nearly 30 proposals filed — up from seven last year — as it becomes a more organized shareholder campaign. Human rights proposals (40+ in 2008) nearly doubled, while labor rights and product safety/toxics issues continue to be well represented with more than a dozen proposals each. Socially conservative investors continue their increased participation in shareholder advocacy (25+ proposal filed), often filing on the same issues as socially progressive investors but from an obviously different viewpoint.

## HOT ISSUES

### Say on Pay — Executive Compensation

Last year's major new initiative is going stronger than ever as unions and SRLs led the effort to encourage curbs on excessive executive pay. While investors and the media will express outrage at soaring executive pay despite shrinking returns, few institutional investors will actually support proposals calling for caps on executive compensation. 'Say on Pay' proposals approached the issue just differently enough to garner even mainstream institutional support. For several years British shareholders have been casting advisory votes on executive compensation. Such a vote is not binding, but gives

shareholders a voice to provide valuable feedback on how shareholders view management's performance. More than 100 'Say on Pay' proposals will be filed this year, up from 60 filed in 2007. From the start, major proxy advisory services such as RiskMetrics (formerly ISS) and Glass Lewis have been recommending votes in favor of these proposals and they have averaged a 40% vote with some votes in the 50–70% range. Although considered by many as a traditional governance issue, 'Say on Pay' was initiated in the U.S. by AFSCME and Walden Asset Management, partly as a way to address pay discrepancy between executives and average workers.

### Political Donations

With nearly 60 proposals already filed in 2008, this continues to be the largest single social issue generating proposals. Now heading into its fifth year, this shareholder campaign has already convinced 43 companies to adopt disclosure and board oversight of their political spending. Significantly, a growing number of companies are disclosing the full range of their political spending including soft money contributions and payments to trade associations and other tax exempt organizations. Last year, As You Sow's proposal at ExxonMobil led it to agree to disclosure, and new companies recently agreeing to broad political disclosure include American Express, Xerox, Capital One, and Texas Instruments. Two factors are driving the surge in disclosure. One is heightened media attention to company political spending brought about by the most expensive election in U.S. history. The other is increased shareholder concern about the tie between corporate spending and unchecked corporate influence and rising risk to shareholder value.

### Global Warming

This multi-year, multi-pronged effort continues to expand. The coal, airlines and forestry industry sectors have been added to the existing investor outreach to the auto, banking, building, electric power, manufacturing, oil & gas and retail sectors. The scope of issues has also grown with new proposals regarding Alberta's tar sands project and bank financing of mountain top removal coal mining operations. Shareholders have filed more than 50 global warming related proposals this year, nearly double what they filed just two years ago. Perhaps more importantly, shareholders are actively involved in more than 50 company dialogues. This campaign is coordinated by ICCR and CERES who have been instrumental in developing the Investor Network on Climate Risk — an alliance of 60 institutional investors with collective assets totaling more than \$5 trillion.

Thanks to pressure from this investor network and the investor driven Carbon Disclosure Project — representing assets of \$57 trillion — hundreds of companies worldwide have agreed to chart their carbon footprint and to plan emissions reductions.

This is also the hot issue for global warming ‘deniers’ as 14 Global Warming Report proposals filed this year question the science supporting climate change and financial benefits of addressing this issue (see *Trojan Horse Doubles*, pg. 4).

**Sexual Orientation Discrimination**

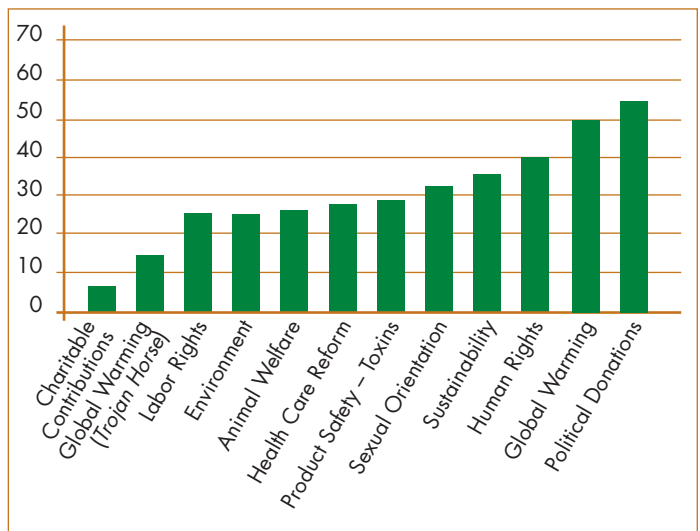
The issue of sexual orientation discrimination in hiring and employee benefits was first broached in 1992 by NYC Pension Funds at Cracker Barrel after the company adopted an official policy of discrimination against gays and lesbians. The company omitted the proposal which led to years of litigation and even Congressional hearings. By the time it came to a vote in 1998 Cracker Barrel’s shareholders were so fed up with the company’s intransigence that they overwhelmingly supported the resolution with a majority 58% vote and it was immediately adopted by management. A handful of companies faced this proposal over the next few years and most received modest votes of less than 10%. This issue became a major shareholder campaign in 2003 when both the number of proposals filed and votes increased exponentially. Last year 30 proposals were filed with an average vote of nearly 35% (the one proposal opposing an anti-discrimination policy received a 4% vote). This year will see about 35 proposals filed and higher votes are expected. What is perhaps most impressive about this campaign is the fact that more than 80 proposals were withdrawn when the companies agreed to amend their policies before ever going to a vote. And virtually all of those that actually went to a vote (with a couple of notable multi-year filings at ExxonMobil, Leggett & Platt and Expeditors International) were not refiled the next year as the company promptly addressed the issue. More than 170 companies have now faced this proposal.

**Health Care Reform**

Health care reform is a top tier social issue in the presidential election, in Congress, in corporations, and among U.S. foundations which granted \$4.4 billion on health care in 2006. Last year, even traditional opponents such as Wal-Mart CEO Lee Scott and SEIU President Andrew Stern appeared together at a press conference to jointly endorse universal health care. ICCR members, including the health care provider Catholic HealthCare West, have launched a new shareholder

campaign filing proposals at nearly 30 companies asking them to adopt principles supporting comprehensive health care reform. Proponents point out that not only is this a significant social and political issue but that 52% of the Business Roundtable members say employee health care is their biggest economic challenge. The health sector currently spends more than \$350 million on lobbying, and it is estimated that universal health care would save employers an estimated \$595–848 billion in its first 10 years of implementation. These proposals are asking companies to adopt the five principles laid out by the Institute of Medicine (part of the National Academy of Sciences) calling for health care coverage that is universal, continuous, affordable, sustainable, and promotes high quality care (see *Health & Safety*, pg. 11).

Graph 2: Top 2008 Social Proposals Filed by Issue



**NEW ISSUES**

**Sudan/Darfur**

The ongoing genocide in Darfur has prompted several proposals aimed at financial institutions whose investments may directly or indirectly be contributing to this horrific conflict. Led by SRIs Trillium, Calvert and Walden Asset Management, shareholders asked Citibank, JPMorgan Chase, Merrill Lynch, Morgan Stanley, T. Rowe Price, and Wells Fargo to report on how their investment policies as well as those of their subsidiaries or affiliates address human rights issues. These proposals point to financing of foreign companies such as PetroChina that play a dominant role in Sudan’s oil industry. Funds derived from the oil industry finances much of Sudan’s military expenditures. The proposal at T. Rowe Price was withdrawn after the company significantly reduced holdings in offending companies in



Sudan, but the others are still pending. Human Rights groups Amnesty International and the Genocide Intervention Network further launched consumer letter writing campaigns at Capital Group, Deutsche Bank, KBC Group, and Vanguard. Over 20 U.S. states and 50 colleges have adopted Sudanese investment policies including engagement, screening and divestment.

### **Nanomaterials**

The scientific community has raised serious questions about the safety of nanomaterials. In particular, the ability of nanoparticles to be absorbed through the skin and to access the bloodstream remains poorly understood. Laboratory studies report that many types of nanoparticles interfere with normal cellular function and cause oxidative damage and cell death. Potential dangers from exposure to nanomaterials are not limited to consumers using products containing these ingredients (such as sun screens) and the National Institute for Occupational Safety and Health has launched a multi-year program to assess potential risks to workers. Given recent scientific findings, proponents believe companies that use nanomaterials in consumer products may face significant financial, legal and reputational risks. Calvert Group and As You Sow filed proposals at Avon, Colgate-Palmolive and Wal-Mart asking for a report on nanomaterial product safety.

### **Food Security**

U.S. consumer confidence has been shaken by recent food scandals including two massive meat recalls, a national recall of spinach, the sale of poisoned pet food from China, and Japan's ban of imports of U.S. long grain rice due to its contamination with genetically engineered crops not approved for human consumption. The global food system is challenged by climate change, rising oil and pesticide prices, and the switch from using crop land for food to biofuels. ICCR members have filed proposals at Kellogg, Yum Brands and Safeway asking about measures to ensure long term security and sustainability of the company's product supply chain.

### **Oil Sands**

The Athabasca Tar Sands project in the Canadian Boreal Forest is shaping up to be a major environmental battle. Critics claim that this will increase global warming, pump toxics into surface and groundwater, and destroy habitat that will take hundreds of years to recover. Processing oil from tar sands have made Alberta the largest emitter of industrial pollutants in Canada and these operations are the fastest growing source of Canada's greenhouse gas emissions, generating three times the amount of conventional oil production. Under planned expansion,

these emissions may quadruple in just seven years. Shareholders at both Chevron and ConocoPhillips point out that the real likelihood of a carbon cap or tax creates economic risks for investing in this project.

### **Toxic TVs**

On February 19, 2009, all TV signals in the U.S. will convert to digital broadcast, rendering millions of analog TVs obsolete. This so-called Digital Deadline is likely the largest government-mandated planned obsolescence in U.S. history. The U.S. government will auction the frequencies now occupied by analog TV to telecom companies to raise cash. The environmental, health, and policy ramifications of the conversion from analog to digital are tremendous. Tens of millions of TVs are expected to be discarded as consumers purchase new digital sets rather than obtain a low-cost converter which will allow current sets to function. Absent a responsible recycling system, this flood of TVs will add to the growing electronic-waste stream, much of which is sent to unsafe overseas recycling facilities. As You Sow filed a proposal at Best Buy asking the company to study the feasibility of using its stores as a take-back venue for e-waste and to give special consideration to have infrastructure in place for the digital switchover next year.

