

Advisory Committee on Corporate Responsibility in Investing (ACCRI)
Minutes of the Meeting - 01 November 2006

Present:

Stanley Griffith*	Lindsey Ryckman	Harold Ward (Chairman)
Dan MacCombie	Anne Sharp	Christopher Wilson (AA)
William Masket	Sandra Siebel	(* by phone)
Louis Putterman*	Christina Tang (RA)	

Agenda:

- I. Refine recommendation on Social Choice Fund to be presented 14 November.
- II. Discuss the content of the new ACCRI website.
- III. Introduce Christina Tang.
- IV. Explore new options for ACCRI action.
- V. Plan meeting schedule for remainder of academic year.

Meeting commenced at 4:06 PM. Stanley Griffith and Louis Putterman were not reached until 4:15, at which time both were brought into discussion of Item I.

Items:

- I. Recommendation on the Social Choice Fund
 - a. Lindsey raised concern over whether terminology such as “environmental” was specific enough, offering “sustainable” and “renewable” as possible alternatives. Sandra noted that “environmental” would allow the investment office a wide variety of interpretations, but that a more narrow definition may be too restrictive. RESOLVED, that Harold will seek out language used by Winslow Green for clearer terminology.
 - b. Members discussed Stanley’s email suggestions concerning the possible addition of comments regarding returns to investment and the “performance penalty” in the Social Choice Fund. Several members noted that these matters are best left to the investment office, and are unnecessary to the Recommendation. Others voiced opinion that the Recommendation should acknowledge the Committee’s understanding of the possibility of a “performance penalty.” RESOLVED, by 3-2 vote, to withhold language concerning investment returns.
 - c. Members discussed Stanley’s proposal to recommend 5-year test period for Social Choice Fund. Stanley expressed concern that without any time limit, the Fund might not be adequately marketed, and without donor interest, would later be abandoned. Harold suggested language concerning a trial period of 5 years *or more* be entered into the recommendation. RESOLVED, by voice, that a trial period of 5 years or more will be recommended.
 - d. Harold agreed to circulate a revised draft of the Recommendation by e-mail.

- II. Content of ACCRI website
 - a. Content to be included: charter, guidelines, details of Darfur and Tobacco divestments, past votes on proxies, updates on new proxies after season end.
 - b. Proposal: limit content to University community only using password-protection. Will expressed opposition to completely restricting ACCRI information to campus community. Harold noted the ACCRI charge only concerns this community. Sandra also noted confidentiality concerns. RESOLVED, by voice, that proxy votes will be password-protected, while general information such as the charter, guidelines, and major divestments will be open to the public.
- III. Introduction of new Research Assistant, Christina Tang
 - a. Harold explained some basic protocol for research into proxies.
- IV. Explore breadth of ACCRI charter and possible future action
 - a. Harold expressed concern that charter is not fully being met, and opened the floor to ideas. Stanley offered three suggestions:
 - i. Update guidelines and policies.
 - ii. Open more lines of communication with, and collaborate better with committees of peer institutions.
 - iii. Organize a conference locally for social investment committee members from peer institutions to attend.
- V. Meeting schedule
 - a. Members briefly discussed general concerns about schedule through end of the academic year.

Meeting adjourned at 5:00 PM.

Minutes prepared by Christopher Wilson, 6 November, 2006

Advisory Committee on Corporate Responsibility in Investing (ACCRI)
Minutes of the Meeting – 04 December 2006

Present:

Stephen Houston	David Scofield	Peter Voss*
Laura Posten*	Anne Sharp	Harold Ward (Chairman)
Louis Putterman*	Christina Tang (RA)	Christopher Wilson (AA)
Lindsey Ryckman	Eliezer Upfal	(* by phone)

Agenda:

- I. Approve minutes of November 1 meeting
- II. Address recommendations for Social Choice Fund
- III. Louis's update on Sudan divestiture
- IV. Christopher's update on website progress
- V. Issues regarding networking with counterpart committees
- VI. Models for an annual report
- VII. Review of committee charter
- VIII. Notes on upcoming 2007 proxy season

Meeting commenced at 4:10 PM. Eliezer Upfal and Louis Putterman both departed at approximately 5:00 PM.