### **Mortgage Meltdown**

The subprime mortgage meltdown is the biggest financial story of the year. In response, a series of governance proposals have been filed with significant social overtones related to the mortgage crisis. ICCR and SRI shareholders were some of the first to raise red flags about the risks of subprime mortgages and began filing Predatory Lending proposals years before the crisis hit. The loss of billions in shareholder value resulting from this financial calamity has increased demands for board accountability. Shareholders, led by the Laborers' International Union, launched this campaign by filing nearly 30 traditional governance proposals and related them to mortgage industry risks. For instance, a proposal calling to Amend Audit Committee Policies highlights the potential conflict of interest with credit rating agencies who rate both companies and their lenders. Other mortgage inspired governance proposals deal with Executive Pay, CEO Succession Plan, and Disclosure of Mortgage Practices. Other unions filed proposals calling for Independent Board Members or Separation of CEO and Board Chair positions as a way to push for more transparency. Meanwhile CfW Investments and several large unions and pension funds are leading the effort to have Board of Directors at Bank of America, Citigroup, Merrill Lynch, Morgan Stanley, Wachovia, and Washington Mutual report on their role in overseeing the

company's response to the mortgage crisis. If they fail to do so, shareholders are being asked to withhold votes for those directors with direct responsibility such as the chair of board committees that oversee risk management or decide on executive compensation.

## SOCIAL PROPOSALS

In the past 30 years, thousands of social proposals filed with companies by shareholder activists have broken new ground in fostering more progressive corporate practices. These include nondiscrimination in employment, increased disclosure of environmental liabilities and health risks, stopping environmentally damaging projects, redesigning toxic products, persuading companies to leave countries engaged in human rights abuses, and improving the wages, benefits and conditions of workers.

This year's social proposals have been grouped together in broad categories to make it easier for readers to find common areas of interest.

## ANIMAL WELFARE

### Animal Testing, Humane Slaughter, Cage-Free Eggs

Animal Welfare continues to be a major topic with 26 proposals already filed. For the fourth year in a row the animal rights group PETA has filed more than 20 proposals making it the most active grassroots group involved in shareholder activism. PETA filed eight proposals regarding animal welfare standards and testing at pharmaceutical and manufacturing companies, one encouraging eBay to prohibit online animal sales, one with PetSmart regarding the proper care of sick animals, one with Denny's regarding its circus promotions, and two — with Home Depot and Lowe's — asking for an end to glue trap sales. PETA also filed eight proposals concerning humane slaughter methods and another two regarding cage-free eggs. The Humane Society has also filed three proposals promoting the use of cage-free eggs.

## CONTRIBUTIONS

### Charitable Giving

Conservative activist group the National Legal and Policy Center (NLPC) filed seven proposals asking for a listing of all charitable contributions to be posted on the company web site, and another proposal asks for reports on all charitable giving, their business rationale and decision makers. While this information is useful for investors and in general follows similar disclosure requirements as those in the political donation proposals (below), NLPC makes it clear that this is part of their campaign to cut off corporate funding for Rev. Jesse Jackson's Rainbow Coalition and curbing support for the Mexican American Legal Defense and Educational Fund (see *Trojan Horse*, pg. 4).

### Political Donations

The Center for Political Accountability has coordinated proposals filed by a large cross section of investors including unions, religious institutions, NGOs, foundations, pension funds, SRIs and individuals. The standard proposal addresses soft money contributions and payments to trade associations and other tax-exempt organizations, such as 501(c)(4) groups, used for political purposes. The proposal asks for disclosure of the company's policies and procedures for political spending, the value of the expenditures and the beneficiaries, and those making the decision. The Center's report, *"Open Windows: How Company Codes of Conduct Regulate Political Spending and a Model Code to Protect Company Interests and Shareholder Value,"* found that the codes of conduct of most S&P100 companies handled political spending in a weak and cursory manner. According to the study, none of the companies surveyed included comprehensive policies in their codes to ensure broad political transparency and accountability and ethical political behavior. The report includes an 11-point model code to provide guidance to companies.

Political transparency issues are also addressed by an individual shareholder who filed her own political disclosure proposals at seven companies. Three are being asked to publish their political contributions in a newspaper ad, and two each are asked to affirm political nonpartisanship and to disclose prior government service by key staff.

## ENVIRONMENT

Environmental issues account for the widest variety of issues and filers. Global warming concerns comprise the majority of environmental proposals and foundations seeking to address this issue will find proposals on energy efficiency, greenhouse gas emissions, carbon disclosure, and renewable energy. Yet shareholders should be aware that there are a number of similar sounding proposals filed by those advocating both for and against the benefits of addressing global warming.

### Climate Change Report

The State of Connecticut Treasurer's Office and Calvert Funds filed half a dozen proposals asking companies how they are assessing the impacts of climate change on their business and how they will disseminate this information to investors. Shareholders also recommend existing reporting mechanisms such as the Carbon Disclosure Project (see Resources, pg. 19) which represents 315 institutional investors and asks companies to provide information on their greenhouse gas emissions.

### Climate Science

Just a few years ago it was environmental groups that were asking companies to identify the information sources used to justify their anti-global warming stance despite near universal scientific consensus that climate change is happening. Ironically, global warming deniers co-opted this proposal making it a *Trojan Horse* in order to address their contention that greenhouse gas emissions from human activity have little or no impact on climate change. This year, Occidental Petroleum is being asked to report on research data relevant to its stated positions on the science of climate change.

### Energy

ICCR members filed two proposals at ExxonMobil — one asks to develop a policy for renewable energy research, development and sourcing; the other cites the volatility of overseas supplies and asks for a report on the company's actions to foster U.S. energy independence.

### Environmental Justice

Pension funds, NGOs, SRIs and ICCR have filed several proposals relating to the environmental and health impacts on communities from drilling, refining, chemical production and other industrial operations. Proposals at Chevron and ExxonMobil ask for reports on impacts, accountability and adequacy of local regulations in the Niger Delta, Kazakhstan, Angola, and at U.S.-based operations particularly those in low-income neighborhoods. Last year, an article in the *Los Angeles Times* challenged the Bill and Melinda Gates Foundation

on whether its investments in petro-chemical projects in places like the Niger Delta which spew pollution on local residents was working at cross purposes to the health care projects it funded in those same regions — prompting a philanthropic community debate about the extent foundations should use their investment holdings to advance their mission.

A proposal at Dow asks for a report summarizing remediation efforts to address dioxin spills from its Midland, MI, plant. The EPA has charged Dow with delaying this clean up and the company faces a class action lawsuit by 2,000 residents seeking legal damages totaling \$100 million. Weyerhaeuser is being asked to report on progress implementing the company's Aboriginal Relations Policy and the feasibility of suspending procurement from Canada's Whisky Jack Forest until the "free, prior and informed consent" of the Grassy Narrows First Nation has been established. Similarly, ConocoPhillips is being asked to get consent from indigenous peoples in the Amazon which has born the brunt of oil operations.

### Forestry

For more than a decade As You Sow and SRIs have been the shareholder leaders of the sustainable forestry movement. Domini Social Investments leads the effort this year with proposals at International Paper and Donnelley & Sons, asking the companies to phase out the sale of non-Forest Stewardship Council (FSC) certified products. The religious Capuchins order filed a similar proposal at MeadWestvaco. Although there are a number of competing certified wood providers, FSC is based on international standards for responsible forest management and is generally recognized by the environmental community as the best certification standard. Domini is also asking Home Depot to report on its progress in implementing its ground breaking wood purchasing policy that the company adopted in 1999 in response to an As You Sow and Trillium Asset Management proposal. Several companies including Lowe's, IKEA and Staples adopted timber purchasing policies around the same time — all stating they would procure only wood from well managed, non-endangered forests.

### Genetically Engineered (GE) Crops

For nine years ICCR, the Adrian Dominicans and As You Sow have engaged more than 40 food companies over the issue of genetically engineered (GE) food and seeds. This effort has been successful in convincing companies to remove or reduce some of the GE ingredients in their food and continues to be one of the best sources of

educating corporate management and shareholders about the economic, ecological and social implications of GE food. This year Dow is being asked to disclose the environmental liabilities of GE crops, the adequacy of post-marketing monitoring systems and the effectiveness of established risk management processes. Pepsi is being asked about the long term safety testing of GE products and contingency plans for removing these products given the history of contamination by GE crops, and federal court rulings that the USDA has failed to adequately assess potential impacts or thoroughly review field trials. The health and social impacts of genetically engineered food are also being addressed at several other companies (see Health and Human Rights, pg. 11).

### Global Warming Reporting

This year's main *Trojan Horse* proposal calls for a Global Warming Report at nearly a dozen companies. The Free Enterprise Action Fund proposal derides global warming as "junk science" and opposes company support for any regulations or the Kyoto Protocol (already signed by 175 nations). They ask the company to report on how they believe "human activity will significantly alter global climate, whether such change is necessarily undesirable and whether a cost-effective strategy for mitigating any undesirable change is practical" (see *Trojan Horse Doubles*, pg. 4).

### Greenhouse Gas Emissions

ICCR, pension funds, SRIs and foundations have filed greenhouse gas (GHG) emission proposals at more than 40 oil, gas, coal, homebuilder, automotive and electric power companies (see Hot Issues, pg. 5). Twenty three proposals ask for a report on how the company is reducing GHG emissions. Several of these proposals ask about the company's response to rising regulatory, competitive and public pressure to significantly reduce carbon dioxide and GHG emissions; another half dozen proposals ask how the company is improving its own and its customers' energy efficiency. Ten proposals ask companies to adopt quantitative goals based on current and emerging technologies for reducing total GHG emissions from the company's products and operations.

Other GHG proposals are more specific to key aspects of the company's operations. Ford and General Motors are asked to report on how the companies are meeting new fuel economy as well as GHG emissions standards for its fleet of cars and trucks. Citigroup and Bank of America are asked to amend their GHG policies to observe a moratorium on financing or investing in projects that support mountain top removal coal mining or the construction of coal-burning power plants.

### Nuclear Waste

For the third year in a row, religious investors are asking Lockheed Martin and Ameren to address health and safety issues regarding nuclear waste. Lockheed Martin is asked to report on such items as safety precautions and safety record, and lobbying and liability expenses related to the production, transportation and storage of depleted uranium. A proposal filed at Ameren asks for a report on the company's efforts to reduce the release of radioactive materials to the air and water during routine plant operations.

### Oil Sands

Green Century Funds and Trillium are asking Chevron and ConocoPhillips to report on the environmental impact from their expanding oil sand operations. This operation is the fastest growing source of Canada's greenhouse gas emissions while simultaneously destroying its boreal forest, which plays a key role in climate regulation and as a carbon sink (see New Issues, pg. 7).

### Protected Lands

Green Century filed proposals with ExxonMobil and ConocoPhillips about the environmental impacts of oil drilling in the Arctic National Refuge, Alaska's national petroleum reserve and surrounding areas.

### Recycling

As You Sow and Walden Asset Management are leaders in filing proposals and engaging in company dialogues on recycled content and recycling of paper, plastic and electronics. In 2007 shareholders were instrumental in two major recycling milestones in the beverage and consumer electronics industries. After years of shareholder pressure, Coca-Cola pledged to reuse or recycle all of the plastic it uses in its bottles, and invested \$60 million to build the world's largest plastic bottle recycling plant. The new plant will produce 100 million pounds of recycled PET annually. Apple responded to shareholder and consumer concerns by becoming the third major U.S. computer brand (following Dell and Hewlett-Packard) to set strong public take-back goals for recycling old computers. Apple aims to triple its take-back rate by 2010 which, if achieved, would lead the industry.