Items:

- I. Approve minutes
 - a. Minutes of the meeting of November 1 were unanimously approved.
- II. Social Choice Fund recommendations
 - a. Harold noted difficulty in identifying funds that fit the Committee's criteria of "environmental focus" and "proactive," and that have a track record of success. Laura is working with Goldman Sachs to identify funds, mentioning the Highwater Global as a possibility. Laura and Peter continue to run into the same set of index funds that do not fit the Committee's criteria.
 - b. Harold suggests that an initial negative screen should not preclude a fund from consideration. David agrees screening is a positive tool.
 - c. Laura agreed to continue the search for other funds.
- III. Sudan divestiture Update
 - a. Louis discussed a message from Scott Warren, the head of the student group that brought the Sudan situation to the Committee's attention, informing him that the Rhode Island Legislature will soon take up a motion to divest state resources from companies operating in Darfur. Scott has asked the Committee to draft a letter to the Legislature giving Committee's perspective on Brown's divestment. Committee agreed that it

cannot take a position, but that Louis can himself draft a letter outlining his personal experience with the issue.

- b. Harold noted that Christina will be updating research on the situation and the companies involved.

IV. Website update

- a. Christopher briefly discussed current state of the website including some of the content it will contain.

V. Networking with counterpart committees

- a. Christina gave brief overview of publication of proxy data by counterparts at other schools. Discussion quickly turned to one of transparency and disclosure. Stephen urged as much transparency as possible. David Scofield quickly pointed out the downside to complete transparency of proxy votes, including that too much transparency of proxy votes could compromise anonymity of University's proprietary fund managers. David noted that a bare minimum of restrictions on transparency should be no identification of the fund manager, only mention of proxy name, and one quarter of time lag for reporting.
- b. Harold and David discussed number of direct stock holdings by the University, which may number more than 1,000.
- c. Eli pushed for only a summary of Committee opinions to be disclosed, never specific companies involved. Harold pointed out that charter states we may work with disclosure of specific companies, but David felt this is not very secure. David went on to ask whether the Committee's goal was public pressure or simply "taking a stand" on an issue.
- d. Lindsey asked whether there had been negative repercussions from complete disclosure. David offered an example of a student-run website at another University against a specific investment firm.

VI. Models for an annual report

- a. Harold asked for Committee opinion on creation of an annual report. Stephen felt that report should be "reportorial," not as detailed as Dartmouth's report, for example. Committee agreed that report should be limited for the time being to the website, should be password protected, and should be categorized and searchable for use by future Committees. All agreed to start with limited reporting and to assess public reaction in the future.

VII. Committee charter

- a. Harold pointed out sections of the charter that have gone previously unfulfilled. Stephen and Louis mentioned that they had never seen the charter before this time.
- b. Harold suggested a form on the website to solicit opinion from the campus community. These forms would go directly to the Chair.

- c. Harold asked Committee if Committee actions should be changed, or if the charter should be changed to reflect actions.
- d. Committee agreed that section I.b. of the charter (concerning investment policies) should be removed, as this is best left to the investment office.
- e. Peter and Stephen agreed that section I.a. (concerning communication of University community views) is impossible and might be removed.
- f. Peter felt charter in general is too broad and should reflect what the committee actually does.
- g. Harold pointed out section I.e.vi, bullet two (concerning letters directed to corporations), that this has only been taken up once by the Committee, but is one way the Committee might still expand its activity. Committee agreed.
- h. Laura asked to retain section I.e.vi., bullet four (concerning University representatives at shareholders' meetings), even if rarely exercised.

VIII. Notes on upcoming proxy season

- a. Harold noted that proposals for the Social Choice Fund will not go to the Corporation until February.
- b. David asked that the investment office be permitted to see proposal before it is sent to the President or Corporation.