This year a proposal calling for in-store take back of e-waste (see New Issues – Toxic TVs, pg. 7) was filed at Best Buy, while Pepsi is being asked to develop container recovery goals for itself (as Coke did) or to help develop industry-wide recovery goals. A proposal asking to increase levels of recycled paper content was filed at McGraw Hill.

**Water**

More than 20 religious institutional investors co-filed a proposal at Coca-Cola asking for a report on the impacts of its plants and proposed ventures that extract water from areas of water scarcity in India. Meanwhile, Canadian and U.S. religious institutions have asked Barrick Gold to hire a consultative independent expert panel to review the impact its high altitude cyanide operations will have on water sources in Chile and Argentina (see Human Rights – Water, pg. 12).

**HEALTH & SAFETY****Health Care Reform**

ICCR filed proposals asking nearly 30 companies to adopt principles supporting comprehensive health care reform. Shareholders believe that companies — especially those in the health care sector — should be accountable for positions on critical public policy issues and the 47 million Americans without health care that result in higher costs for those companies that provide employee health coverage (see Hot Issues, pg. 6).

**Label Genetically Engineered/Cloned Food**

The Adrian Dominicans and Sinsinawa Dominicans have asked Wendy's to label GE and cloned foods in the company's brand name or private label products. These proposals cite the "consumer's right to know" as well as recent scientific studies raising health and safety concerns, gaps in regulatory agency safety evaluations, and existing GE labeling agreements in 132 countries (also see Environment – GE Crops, pg. 9).

**Product Safety/Nanomaterials/Toxics**

Pension funds, SRIs, ICCR and foundations filed 15 proposals asking companies to report on product safety and toxicity policies. Several of these proposals cite the need for reassessment of these policies given the unprecedented number of high profile consumer product recalls including children's toys, toothpaste, pet food and tires. Four proposals ask about the removal or reduction of polyvinyl chloride (PVC) and brominated flame retardants (BFR) from product lines, and another three ask how nanomaterials are being evaluated given their lack of health safety testing and the increasing use of these materials in products (see New Issues, pg. 7 and Resources – Investor Environmental Health Network, pg. 20).

**Tobacco**

ICCR members, led by the Capuchins, have coordinated the filing of anti-smoking proposals for many years. Three

proposals ask Altria (formally Phillip Morris) to fund youth anti-smoking efforts, follow the terms of the U.S. Master Settlement Agreement (such as no marketing to children) throughout its global operations, and to develop non-addictive cigarettes for those marketed to youth (also filed at Reynolds American). A proposal at Loews ask the company about its policies that target low income African American neighborhoods where studies show that advertising, such as billboards, is often twice to triple that of other neighborhoods.

**HUMAN RIGHTS****Censorship**

NYC Pension Funds and ICCR filed proposals this year at Google and Yahoo regarding how their internet technology is being used for censorship and surveillance by authoritarian governments such as China, North Korea, Uzbekistan, Syria, and Saudi Arabia, among others. The companies are being asked to develop policies to protect freedom of access to the internet such as not engaging in proactive censorship nor identifying individual users where political speech is treated as a crime.

**Child Protection/Sex Tourism**

Religious investors are asking Wyndham and Choice hotels for a policy based on the provisions of the World Tourism Organization's Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism. Sex tourism is a well organized multi-million dollar operation that includes tour guides, web sites and maps. The Code of Conduct provides resources such as a employee training manual, procedures for monitoring and reporting incidents, and agreement language for suppliers and licensee contracts.

**Farmers' Right to Save Seed**

ICCR and As You Sow filed a proposal asking DuPont to amend its human rights policy to include seed saving rights of traditional agricultural communities. Farmers undertake the vast majority of the world's seed breeding and conservation, and adapt more than one million varieties every year. DuPont is one of the world's largest seed companies yet its policy of enforcing seed patents within agricultural communities is unclear and potentially detrimental to millions of indigenous farmers around the globe.

**Human Rights Policy and Reports**

ICCR members continue their three-decade leadership on the issue of human rights. In 2008, nearly 20 proposals

call for the adoption, development and/or review of human rights policies or the creation of board committees on human rights. This doubles the number of similar proposals from last year and is fueled by the increasing opposition to the genocide happening in Darfur, Sudan. Other proposals ask for reports from companies operating in countries with well documented human rights abuse such as China, Burma, Nigeria, Syria and the Palestinian territories. Motorola and Chevron are being asked to develop guidelines for deciding what countries they will/will not do business in by taking into consideration systematic violations of human rights.

A long-time issue facing new shareholder scrutiny is forced labor and modern day slave labor. Sex trafficking, mentioned on the previous page, is one form of forced labor, but millions of poor people involved in harvesting and mining raw materials in remote, developing areas are forced to work under the threat of violence and intimidation. For many years, children in Ivory Coast harvesting cocoa have been victims of forced labor. Domini Social Investments filed a proposal with Nucor Steel this year after published reports that pig iron used to make steel was produced under forced labor conditions in the Brazilian Amazon.

### **Military Sales**

ICCR leads the effort to ensure that sales by military contractors do not violate human rights laws or company policies. Five proposals ask companies to report on processes and criteria used to promote foreign sales and determine if such sales are to governmental or local security forces, or if sales include dual use of non-military equipment for military purposes (such as Caterpillar bulldozers used for home demolitions in Palestine). Two proposals ask the companies to assess the impacts of their military sales on human rights and the environment. They also inquire how the companies choose business partners and ensure that sales go to designated customers and are not smuggled or used for third party sales. One proposal asks for a report on 'offset agreements' — basically the outsourcing of U.S. military manufacturing and research — stating that this amounts to a company conducting its own foreign policy and leads to loss of U.S. jobs despite significant taxpayer subsidy of this industry.

### **Predatory Lending/Fair Housing**

SRI and religious investors led this ongoing effort with four proposals filed this year. A proposal with Countrywide Financial, the nation's largest mortgage lender, asks it to report on the implications of hundreds of thousands of subprime adjustable rate mortgages

scheduled to reset this year, and the ability of customers to pay their increased mortgage premiums. Another proposal at Wells Fargo asks for explanations of racial and ethnic disparities in the cost of loans provided by the company. A proposal at Cash America asks for a report on predatory lending policies particularly in regards to consumer cash advances or 'payday loans' whose typical rate is 400%, although half of all borrowers believed the rate to be under 30%. And a proposal at Western Union asks for a policy on community reinvestment.

### **Water**

Northstar Asset Management filed new proposals asking American International Group, Connecticut Water Service, and PepsiCo to create a policy concerning the Human Right to Water and addressing issues such as physical accessibility and affordability of water. These proposals cite India's revocation of a Pepsi bottling plant's water-use license due to over-consuming and depleting community groundwater, and U.S. communities limiting water use in response to increasing drought conditions (also see Environment – Water, pg. 11).

## **LABOR**

### **Equal Employment Opportunity (EEO)**

The basic values inherent to equal employment opportunities still need to be raised at some companies. This spring there is only one pending proposal, an unusual fourth year effort at Home Depot, citing the \$100 million in discrimination lawsuits paid by the company and calling for an EEO report regarding race and gender diversity, and a description of any affirmative action or management training programs geared for women or minorities. This proposal has more than a dozen ICCR co-filers and has recently received two votes of 26% and 36%.

A *Trojan Horse* proposal at Wells Fargo calls for the company to drop sexual orientation from its EEO policies claiming that sexual orientation is a matter of personal and not corporate choice. Yet the proposal cites the U.S. military's "don't ask, don't tell" policy and religious positions against homosexuality to support their argument thus indicating that this is primarily a proposal opposing gay rights (see Sexual Orientation Discrimination, pg. 13).

### **International Labor Organization (ILO) Standards/Vendor Standards**

Shareholders have filed proposals for a decade seeking to improve labor rights for workers in the global supply

chain. While a few companies have adopted codes of conduct for their supply chain, many have not, and enforcement of existing codes remains poor. Reports of worker rights violations at suppliers of U.S.-based companies led NYC Pension Funds, ICCR, SRIs and As You Sow to file 10 proposals asking companies to develop, adopt or amend codes of conduct for their vendor suppliers. These proposals recommend that codes be developed and enforced based on ILO standards that oppose discrimination and forced labor, provide overtime pay and guarantee workers' rights to form unions.

### MacBride Principles

NYC Pension Funds leads the effort asking seven companies to implant the MacBride Principles regarding religious employment bias in Ireland. Employment discrimination was cited as a major source of sectarian violence in Northern Ireland. Dr. Sean MacBride, a founder of Amnesty International and Nobel Peace Prize winner, proposed several equal employment opportunity principles to serve as guidelines for corporations operating in Northern Ireland.

### Sexual Orientation Discrimination/Equality Principles

For the tenth year in a row, shareholders will file an increasing number of proposals calling on companies to adopt policies that prohibit discrimination based on sexual orientation (see Hot Issues, pg. 6). In 1999 there were three sexual orientation discrimination proposals filed, this year shareholders have filed 33 proposals on Sexual Orientation Discrimination or to Implement the Equality Principles. One proposal calls to implement EEO policies prohibiting discrimination based on sexual orientation or gender identity, and the other proposal asks to adopt the 1993 Equality Principles written by gay and lesbian activists for workplace protection. NYC Pension Funds, SRIs and foundations led this effort and these have been among the highest social proposal votes since 2005. Many companies have been particularly eager to avoid having proxy fights over this issue, so it is surprising that nearly 20 proposals are still pending (also see EEO-Wells Fargo, pg. 12).

## SUSTAINABILITY

### Food Security

Religious investors filed new proposals at Kellogg, Safeway and Yum Brands asking them to report on their actions to ensure the security and sustainability of their product supply chain. In particular, they ask about policies and practices that reduce waste, energy and

water use through the supply chain as well conservation programs and pollution measure for the full product life cycle, labeling and safety systems to ensure identity preservation and traceability "from farm to fork" (see New Issues, pg. 7).

### Sustainability Reporting/Global Reporting Initiative/Board Committee

"Sustainability" encompasses environmental, labor and human rights issues and, in this case, focuses on how a company can quantify and report on its impacts in these areas. Investors increasingly seek disclosure of this information in the belief that it impacts shareholder value. Sustainability proposals always generate some of the highest social votes (see Top Votes, pg. 3) and this subject continues to be a major area of concern with nearly 40 proposals filed this year. The proposals ask for the company's definition of sustainability (the seminal UN report *Our Common Future* defined it as the ability to meet present needs without impairing the ability of future generations to meet their needs) and for a report on the economic, social and environmental impacts of its operations. Many recommend that the company follow the reporting template of the Global Reporting Initiative (GRI). The GRI is a multi-stakeholder process that has developed globally applicable sustainability reporting guidelines. Guidelines have been developed for voluntary use by companies for reporting on the economic, environmental and social dimensions of their activities, products and services. More than 1,500 companies worldwide publish such reports. This year's effort is led by NYC Pension Funds, ICCR and SRIs. A different proposal was filed by Harrington Investments asking three companies to establish a board committee on sustainability. These later proposals are unique in that they are binding proposals that seek to change corporate charters.

### Sustainability Reporting/Equator Principles

Two *Trojan Horse* sustainability proposals were filed by the Action Fund at Goldman Sachs and Lehman Brothers. These sound similar to the above sustainability proposals in that they ask for definitions of and plans related to sustainability, but then takes Goldman Sachs to task for capitulating to "deep ecology activist groups" and donating conservation land, while Lehman is chastised for believing that global warming is real. Similar anti-environmental viewpoints expressed in proposals at Bank of America, Citigroup and JPMorgan Chase question the rationale of adhering to the Equator Principles, a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing (see *Trojan Horse*, Pg. 4).

# GOVERNANCE PROPOSALS

Several hundred corporate governance proposals are filed every year and thus deserve a separate preview of their own. This section focuses on those governance proposals most associated with social issues likely related to a foundation's mission such as diversity, labor rights or the environment. The Say on Pay proposal is a governance proposal that was co-initiated by social investors.

## Board Diversity

ICCR leads this year's effort to ensure that more women and minority candidates are recruited for corporate boards. Five proposals were filed with one still pending at Mueller Industries.

## Executive Compensation — Advisory Vote (Say on Pay)

The Say on Pay proposal calls for an annual non-binding shareholder referendum on executive pay. At each annual meeting the board would ask for a non-binding vote to ratify proposed compensation terms for executive managers. This approach has been successfully used in Europe to allow shareholders to voice their opinion over what they consider fair or excessive compensation. Co-filers include more than two dozen unions, pension funds, SRIs, foundations and religious institutions, and earlier proposals have received very strong support from mainstream investors (see Hot Issues, pg. 5).

## Executive Compensation — Link to Social Criteria

These proposals are similar to traditional governance proposals that seek to set criteria or to limit excessive compensation packages. However, these ICCR and SRI proposals ask for the additional step of linking executive compensation plans to social responsibility performance as well as financial criteria. Shareholders point to cases in which compensation is awarded for meeting financial goals even as the companies continue to perpetuate unlawful discrimination or where environmental damage has resulted in costly fines, protracted litigation and reputational damage. Normally at least a dozen of these proposals are filed each year, but this spring only one is pending at ExxonMobil.

## Separate CEO and Chairman of the Board

This traditional governance proposal generally receives strong support from mainstream investors. Its premise is that the primary purpose of the board of directors is to

protect shareholder interests by providing independent oversight of the CEO. Proposals at Eli Lilly and Company, Monsanto and Time Warner identify significant social or environmental problems that proponents believe would be better served by separating these roles, thus allowing for more accountability of the CEO by the board.

# ALIGNING INVESTMENT AND MISSION

American foundations — with endowments totaling more than \$600 billion — have made significant contributions to almost every social issue imaginable. Environmental protection, health, art, education, and justice, among many other causes, have all benefited from philanthropic support.

Yet foundations are exercising only a small portion of their assets toward fulfilling their missions — typically five percent — through grantmaking. One can only imagine the positive impact if they tapped into the potential embedded in the remaining 95%.

For most foundations, this 95% is largely held in investments in U.S. companies. A small but growing movement has been developing ways for foundations to use their investments to add value to their grantmaking or to achieve goals to which traditional forms of grantmaking are not suited.

With hundreds of billions of their dollars invested in the stock market, foundations are major investors who can play a key role in advancing the movement to align investment and mission. The four most common strategies for aligning investment and mission are proxy voting, shareholder advocacy, screening portfolios, and mission/program related investing.

The following sections briefly introduce these four strategies. We reference some foundations involved in these activities as well as reports and resources that can help you learn more about these initiatives. By using their values to help guide their investment policies, foundations can add to the performance of their endowments while supporting environmental and social goals that are at the heart of their missions.



## PROXY VOTING

Proxy voting is part of an investor's basic fiduciary responsibility on existing investments. Consequently, it seems like the most logical entry point for foundations wishing to align investment and mission. Voting on shareholder proposals to help influence companies to be more fiscally, socially, and/or environmentally responsible is the most basic way an investor can both exercise fiduciary responsibility and provide input on social and environmental issues. Proxy votes have ushered in many progressive corporate practices, such as nondiscrimination in employment, disclosure of environmental liabilities, improved factory working conditions, and reformulation of toxic products.

## SHAREHOLDER ADVOCACY

For three decades shareholders have effectively utilized shareholder proposals and dialogues to influence corporate practices. In 2008, at least 18 foundations filed shareholder proposals or conducted corporate dialogues on topics including energy efficiency, executive compensation, greenhouse-gas emissions, political contributions, global labor rights, sustainability reporting, and toxic chemicals. As You Sow is the foundation most engaged in shareholder activism, filing a dozen proposals and conducting two dozen corporate dialogues in 2008 alone. Apple CEO and Chairman Steve Jobs has publicly recognized the role of As You Sow and shareholder advocates in Apple's decision last year to triple its in-house recovery rate of consumer electronic waste. Also, Coca-Cola President and COO Sandy Douglas acknowledged the impact of shareholders on Coke's decision to build the world's largest plastic-bottle-recycling plant. Several other foundations filed at least half dozen proposals each in 2008.

## SCREENED INVESTMENTS

Screened portfolios allow foundations to add or remove investments to better represent the foundation's values. *The Chronicle of Philanthropy* (May 2006) reported that 25% of the top 50 private foundations utilize some type of social screen. For example, the Educational Foundation of America has utilized screens for more than a decade and reports that its investments have consistently outperformed major indexes including the S&P 500, Dow Jones, and Russell 1000. The Social Investment Forum reports that nearly one out of every nine dollars under professional management in the U.S. today is involved in at least one form of socially responsible investing.

## MISSION RELATED INVESTMENTS

Mission-related investment (MRI) directs a portion of a foundation's assets into projects or companies that reflect

the mission of the foundation and at the same time generate financial returns. MRI is an umbrella term for any investment seeking to make a positive environmental or social impact and is often used interchangeably with Program Related Investments (PRI). Yet it should be noted that there are legal and accounting differences between the two. For instance, PRIs are typically loans (with the expectation that they will be re-paid) and that they usually come out of a foundation's granting funds and consequently financial gain can not be their primary goal. Meanwhile MRIs come from a foundation's endowment or assets and are not specifically required to be of social benefit and often strive for market returns. In this section we use MRI as a generic term for the many types of investments with social benefits.

A recent study of mission-related investments "*Compounding Impact: Mission Investing by U.S. Foundations*," (see Reports, pg. 18) identifies 92 foundations that have made \$2.3 billion in such investments going back 30 years. However, the biggest surge of MRI programs has occurred during the last five years. While the Ford, MacArthur, and Packard foundations have historically accounted for the majority of MRI, smaller foundations now account for 44% of all new spending. These investments include low-interest loans for housing, education, and business and venture-capital investments ranging from "clean tech" companies to an organic boutique.

## FOUNDATION INVOLVEMENT

Listed below are examples of foundations that have filed proposals featured in this preview or that are involved in other aspects of aligning investment and mission such as shareholder advocacy, social investment screens, and mission-related investing and research. We encourage you to contact your colleagues in the philanthropic community who are actively building this movement.

### As You Sow Foundation

• Proxy • Advocacy • Research

For more than a decade AYS has regularly filed 10-20 proposals a year and engages in a similar number of company dialogues. In 2008 these include proposals and dialogues on Consumer Privacy, Electronic Waste, Farmers Rights, Forced Labor, Foreign Military Sales, Genetically Engineered Crops, Nanomaterials, Political Donations, Product Safety, Purchasing Practices, Recycled Content, Say on Pay, Smoke Free Movies, Sustainability, Toxic Toys, and Workers Safety. As You Sow, Rockefeller Philanthropy Advisors, and Jessie Smith Noyes publish this annual *Proxy Season Preview* for foundations and AYS and RPA published the proxy voting guidebook

*Unlocking the Power of the Proxy* (see Reports, pg. 19) and are leaders in promoting proxy voting among foundations through educational materials, speaking engagements and the media. [www.asyousow.org](http://www.asyousow.org)

**Boston Foundation** • *Proxy*

Boston was the first community foundation to undertake proxy voting and has developed one of the most extensive proxy voting policies among foundations. They were also among the first foundations to make voting guidelines available on their website which is available at: [www.bostonfoundation.org/uploadedFiles/ProxyVoteGuidelines2003.pdf](http://www.bostonfoundation.org/uploadedFiles/ProxyVoteGuidelines2003.pdf), [www.bostonfoundation.org](http://www.bostonfoundation.org)

**Brainerd Foundation** • *Advocacy* • *SRI*

Brainerd is engaged in SRI and also filed proposals in 2008 on Greenhouse Gas Emissions Reduction, Political Contributions and Sustainability. [www.brainerd.org](http://www.brainerd.org)

**Christopher Reynolds Foundation**

• *Advocacy* • *SRI*

CRH is engaged in SRI and also filed proposals in 2008 on Say on Pay, Sexual Orientation Discrimination, and Sustainability. [www.creynolds.org](http://www.creynolds.org)

**Colin Higgins Foundation** • *Advocacy* • *SRI*

CHF is engaged in SRI and also filed proposals in 2008 on Sustainability. [www.colinhiggins.org](http://www.colinhiggins.org)

**Conservation Land Trust (Foundation for Deep Ecology)** • *Advocacy* • *SRI*

CLT is engaged in SRI and also filed proposals in 2008 on Say on Pay and Sustainability. [www.theconservationlandtrust.org](http://www.theconservationlandtrust.org)

**David and Lucile Packard Foundation** • *PRI*

Packard has been one of the foremost foundations engaged in PRIs and sponsored the report *Compounding Impact: Mission Investing by U.S. Foundations* (see Reports, pg. 18) a comprehensive study of U.S. foundation mission investing activity over the past four decades. Packard began with a \$6,000 PRI in 1980 and by 2007 it had \$156 million in program-related investments. [www.packard.org](http://www.packard.org)

**Educational Foundation of America**

• *Proxy* • *Advocacy* • *SRI*

EFA has filed numerous proposals over the last 13 years on recycling, electronic waste, sustainability and forest preservation issues; and they have consciously voted their proxies for more than 20 years. Working in partnership with As You Sow, it is a leader in supporting

environmental sustainability and corporate governance dialogues and proposals. EFA is also a pioneer in screened investing and frequently shares its investment philosophy and experience among foundations via conferences and speaking engagements. [www.efaw.org](http://www.efaw.org)

**F.B. Heron Foundation** • *MRI*

Heron is a nationally recognized leader in mission-related investing. Its use of 24% of its assets for MRI (28% including grants) places it in the top tier of private foundations and socially responsible institutional investors. Heron's grants and investments focus on organizations with a track record of building wealth in low-income communities in the U.S. [www.fbheron.org](http://www.fbheron.org)

**Ford Foundation** • *Proxy* • *PRI*

Ford is one of the pioneers and leading proponents of PRI and has invested about \$400 million in PRIs since 1968. They are typically below-market-rate loans or equity investments that are originated and managed by the foundation's program staff. Ford has also developed proxy guidelines on a wide variety of social and governance issues. The proxy committee consults members of the grant-making staff before casting proxy votes on resolutions that relate to social issues. [www.fordfound.org](http://www.fordfound.org)

**Fred Gellert Family Foundation** • *SRI*

Gellert actively applies investment screens that support its mission to encourage a sustainable quality of life for present and future generations. [www.foundationcenter.org/grantmaker/fredgellert/](http://www.foundationcenter.org/grantmaker/fredgellert/)

**Fund for Change** • *Advocacy* • *SRI*

The Fund is engaged in SRI and also filed proposals in 2008 on Human Rights (Sudan), Political Contributions, Say on Pay, and Sustainability.