Meeting adjourned at 5:10 PM.

Minutes prepared by Christopher Wilson, 5 December, 2006

Advisory Committee on Corporate Responsibility in Investing (ACCRIP)

Minutes of the Meeting – 27 February 2007

Present:

Stanley Griffith*	Lindsey Ryckman	Harold Ward (Chairman)
Stephen Houston	Sandra Seibel	Christopher Wilson (AA)
Daniel MacCombie	Anne Sharp	
William Masket	Eliezer Upfal	(* by phone)
Louis Putterman	Peter Voss*	

Agenda:

- I. Review minutes of December 4 meeting
- II. Investment Committee's action on the Social Choice Fund proposal
- III. Discussion of draft ACCRIP website
- IV. Proposed amendment of ACCRIP charter
- V. Planning for the 2007 proxy season

Meeting commenced at 4:10 PM.

Items:

- I. Approve minutes
 - a. Minutes of the meeting of December 1 were unanimously approved.
- II. Investment Committee's action on the Social Choice Fund proposal
- III. Discussion of draft ACCRIP website
 - a. Proposed idea of web forms led to discussion of system by which community-offered suggestions would be screened should such a form be placed on the website, and whether a web form would merely open up the committee to voices concerned about topics already covered by the guidelines.
 - b. Proposed idea to post committee minutes on the web site met with mixed reviews, with Stephen and Dan favoring more transparency, while Peter preferred to withhold the minutes. Issue resolved to the idea that annual reports would be thorough enough to cover details of discussion that are relevant to specific proxy votes, without disclosing sensitive material.
 - c. Idea was proposed to post a history of the Brown ACCRIP, if such history can be found.
 - d. Dan suggested that voting guidelines should be reviewed and updated yearly..

- IV. Proposed amendment of ACCRIP charter
 - a. Harold brought the committee up to date on the status of the amended ACCRIP charter. It will be put before the faculty on March 6.
- V. Planning for the 2007 proxy season
 - a. Harold noted there will be a number of proxy votes not covered by guidelines, and that this may be a busy season.
 - b. New “review” terminology - really different from “reports”?
 - c. ISS, IIRC - Discussion of how proxy vote data can be arranged and searched, how to link votes to the website
 - d. Clarification of record date of stock owned by Brown, not on loan
- VI. Meeting times were set for Wednesday, 4 April from 3:00, and Monday, 23 April from 4:00 PM.

Meeting adjourned at 4:50 PM.

Minutes prepared by Christopher Wilson, 1 March, 2007

Advisory Committee on Corporate Responsibility in Investment Policy (ACCRIP)

Minutes of the Meeting – 4 April 2007

Present:

Beth Burlingame	Lindsey Ryckman	Peter Voss*
Stanley Griffith*	Sandra Seibel	Harold Ward (Chairman)
Daniel MacCombie	Anne Sharp	Christopher Wilson
William Masket	Christina Tang	
Louis Putterman	Beverly Travis	(* by phone)

Agenda:

- I. Review minutes of 27 February meeting
- II. Welcome new ACCRIP members
- III. Review process for recommendations on proxy proposals
- IV. Eli Lilly proposals on animal rights
- V. Citigroup resolutions
- VI. Wells-Fargo proposals
- VII. Wyeth resolution
- VIII. Manpower resolution
- IX. Coca-Cola proposals
- X. Other business

Meeting commenced at 3:04 PM.