**Funding Exchange** • *Advocacy* • *SRI*

FEX is engaged in SRI and also filed proposals in 2008 on Greenhouse Gas Emission Reduction, Human Rights (Sudan), Political Contributions, Say on Pay, and Sexual Orientation Discrimination. [www.fex.org](http://www.fex.org)

**Granary Foundation** • *SRI*

Granary was created by the Center for Rural Affairs to serve the financial needs of the Center. It uses screened investments to support family agriculture. [www.cfra.org/support/granary](http://www.cfra.org/support/granary)

**Haymarket People's Fund** • *Advocacy* • *SRI*

Haymarket is engaged in SRI and also filed proposals in 2008 on Human Rights (Sudan), and Sustainability. [www.haymarket.org](http://www.haymarket.org)

**Hazen Foundation** • *Advocacy* • *SRI*

Hazen is engaged in SRI and also filed proposals in 2008 on Human Rights (Sudan), Political Contributions, Say on Pay, and Sustainability. [www.hazenfoundation.org](http://www.hazenfoundation.org)

**Jenifer Altman Foundation** • *Proxy* • *Advocacy*

JAF has supported shareholder campaigns related to environmental health issues. They developed their own proxy voting guidelines for their portfolio holdings and a description of the process and guidelines can be found in the Case Study section of the *2006 Proxy Season Preview*.

[www.asyousow.org/csr/proxyvoting.shtml#2006\\_proxy](http://www.asyousow.org/csr/proxyvoting.shtml#2006_proxy), [www.jaf.org](http://www.jaf.org)

**Jessie Smith Noyes Foundation**

• *Proxy* • *Advocacy* • *SRI*

JSN incorporates a wide range of shareholder activity including setting social screens, filing resolutions, dialoging with companies and establishing proxy voting guidelines (currently applied to over 200 holdings). Its proxy voting policy is available at [www.noyes.org/investpol.html](http://www.noyes.org/investpol.html). JSN is one of the leaders promoting AIM policies among the philanthropic community and are a founding member of the Foundation Partnership for Corporate Responsibility and a co-sponsor of the *Proxy Season Preview*.

[www.noyes.org](http://www.noyes.org)

**Lemmon Foundation** • *Advocacy* • *SRI*

Lemmon is engaged in SRI and also filed proposals in 2008 on Sustainability.

**Levinson Foundation** • *Advocacy* • *SRI*

Levinson is engaged in SRI and also filed proposals in 2008 on Human Rights (Sudan), Political Contributions, Say on Pay, and Sustainability.

[www.levinsonfoundation.org](http://www.levinsonfoundation.org)

**Lydia B. Stokes Foundation** • *Proxy* • *SRI*

Stokes is committed to the Quaker philosophy of empowering people to help themselves. It does this both through its grant making, and also applies its spiritual principles to its business relations and financial assets. Its proxy voting policy is available at:

[www.foundationpartnership.org/Examples\\_stokes.htm](http://www.foundationpartnership.org/Examples_stokes.htm), [www.lydiabstokesfoundation.org](http://www.lydiabstokesfoundation.org)

**MacArthur Foundation** • *PRI*

MacArthur has awarded \$214 million in PRIs to 116 organizations over the past 25 years. Most of these PRIs have supported large nonprofit housing developers and community-oriented financial institutions that invest in real estate projects benefiting low-income people, such as affordable housing and child care centers.

[www.macfound.org](http://www.macfound.org)

**Merck Family Fund** • *Advocacy* • *SRI*

MFF has hosted investor forums on climate change and supports shareholder campaigns on sustainability issues. They are engaged in SRI and also filed proposals in 2008 on Greenhouse Gas Emission Reduction and Sustainability. [www.merckff.org](http://www.merckff.org)

**Nathan Cummings Foundation**

• *Proxy* • *Advocacy*

NCF is a leader in promoting proxy voting among foundations via speaking engagements and through the media. NCF also sponsored the CERES proxy voting guide. Its proxy voting policy is available at:

[www.foundationpartnership.org/nathancummings.html](http://www.foundationpartnership.org/nathancummings.html).

NCF has become one of the most active foundations engaged in shareholder advocacy particularly in the areas of Sustainability and Greenhouse Gas Emissions. In 2008 NCF filed proposals or are in dialogue with more than a dozen companies on Climate Change, Greenhouse Gas Emission Reductions, Political Contributions, Say on Pay and Toxics.

[www.nathancummings.org](http://www.nathancummings.org)

**Needmor Fund** • *Proxy* • *Advocacy* • *SRI*

Needmor was an early adopter of social screens, filing proposals, and establishing proxy voting guidelines. Its proxy voting policy is available at:

[www.foundationpartnership.org/nathancummings.htm](http://www.foundationpartnership.org/nathancummings.htm).

In 2008 they filed proposals on Human Rights (Sudan), Say on Pay, Sexual Orientation Discrimination, and Sustainability. They are also engaged in SRI.

[www.needmorfund.org](http://www.needmorfund.org)

**Pride Foundation** • *Advocacy* • *SRI*

Pride is engaged in SRI and also filed proposals in 2008 on Board Diversity and Sexual Orientation Discrimination. [www.pridefoundation.org](http://www.pridefoundation.org)

**Rockefeller Brothers Fund**

• *Proxy* • *Advocacy* • *MRI* • *Research*

RBF has implemented MRI policies which enable it to achieve its long-term financial objectives and support its mission. It has developed extensive proxy voting guidelines for both Corporate Governance and Social

Responsibility issues that are available at: [www.rbf.org/about/proxy\\_voting.htm](http://www.rbf.org/about/proxy_voting.htm). RBF also supports philanthropic research such as its recent forum on aligning investment and mission held at RBF's Pocantico Conference Center (in cooperation with the Rockefeller Archive Center). [www.rbf.org](http://www.rbf.org)

**Rockefeller Foundation • MRI**

Rockefeller engages in program related investing through its Program Venture Experiment fund with investments in for-profit companies, non-profit agencies and community development venture capital funds across several mission areas. [www.rockfound.org](http://www.rockfound.org)

**Rockefeller Philanthropy Advisors**

• Proxy • MRI • Research

RPA currently advises on and manages more than \$200 million in annual giving in 60 countries. RPA's new publication, *Philanthropy's New Passing Gear: Mission Related Investing* (see Reports, pg. 19) is a practical guide for learning more about MRI and the functional aspects of executing a MRI strategy. RPA and AYS also publish this annual *Proxy Season Preview* and the proxy voting guidebook *Unlocking the Power of the Proxy* (see Reports, pg. 19.) [www.rockpa.org](http://www.rockpa.org)

**Rudolf Steiner Foundation (RSF Social Finance)**

• MRI

RSF partners with philanthropists to provide debt financing for social entities that are mission driven and promote sustainability. [www.rfsocialfinance.org](http://www.rfsocialfinance.org)

**Rose Foundation for Communities and the Environment • Advocacy • Research**

Rose has previously engaged in shareholder advocacy on sustainable forestry issues and continues to support shareholder efforts on environmental health issues. They launched the Environmental Fiduciary Project in 2001 and spearheaded a broadly supported citizen petition to the SEC seeking increased corporate environmental liability disclosure. Rose has released a series of publications related to fiduciary responsibility, environmental accounting fraud and market risks from toxic products (see Reports). [www.rosefdn.org](http://www.rosefdn.org)

**Tides Foundation • Advocacy • SRI**

Tides is engaged in SRI and also filed proposals in 2008 on Human Rights (Sudan), Political Contributions, Say on Pay, Sexual Orientation Discrimination, and Sustainability. [www.tides.org](http://www.tides.org)

**V.K. Rasmussen • Proxy • Advocacy**

VKR has developed proxy voting guidelines addressing program related interests and corporate governance which are available at: [www.vkrf.org/about.html](http://www.vkrf.org/about.html). It also has supported shareholder campaigns related to environmental health issues. [www.vkr.org](http://www.vkr.org)

**William Bingham Foundation • SRI**

WBF applies its own social investing screens related to the environment, labor, human rights and harmful products. Its proxy voting policy is available at [www.foundationcenter.org/grantmaker/ingham/investment.html](http://www.foundationcenter.org/grantmaker/ingham/investment.html). WBF utilizes the Foundation Partnership on Corporate Responsibility to monitor shareholder proposals. [www.wbinghamfoundation.org](http://www.wbinghamfoundation.org)

# RESOURCES

## Foundation Reports

***Beneath the Skin: Hidden Liabilities, Market Risk and Drivers of Change in the Cosmetics and Personal Care Products Industry*** identifies financial risks to investors in the cosmetics industry, a largely self-policed industry in which regulatory action by the U.S. Food and Drug Administration is typically triggered only by reporting from the companies themselves. By the Rose Foundation and the Investor Environmental Health Network (IEHN). [www.rosefdn.org/beneathskin.pdf](http://www.rosefdn.org/beneathskin.pdf), [www.iehn.org](http://www.iehn.org)

***Compounding Impact: Mission Investing by U.S. Foundations*** is a 2007 study of the program-related investments (PRI) of 92 U.S. foundations and documents \$2.3 billion of such investments made over the last 40 years. The report estimates mission investments' annual growth rate averaged 16.2% over the last five years, up sharply from the preceding 30 year period. The report says most investments consist of either market-rate investments or below market-rate investments. By FSG Social Impact Advisors with support from the David and Lucile Packard Foundation. [www.fsg-impact.org](http://www.fsg-impact.org)