Items:

- I. Review minutes of 27 February meeting
 1. Minutes of the meeting unanimously approved
- II. Welcome new ACCRIP members
 1. New members Beth Burlingame and Beverly Travis were introduced to the committee
- III. Review process for recommendations on proxy proposals
 1. Harold explained the process by which the ACCRIP makes recommendations on proxy proposals: the committee can vote against a proxy proposal, in which case the investment office will vote its shares this way, or the Committee can vote in favor (or abstain) in which case the recommendation goes to the proxy committee of the Brown Corporation for their vote.
 2. Harold mentioned that an annual report of each recommendation will be prepared at the end of the voting season.
- IV. Eli Lilly proposals on animal rights
 1. Item 6: *RESOLVED, that the Board report to shareholders on the rationale for increasingly exporting the Company's animal experimentation to countries which have either non-existent or substandard animal welfare regulations and little or no enforcement. Further, the shareholders request that the report include information on the extent to which Lilly requires at a minimum adherence to U.S. animal welfare standards at its facilities in foreign countries.*

Discussion focused primarily on animal rights standards abroad, and where they may or may not be similar to standards in the United States. There was some agreement that much of the EU and UK may have fair standards, but that standards in China were poor. It was noted from a report that 20% of Eli Lilly's scientists are located in China. Members agreed that the interpretation of this resolution is that it will provide, if nothing else, documentation of laws and standards in countries in which Eli Lilly employs scientists testing on animals. **Motion in favor passed 8-0.**

Harold noted that Committee guidelines may need to be amended to clarify when to vote on resolutions related to animal rights overseas.

2. Item 5: *RESOLVED, that the Board issue a report to shareholders on the feasibility of amending the Company's Animal Care and Use Policy to ensure that: i) it extends to all contract laboratories and is reviewed with such outside laboratories on a regular basis, and ii) it addresses animals social and behavioral needs. Further, the shareholders request that the report include information on the extent to which in-house and contract laboratories are adhering to the Policy, including the implementation of enrichment measures.*

Members disagreed on the scope of this resolution, some arguing that it was too open-ended or that it was asking the company to expand its rules, others arguing that it fit within Committee guidelines and was simply asking for a feasibility report and not an undo burden. **Motion in favor passed 5-3.**

- V. Citigroup resolutions not discussed – investment office noting that stock was not owned during appropriate period.

VI. Wells-Fargo (WF):

1. *Shareholders request that the Board of Directors prepare a special report, providing explanations of racial and ethnic disparities in the cost of loans provided by the company. The report shall discuss the following questions:*
 - a. *How does Wells Fargo explain the racial and ethnic disparities pertaining to high-cost mortgages revealed in the company's Home Mortgage Disclosure Act data?*
 - b. *Does Wells Fargo believe that the company's racial and ethnic disparities in high-cost loans affect the home affordability or wealth-building benefits of home ownership for their minority customers?*
 - c. *Does Wells Fargo believe some of these disparities are explained by the racial wealth divide prevalent in the United States? If so, what does Wells Fargo believe can be done to lessen this divide?**This report, prepared at reasonable cost and omitting proprietary information, shall be available to all shareholders, upon written request, no later than September 30, 2007.*

Members agreed that this resolution falls under either Committee's guidelines on Banking or guidelines on Equal Employment Opportunity. No motion given.

2. *Shareholders request the Board of Directors to "formulate comprehensive emission reduction goals relating to*
 - a. *the company's own operations and*
 - b. *the activities of its corporate borrowers, advisory and project finance clients, and the companies whose securities Wells Fargo underwrites. The goals and the extent of the Company's progress in meeting them should be disclosed to shareholders by October 2007 and annually thereafter, at a reasonable cost and omitting proprietary information.*

A small contingent of the Committee agreed that the University should hold others to same carbon-free standard to which it holds itself, but most felt this would be too difficult for many companies. Discussion quickly fell to the breadth of the resolutions, focusing primarily on the

clause concerning companies underwritten by WF. All members were in agreement that while WF should be setting GHG emissions goals, as many other banks already do, that this particular resolution is not clear enough on who must set GHG goals. **Motion against passed 8-0.**

Committee also discussed need for change in guidelines to include GHG category, but it may be feasible to change Energy category to "Climate Change" and to set guidelines that "support setting emissions goals...with reasonable expense."