***Fiduciary Guide to Toxic Chemical Risk*** examines the financial dimensions of toxic chemical risk. The report looks at how to quantify such risk, the danger to shareholder value, and a comprehensive set of action steps that can be taken by investors to translate the long-term threats and opportunities associated with toxic

chemical issues into prudent portfolio stewardship. By the Rose Foundation, IEHN, Mercer Consulting and Global Development and Environment Institute. [www.rosefdn.org](http://www.rosefdn.org), [www.iehn.org](http://www.iehn.org)

**Innovative Financing for Sustainability** offers a legal framework for the integration of environmental, social and governance issues into institutional investment. By the United Nations Environmental Program Finance Initiative. [www.unepfi.org/fileadmin/documents/freshfields\\_legal\\_resp\\_20051123.pdf](http://www.unepfi.org/fileadmin/documents/freshfields_legal_resp_20051123.pdf)

**Meshing Proxy with Mission** is a series of articles by *The Chronicle of Philanthropy* that reviewed foundations' experiences with proxy votes such as establishing board policies, getting financial managers to vote accordingly, and using shareholder proposals to support grantee efforts. [www.philanthropy.com/free/articles/v18/i14/14000701.htm](http://www.philanthropy.com/free/articles/v18/i14/14000701.htm)

**Mission in the Marketplace: How Responsible Investing Can Strengthen the Fiduciary Oversight of Foundation Endowments and Enhance Philanthropic Missions** discusses four strategies that help foundations further leverage their assets and enhance mission: social screening, shareholder advocacy, community investing and social venture capital. By the Social Investment Forum Foundation. [www.socialinvest.org](http://www.socialinvest.org)

**Philanthropy's New Passing Gear: Mission Related Investing — A Policy and Implementation Guide for Foundation Trustees** is a new comprehensive, practical guide that translates the concepts, ideas and philosophy of MRI into useable policies and practices for foundation trustees to help ensure the effective launch of an MRI program and its integration with existing policies and processes. By Rockefeller Philanthropy Advisors, underwritten by the F.B. Heron Foundation with additional support from the Flora Family Foundation and the Woodcock Foundation. <http://rockpa.org/wpcontent/uploads/2008/01/MRI.pdf>

**PRIME Tool Kit – The Primer for the Responsible Investment Management of Endowments** was created to assist trustees, officers and directors of foundations to better understand and integrate socially responsible investment. By the European Foundation Centre, European Social Investment Forum and the Bellagio Forum for Sustainable Development. <http://bfsd.server.enovum.com/en/content/view/192//>

**Questions and Answers for Foundations on Proxy Voting** is a 14-page fact sheet answering common questions foundations ask about proxy voting, as well as some less common and more complicated issues such as voting commingled funds, delegating voting authority and providing voting guidance to investment managers. By the Nathan Cummings Foundation with support from CERES. [www.ceres.org](http://www.ceres.org)

**Unlocking the Power of the Proxy: How Active Foundation Proxy Voting Can Protect Endowments and Boost Philanthropic Mission** is a how-to guidebook that makes the case for proxy voting and shows how developing and implementing a proxy voting policy can be done simply and efficiently. With more than 10,000 copies distributed, *Unlocking the Power of the Proxy* has helped move foundations to consider the impacts of their investments and to vote their proxies. By As You Sow and Rockefeller Philanthropy Advisors. [www.asyousow.org](http://www.asyousow.org), [www.rockpa.org](http://www.rockpa.org)

## Investor Networks, Shareholder Advocacy Organizations and Campaigns

**Carbon Disclosure Project** is the world's largest institutional investor collaborative on the business implications of climate change. CDP provides a coordinating secretariat for institutional investors with a combined \$57 trillion of assets under management. On their behalf it seeks information on the business risks and opportunities presented by climate change and greenhouse gas emissions data from the world's largest companies: 3,000 in 2008. Over the past eight years CDP has become the gold standard for carbon disclosure methodology and process. The CDP website is the largest repository of corporate greenhouse gas emissions data in the world. [www.cdproject.net](http://www.cdproject.net)

**Center for Political Accountability** is a non-partisan organization created to bring transparency and accountability to corporate political spending and to inform shareholders about corporate political expenditures. [www.politicalaccountability.net](http://www.politicalaccountability.net)

**CERES** is the largest U.S. coalition of investor groups, environmental organizations and investment funds that engages directly with companies on environmental and social issues. They coordinate investor networks and develop investor educational materials and founded the

Global Reporting Initiative, a widely used sustainability template for measuring a company's environmental, social and economic performance.

[www.ceres.org](http://www.ceres.org)

**Co-Op America** provides information on selected shareholder campaigns and proxy votes as well as educational information on advocacy and social investing. [www.coopamerica.org](http://www.coopamerica.org)

**Corporate Library** provides a comprehensive web site with a focus on governance proposals and issues, corporate responsibility news and financial analysis. [www.thecorporatelibrary.com](http://www.thecorporatelibrary.com)

**Environmental Grantmakers Association** hosts an affinity group on 'The Other 95%' that provides peer-to-peer support on proxy voting, SRI, MRI, increasing pay-out, and other related issues such as green retirement plans. [www.ega.org](http://www.ega.org)

**Equality Project** utilizes shareholder activism to support and help monitor the adoption of employee nondiscrimination policies on sexual orientation and gender identity in the workplace. [www.equalityproject.org](http://www.equalityproject.org)

**Friends of the Earth's Green Investments Program** features an online guide to shareholder activism *Confronting Companies Using Shareholder Power* describing the basics of filing and writing proposals. [www.foe.org/international/shareholder/](http://www.foe.org/international/shareholder/)

**Foundation Partnership for Corporate Responsibility** provides information and technical assistance to foundations that want to become more active as shareholders on social and environmental issues. The list of foundations is private and there is no obligation to participate in any action. FPCR helped underwrite the *2008 Proxy Season Preview*. [www.foundationpartnership.org](http://www.foundationpartnership.org)

**Genetically Engineered Sugar Beets** is a new campaign launched by religious investors to urge top U.S. restaurant, food, beverage companies to oppose spring planting of genetically engineered sugar beets. [www.dontplantgmobeets.org](http://www.dontplantgmobeets.org)

**Global Warming Proxy Email Alerts** are sent by the Bullitt, Nathan Cummings and Needmor Foundations regarding upcoming climate change related proposals. To receive email notification of proposals still pending for

a vote in the 2008 please contact [www.bullitt.org](http://www.bullitt.org), [www.ncf.org](http://www.ncf.org), [www.needmorfund.org](http://www.needmorfund.org)

**Global Warming Trojan Horse Proposal Alerts** are posted by CERES and ICCR regarding global warming related *Trojan Horse* proposals. [www.iccr.org](http://www.iccr.org), [www.ceres.org](http://www.ceres.org)

**Interfaith Center on Corporate Responsibility** is the country's leading shareholder advocacy organization. It is comprised of nearly 300 religious institutional investors with \$110 billion in combined assets. ICCR lists its shareholder proposals, posts articles by members, provides a guide to its members' proxy proposals and tips on writing and filing proposals. [www.iccr.org](http://www.iccr.org)

**Investor Environmental Health Network** is a coalition of SRIs, religious institutional investors and foundations with combined assets of \$41 billion, who are working to ensure the companies they invest in are reducing risks associated with the toxic chemicals used in their products. [www.iehn.org](http://www.iehn.org)

**Investor Network on Climate Risk** is a \$5 trillion network of investors that promotes better understanding of the financial risks and opportunities posed by climate change. [www.incr.com](http://www.incr.com)

**Jewish Funds for Justice/Shefa Fund** operates the Jewish Shareholder Engagement Network. This network represents more than \$1.5 billion in assets and distributes annual proxy voting recommendations as part of its effort to use stock ownership to promote corporate responsibility. [www.jewishjustice.org](http://www.jewishjustice.org)

**Proxy Season Preview** is an annual publication of As You Sow, Rockefeller Philanthropy Advisors and the Jessie Smith Noyes Foundation that focuses on upcoming social proposals. It was initiated to help foundations and endowments better align investment and mission, but it is useful for other organizations or individual shareholders. To be added to the email list for future editions please contact Michael Passoff at [michael@asyousow.org](mailto:michael@asyousow.org).

**PRI Makers** is a grantmaker affinity group for networking, professional development, collaboration and outreach to funders currently making or interested in learning about PRIs. Their database includes 1,400 fully searchable records of PRIs and other social investments. [www.primakers.net](http://www.primakers.net)

**Responsible Endowments Coalition** is a nonprofit organization that works to foster social and environmental change through university endowments. [www.SRIendowment.org](http://www.SRIendowment.org)

**Say on Pay** is an ad-hoc joint effort by AFSCME and Walden Asset Management to coordinate the filing of the proposal seeking an advisory shareholder vote on executive compensation. [www.afscme.org](http://www.afscme.org), [www.waldenassetmgmt.com](http://www.waldenassetmgmt.com)

**Sustainable Endowments Institute** provides research, educational publications and workshops on the sustainability investment practices of university endowments. [www.endowmentinstitute.org](http://www.endowmentinstitute.org)

## Proxy Voting Services

**RiskMetrics Group** (formerly ISS – Institutional Shareholder Services) is the nation’s largest proxy analyst and voting service. RiskMetrics has several divisions but its Social Issue Service was developed by the not-for-profit Investor Responsibility Research Center (IRRC), which was founded by a consortium of foundations and universities. RiskMetrics Social Issues Service helps develop proxy voting policies, manages voting, publishes the monthly *Corporate Social Issues Reporter* and generates in-depth proxy research reports that impartially provide background on the pros and cons of each proposal. [www.riskmetrics.com/issgovernance/research/socialissues.html](http://www.riskmetrics.com/issgovernance/research/socialissues.html)

**Swingvote** offers free proxy voting technology through select banks and brokerage firms to institutional and individual investors. It provides proxy material, voting information, client voting guidelines, background news and multimedia messages from management or dissident shareholders. Swingvote has managed proxy voting and other related financial services for top-tier investors since its founding in 2003. [www.swingvote.com](http://www.swingvote.com)

## Socially Responsible Investing

**Bellagio Forum for Sustainable Development** provides a 60-page tool kit to help foundation trustees understand and integrate responsible investment practices into endowment management (see Reports, pg. 19). [www.bfsd.org](http://www.bfsd.org)

**SocialFunds.com** offers a database of shareholder resolutions and news on SRI activities. [www.socialfunds.com](http://www.socialfunds.com)

**Social Investment Forum** is an SRI trade association which provides reports on industry initiatives, community investing, shareholder advocacy, divestment and screening, trends and performance. It features shareholder news and proposals, web resources, action alerts and an extensive links section. [www.sriadvocacy.org](http://www.sriadvocacy.org)

**UC Berkeley – Moskowitz Research Program** is part of the Haas School of Business and offers a web site covering the latest academic studies exploring the link between SRI and financial performance. [www.sristudies.org](http://www.sristudies.org)

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To view the *Proxy Season Preview* online please visit [www.asyousow.org](http://www.asyousow.org), [www.rockpa.org](http://www.rockpa.org) or [www.noyes.org/mrinvest.html](http://www.noyes.org/mrinvest.html)

# SPRING PROXY VOTES

## Upcoming votes for social and selected governance proposals as of March 20, 2008.

Please note that some proposals described here may not be listed on your proxy statement. Changes occur constantly as proposals are withdrawn by the filers in exchange for company dialogues or due to a change in company practices, or omitted by the company in accordance with the Securities and Exchange Commission rules. Additionally, not all vote deadlines were available at the time of printing. Information listed here was provided by the RiskMetrics Group – Social Issues Service, Interfaith Center on Corporate Responsibility, and numerous institutional filers.

Company	Resolution	Meeting Date
Abbott Laboratories	Human Rights – policy	April 25, 2008
Abbott Laboratories	Executive Compensation – Advisory Vote/Say on Pay	April 25, 2008
Alcoa Inc.	Global Warming – <i>Trojan horse</i>	May 8, 2008
Allegheny Technologies, Inc.	Sustainability Report	May 9, 2008
Allergan, Inc.	Animal Welfare – testing	May 6, 2008
Altria Group, Inc.	Health – tobacco/youth anti-smoking	May 28, 2008
Altria Group, Inc.	Health – tobacco/master settlement agreement	May 28, 2008
Altria Group, Inc.	Health – tobacco/non-addictive cigarettes	May 28, 2008
Altria Group, Inc.	Executive Compensation – Advisory Vote/Say on Pay	May 28, 2008
Altria Group, Inc.	Health – health care reform	May 28, 2008
Ameren Corporation	Environment – nuclear waste	April 22, 2008
American Financial Group, Inc.	Labor – sexual orientation anti-bias policy	May 1, 2008
American International Group, Inc.	Environment – water	May 14, 2008
American International Group, Inc.	Political Donations	May 14, 2008
Amgen, Inc.	Animal Welfare – standards	May 7, 2008
AMR Corp.	Sustainability Report	May 21, 2008
Anadarko Petroleum Corp.	Labor – sexual orientation anti-bias policy	May 1, 2008
Anheuser-Busch	Executive Compensation – Advisory Vote/Say on Pay	April 23, 2008
Anheuser-Busch	Charitable Giving – <i>Trojan horse</i>	April 23, 2008
AT&T Inc	Political Donations	April 25, 2008
Avon Products	Health – nanomaterials	May 1, 2008
Avon Products	Political Donations	May 1, 2008
Bank of America	Human Rights – board committee	April 23, 2008
Bank of America	Sustainability – Equator Principles – <i>Trojan horse</i>	April 23, 2008
Bank of New York Mellon	Executive Compensation – Advisory Vote/Say on Pay	April 8, 2008
BE Aerospace, Inc.	Labor – McBride Principles	July 1, 2008
Best Buy Co., Inc.	Environment – recycling	June 25, 2008
Boeing Co.	Health – health care reform	April 28, 2008
Boeing Co.	Human Rights – military sales	April 28, 2008
Boeing Co.	Labor – ILO standards	April 28, 2008
Boeing Co.	Executive Compensation – Advisory Vote/Say on Pay	April 28, 2008
Borland Software corp.	Labor – McBride Principles	May 1, 2008
Cagles, Inc.	Animal Welfare – humane slaughter	July 1, 2008
Cash America International	Human Rights – predatory lending	April 23, 2008
Caterpillar Inc.	Human Rights – policy	June 1, 2008
Caterpillar Inc.	Human Rights – military sales	June 1, 2008
Centex Corp.	Global Warming – greenhouse gas emissions	July 10, 2008
Charles Schwab Corp.	Political Donations	May 15, 2008
Chevron Corporation	Environment – tar sands	May 28, 2008
Chevron Corporation	Environmental Justice	May 28, 2008
Chevron Corporation	Global Warming – greenhouse gas emissions	May 28, 2008
Chevron Corporation	Human Rights – policy	May 28, 2008
Chevron Corporation	Human Rights – report	May 28, 2008
Chubb Corp.	Political Donations	April 29, 2008
Circuit City	Health – toxics	June 1, 2008
Citigroup Inc.	Global Warming – greenhouse gas emissions	April 22, 2008
Citigroup Inc.	Human Rights – report	April 22, 2008
Citigroup Inc.	Political Donations	April 22, 2008
Citigroup Inc.	Political – disclose prior government service	April 22, 2008
Citigroup Inc.	Sustainability – Equator Principles – <i>Trojan horse</i>	April 22, 2008
Citigroup Inc.	Executive Compensation – Advisory Vote/Say on Pay	April 22, 2008
Coca-Cola	Human Rights – board committee	April 16, 2008
Coca-Cola	Executive Compensation – Advisory Vote/Say on Pay	April 16, 2008
Comcast Corp.	Health – health care reform	May 14, 2008
Comcast Corp.	Sustainability Report	May 14, 2008
Comcast Corp.	Executive Compensation – Advisory Vote/Say on Pay	May 14, 2008



Company	Resolution	Meeting Date
Computer Sciences Corp.	Political Donations	July 1, 2008
Connecticut Water Service	Environment – water	May 1, 2008
ConocoPhillips	Environment – pollutants	May 14, 2008
ConocoPhillips	Environment – Alaska protected lands	May 14, 2008
ConocoPhillips	Environment – tar sands	May 14, 2008
ConocoPhillips	Global Warming – <i>Trojan horse</i>	May 14, 2008
ConocoPhillips	Global Warming – greenhouse gas emissions	May 14, 2008
ConocoPhillips	Human Rights – report	May 14, 2008
ConocoPhillips	Political Donations	May 14, 2008
Consol Energy, Inc.	Global Warming – greenhouse gas emissions	April 29, 2008
Continental Airlines	Human Rights – sex tourism	June 11, 2008
Continental Airlines	Political Nonpartisanship	June 11, 2008
Cooper Industries	Labor – ILO standards	April 29, 2008
Cornell Companies	Political Donations	June 1, 2008
Corrections Corporation of America	Political Donations	May 1, 2008
Crane Co.	Labor – McBride Principles	April 21, 2008
Cummins , Inc.	Labor – ILO standards	May 1, 2008
CVS Caremark Corp	Political Donations	May 7, 2008
Dentsply International	Sustainability Report	May 13, 2008
Devon Energy	Political Donations	June 1, 2008
Dillard's, Inc	Global Warming – climate change report	May 17, 2008
Dillard's, Inc	Sustainability Report	May 17, 2008
DISH Network Corp.	Labor – sexual orientation anti-bias policy	May 1, 2008
Dominos Pizza Inc.	Animal Welfare – humane slaughter	April 17, 2008
Dominos Pizza Inc.	Labor – McBride Principles	April 17, 2008
Dover Corporation	Global Warming – climate change report	May 1, 2008
Dover Corporation	Sustainability Report	May 1, 2008
Dow Chemical Company	Environment – GMO	May 15, 2008
Dow Chemical Company	Environmental Justice	May 15, 2008
Dow Chemical Company	Health – asthma	May 15, 2008
Dow Chemical Company	Executive Compensation – Advisory Vote/Say on Pay	May 15, 2008
DTE Energy Co.	Political Donations	May 15, 2008
Duke Energy Corp.	Global Warming – <i>Trojan horse</i>	May 8, 2008
Duke Energy Corp.	Political Donations	May 8, 2008
E.I. Du Pont De Nemours	Global Warming – <i>Trojan horse</i>	April 30, 2008
E.I. Du Pont De Nemours	Human Rights – policy	April 30, 2008
E.I. Du Pont De Nemours	Executive Compensation – Advisory Vote/Say on Pay	April 30, 2008
Eastman Chemical Co.	Labor – sexual orientation anti-bias policy	May 1, 2008
eBay Inc.	Animal Welfare – sales	June 1, 2008
eBay Inc.	Political Donations	June 1, 2008
Eli Lilly and Co.	Animal Welfare – testing	April 21, 2008
Eli Lilly and Co.	Executive Compensation – Advisory Vote/Say on Pay	April 21, 2008
Eli Lilly and Co.	Political Donations	April 21, 2008
Entergy Corp.	Political Donations	May 1, 2008
Entergy Corp.	Executive Compensation – Advisory Vote/Say on Pay	May 1, 2008
Exelon Corp.	Global Warming – <i>Trojan horse</i>	April 29, 2008
Exelon Corp.	Executive Compensation – Advisory Vote/Say on Pay	April 29, 2008
Expeditors International	Labor – sexual orientation anti-bias policy	May 7, 2008
Exxon Mobil Corp.	Environmental Justice	May 28, 2008
Exxon Mobil Corp.	Environment – Alaska protected lands	May 28, 2008
Exxon Mobil Corp.	Global Warming – energy independence	May 28, 2008
Exxon Mobil Corp.	Global Warming – climate change report	May 28, 2008
Exxon Mobil Corp.	Global Warming – greenhouse gas emissions	May 28, 2008
Exxon Mobil Corp.	Global Warming – renewable energy	May 28, 2008
Exxon Mobil Corp.	Executive Compensation – link to social criteria	May 28, 2008
Exxon Mobil Corp.	Executive Compensation – Advisory Vote/Say on Pay	May 28, 2008
Exxon Mobil Corp.	Labor – sexual orientation anti-bias policy	May 28, 2008
Exxon Mobil Corp.	Political Donations	May 28, 2008
Fidelity National Financial, Inc.	Labor – sexual orientation anti-bias policy	May 1, 2008
FirstEnergy Corporation	Global Warming – greenhouse gas emissions	May 20, 2008
Ford Motor Company	Charitable Giving – <i>Trojan horse</i>	May 8, 2008
Ford Motor Company	Global Warming – <i>Trojan horse</i>	May 8, 2008
Ford Motor Company	Global Warming – greenhouse gas emissions	May 8, 2008
Ford Motor Company	Health – health care reform	May 8, 2008
Ford Motor Company	Political Donations	May 8, 2008
Foundation Coal Hldgs Inc	Global Warming – greenhouse gas emissions	May 22, 2008
FPL Group, Inc.	Global Warming – <i>Trojan horse</i>	May 1, 2008
Frontier Oil Corp.	Labor – sexual orientation anti-bias policy	April 1, 2008
General Dynamics Corp.	Human Rights – military contracts	May 7, 2008
General Electric Co.	Charitable Giving – <i>Trojan horse</i>	April 23, 2008
General Electric Co.	Executive Compensation – Advisory Vote/Say on Pay	April 23, 2008
General Electric Co.	Global Warming – <i>Trojan horse</i>	April 23, 2008

Company	Resolution	Meeting Date
General Motors Corp.	Global Warming – greenhouse gas emissions	June 3, 2008
General Motors Corp.	Global Warming – fuel economy	June 3, 2008
General Motors Corp.	Health – health care reform	June 3, 2008
General Motors Corp.	Political Donations	June 3, 2008
General Motors Corp.	Executive Compensation – Advisory Vote/Say on Pay	June 3, 2008
General Motors Corp.	Political Donations – newspaper ad	June 3, 2008
GEO Group, Inc.	Political Donations	May 1, 2008
Goldman Sachs Group, Inc.	Sustainability Report – <i>Trojan horse</i>	April 10, 2008
Goldman Sachs Group, Inc.	Executive Compensation – Advisory Vote/Say on Pay	April 10, 2008
Google Inc	Human Rights – board committee	May 1, 2008
Google Inc	Human Rights – internet censorship	May 1, 2008
Halliburton Co.	Human Rights – report	May 21, 2008
Halliburton Co.	Political Donations	May 21, 2008
Hartford Financial Services	Sustainability Report	May 1, 2008
HCC Insurance Holdings	Labor – sexual orientation anti-bias policy	May 1, 2008
Hershey	Labor – child labor	April 22, 2008
Hershey	Human Rights – board committee	April 22, 2008
Home Depot, Inc.	Environment – forests	May 22, 2008
Home Depot, Inc.	Labor – equal employment opportunity	May 22, 2008
Home Depot, Inc.	Executive Compensation – Advisory Vote/Say on Pay	May 22, 2008
Home Depot, Inc.	Political Nonpartisanship	May 22, 2008
Honeywell	Executive Compensation – Advisory Vote/Say on Pay	April 28, 2008
Huntsman Corp	Labor – sexual orientation anti-bias policy	May 1, 2008
IDACORP, Inc.	Labor – sexual orientation anti-bias policy	May 15, 2008
IHOP Corp.	Animal Welfare – cage free eggs	May 13, 2008
Intel Corp.	Sustainability – board committee	May 21, 2008
International Business Machines	Human Rights – board committee	April 29, 2008
International Business Machines	Executive Compensation – Advisory Vote/Say on Pay	April 29, 2008
International Paper Co.	Environment – forests	May 12, 2008
ITT Corp.	Human Rights – military sales	May 13, 2008
JetBlue Airways Corp	Sustainability Report	May 1, 2008
JPMorgan Chase & Co.	Human Rights – report	May 20, 2008
JPMorgan Chase & Co.	Political Donations	May 20, 2008
JPMorgan Chase & Co.	Executive Compensation – Advisory Vote/Say on Pay	May 20, 2008
JPMorgan Chase & Co.	Political – disclose prior government service	May 20, 2008
Kansas City Southern	Labor – security safeguards	May 1, 2008
Kimberly-Clark Corp.	Labor – ILO standards	April 17, 2008
Kimberly-Clark Corp.	Executive Compensation – Advisory Vote/Say on Pay	April 17, 2008
Kimberly-Clark Corp.	Sustainability Report	April 17, 2008
Kroger Co.	Animal Welfare – cage free eggs	June 26, 2008
Kroger Co.	Animal Welfare – humane slaughter	June 26, 2008
Kroger Co.	Global Warming – greenhouse gas emissions	June 26, 2008
Kroger Co.	Health – product safety	June 26, 2008
Legg Mason, Inc.	Global Warming – climate change report	July 22, 2008
Leggett & Platt, Inc.	Labor – sexual orientation anti-bias policy	May 8, 2008
Lehman Brothers	Political Donations – newspaper ad	April 15, 2008
Lehman Brothers	Sustainability Report – <i>Trojan horse</i>	April 15, 2008
Lockheed Martin	Environment – nuclear waste	April 24, 2008
Lockheed Martin	Executive Compensation – Advisory Vote/Say on Pay	April 24, 2008
Loews Corp.	Health – health care reform	May 13, 2008
Loews Corp.	Health – tobacco	May 13, 2008
Manpower Inc.	Labor – McBride Principles	April 29, 2008
Marsh & McLennan	Political Donations	May 15, 2008
Marathon Oil	Executive Compensation – Advisory Vote/Say on Pay	April 30, 2008
Massey Energy	Global Warming – greenhouse gas emissions	May 13, 2008
Massey Energy	Political Donations	May 13, 2008
Mattel, Inc.	Labor – worker living conditions	May 29, 2008
Merck	Executive Compensation – Advisory Vote/Say on Pay	April 22, 2008
Morgan Stanley	Human Rights – report	April 8, 2008
Motorola, Inc.	Human Rights – report	May 5, 2008
Motorola, Inc.	Executive Compensation – Advisory Vote/Say on Pay	May 5, 2008
Mueller Industries	Board Diversity	May 1, 2008
Nabors	Executive Compensation – Advisory Vote/Say on Pay	June 6, 2008
Murphy Oil Corp.	Labor – sexual orientation anti-bias policy	May 14, 2008
Norfolk Southern	Sustainability Report	May 8, 2008
Northrop Grumman	Executive Compensation – Advisory Vote/Say on Pay	May 21, 2008
Northrop Grumman	Human Rights – military sales	May 21, 2008
Occidental Petroleum	Executive Compensation – Advisory Vote/Say on Pay	May 1, 2008
Occidental Petroleum	Global Warming – climate science – <i>Trojan horse</i>	May 1, 2008
OGE Energy Corp.	Global Warming – greenhouse gas emissions	May 22, 2008
ONEOK, Inc.	Global Warming – greenhouse gas emissions	May 15, 2008
Pentair, Inc.	Labor – sexual orientation anti-bias policy	May 1, 2008

Company	Resolution	Meeting Date
PepsiCo, Inc.	Environment – recycling	May 7, 2008
PepsiCo, Inc.	Environmental Justice	May 7, 2008
PepsiCo, Inc.	Environment – GMO	May 7, 2008
PepsiCo, Inc.	Global Warming – <i>Trojan horse</i>	May 7, 2008
PetSmart	Animal Welfare – standards	June 1, 2008
Pulte Homes Inc.	Executive Compensation – Advisory Vote/Say on Pay	May 1, 2008
Pulte Homes Inc.	Global Warming – greenhouse gas emissions	May 1, 2008
R. R. Donnelley & Sons	Environment – forests	May 28, 2008
Raytheon	Executive Compensation – Advisory Vote/Say on Pay	May 29, 2008
Reynolds American	Health – health care reform	May 1, 2008
Reynolds American	Health – tobacco	May 1, 2008
Reynolds American	Labor – ILO standards	May 1, 2008
Rite Aid Corp.	Global Warming – greenhouse gas emissions	June 25, 2008
Ryland Group, Inc.	Global Warming – greenhouse gas emissions	April 16, 2008
Safeway Inc.	Animal Welfare – cage free eggs	May 14, 2008
Southern Company	Global Warming – greenhouse gas emissions	May 28, 2008
Southwest Airlines	Sustainability Report	June 18, 2008
Standard Pacific Corp.	Global Warming – greenhouse gas emissions	May 14, 2008
Superior Energy Services	Labor – sexual orientation anti-bias policy	May 1, 2008
Supervalu Inc.	Animal Welfare – humane slaughter	May 1, 2008
Tesoro Corp.	Labor – sexual orientation anti-bias policy	May 1, 2008
Textron Inc.	Human Rights Military Sales	April 23, 2008
Timken Co.	Labor – sexual orientation anti-bias policy	May 1, 2008
TJX Companies, Inc.	Labor – McBride Principles	June 1, 2008
UAL Corporation	Charitable Giving – <i>Trojan horse</i>	May 1, 2008
UAL Corporation	Executive Compensation – Advisory Vote/Say on Pay	May 1, 2008
UAL Corporation	Sustainability Report	May 1, 2008
Ultra Petroleum Corp.	Global Warming – greenhouse gas emissions	June 1, 2008
Union Pacific Corp.	Political Donations	May 1, 2008
Unisys Corp.	Political Donations	July 24, 2008
United Technologies Corp.	Health – health care reform	April 9, 2008
United Technologies Corp.	Human Rights – policy	April 9, 2008
United Technologies Corp.	Human Rights – military outsourcing	April 9, 2008
UnitedHealth Group	Executive Compensation – Advisory Vote/Say on Pay	June 5, 2008
UnitedHealth Group	Health – health care reform	June 5, 2008
UnitedHealth Group	Political Donations	June 5, 2008
Urban Outfitters, Inc.	Labor – ILO standards	May 1, 2008
US Airways Group	Political Donations – newspaper ad	June 11, 2008
US Airways Group	Sustainability Report	June 11, 2008
UST Inc.	Health – health care reform	May 1, 2008
Valero Energy Corp.	Political Donations	May 1, 2008
Valero Energy Corp.	Executive Compensation – Advisory Vote/Say on Pay	May 1, 2008
Verizon Communications	Labor – sexual orientation anti-bias policy	May 1, 2008
Wachovia Corp.	Political Donations	April 22, 2008
Wachovia Corp.	Executive Compensation – Advisory Vote/Say on Pay	April 22, 2008
Waddell & Reed	Executive Compensation – Advisory Vote/Say on Pay	April 9, 2008
Wal-Mart Stores, Inc.	Animal Welfare – standards	June 6, 2008
Wal-Mart Stores, Inc.	Human Rights – board committee	June 6, 2008
Wal-Mart Stores, Inc.	Labor – ILO standards	June 6, 2008
Wal-Mart Stores, Inc.	Labor – sexual orientation anti-bias policy	June 6, 2008
Wal-Mart Stores, Inc.	Executive Compensation – Advisory Vote/Say on Pay	June 6, 2008
Wal-Mart Stores, Inc.	Political Donations	June 6, 2008
Waste Management, Inc.	Political Donations	May 9, 2008
Wells Fargo	Human Rights – report	April 29, 2008
Wells Fargo	Human Rights – fair housing	April 29, 2008
Wells Fargo	Executive Compensation – Advisory Vote/Say on Pay	April 29, 2008
Wells Fargo	Labor – sexual orientation – <i>Trojan horse</i>	April 29, 2008
Wendy's	Animal Welfare – standards	April 1, 2008
Wendy's	Health – health care reform	April 1, 2008
Wendy's	Health – GMO	April 1, 2008
Williams Companies	Global Warming – greenhouse gas emissions	May 15, 2008
Wyeth	Political Donations	April 24, 2008
Xcel Energy Inc.	Health – health care reform	May 1, 2008
Xerox Corp.	Labor – vendor standards	May 1, 2008
Yahoo!, Inc.	Human Rights – board committee	June 1, 2008
Yahoo!, Inc.	Human Rights – internet censorship	June 1, 2008
Yum Brands	Animal Welfare – standards	May 15, 2008
Yum Brands	Labor – McBride Principles	May 15, 2008
Yum Brands	Sustainability – food supply	May 15, 2008
Yum Brands	Executive Compensation – Advisory Vote/Say on Pay	May 15, 2008

There is no such thing to my mind...  
as an innocent stockholder. He may  
be innocent in fact, but socially he  
cannot be held innocent. He accepts  
the benefits of the system. It is his  
business and his obligation to see  
that those who represent him carry  
out a policy which is consistent  
with the public welfare.

*Louis Brandeis*