VII. Wyeth

1. *Asks the company to "prepare a report on the effects on the long-term economic stability of the company and on the risks of liability to legal claims that arise from the company's policy of limiting the availability of the company's products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents. The report should be prepared at reasonable cost and omitting proprietary information, by Sept. 30, 2007.*

Members mostly felt this resolution is a "sarcastic" way to embarrass the company into admitting a policy that may be unpopular to the public. It appears to have been proposed by a government entity possibly attempting to lower their costs. It was generally agreed upon that access to drugs should be left up to the company. A small contingent felt that intent of the resolution is not relevant, and that it should be considered on the issues alone. **Motion against passed 6-2.**

VIII. Manpower

1. *Asks the company to "make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles."*

Committee guidelines on Northern Ireland cover the MacBride Principles, but make no mention of applying principles to US corporations. Vote was postponed to allow time for additional research into the issue.

IX. Coca-Cola (CC)

1. Item 6: **BE IT RESOLVED:** *Shareholders request that the Board adopt a policy of annually publishing a report on chemical and biological testing data for Coca-Cola's beverage products. The report shall contain the following information:*
 - a. *"The cumulative results of independent laboratory tests of its product quality against the applicable national laws and against the global quality standards that Coca-Cola has established;*
 - b. *"In cases where individual tests exceed contaminants permitted under national regulations or Coca-Cola's internal quality standards, an explanation shall be provided that includes the corrective action taken;*
 - c. *"The report shall be prepared at reasonable expense and may omit proprietary information or disclosures prohibited by national law. The company shall make consumers aware of the availability of these reports and how to access this information."*

This resolution possibly falls under Committee's reporting standards, and it was not felt that such a report would be cost-prohibitive, in spite of CC's contention that it would be. **Motion in favor passed 7-0 with one abstention.**

2. Item 7: **RESOLVED,** *shareholders request that the independent directors of the Board of The Coca-Cola Company commission at reasonable cost and omitting proprietary information a study that would lead to a report*

on the potential environmental and public health damage of each of its plants, affiliates and proposed ventures extracting water from areas of water scarcity in India. The report should consider the implications of a policy of refraining from extracting ground and surface water in India and should be available to investors by the 2008 annual meeting. The study and the report should be commissioned to an independent, third party organization which has no past or present relationship with the Coca-Cola Company or the campaign against the Coca-Cola Company

Members mostly agreed that soft drink and bottling companies have a major impact on ground water supplies, both from bottling operations and sugar cane farms. A few members expressed concerns over restrictions on who may perform the study. But it was noted that CC has billions of dollars invested in India operations, and members were curious if India has sufficient environmental guidelines in this area, if any. **Motion in favor passed 7-1.**

X. Other Business

1. Investment office covered update on choices for SRI Fund. *Portfolio 21* has been selected as being the best fit for the University and the Committee at this time. However, it may be feasible in the future to move to *Generation IM Global Equity Fund* once donations reach their high initial investment requirements.
 - a. Notes on all SRI Funds considered (courtesy of Investment Office):
 - i. *Generation IM Global Equity Fund*: Links financial and sustainable aspects of a company on wide range of important social issues. But initial investment is prohibitively large.
 - ii. *Portfolio 21*: Screens for both social responsibility as well as sound financial and environmental standards, and seeks out companies taking proactive approach. Appears to be well-managed with consistent returns.
 - iii. *Winslow Green Growth Fund*: Generally positive, operating using a series of screens to Russell 2000 Growth Index. But also has a high portfolio turnover and broadly excludes entire market sectors.
 - iv. *New Alternatives Fund*: Although in existence the longest, it is run by a father-son team with no formal training, and uses no systematic formula to select stocks.
 - v. *Powershares WilderHill Clean Energy Fund*: Focuses solely on clean energy.
 - vi. *Rose Smart Growth Investors*: Still in fund raising process.

Meeting adjourned at 4:34.

Minutes prepared by Christopher S. Wilson on 20 April, 2007.

Advisory Committee on Corporate Responsibility in Investment Policy (ACCRIP)

Minutes of the Meeting – 23 April 2007

Present:

Beth Burlingame	Louis Putterman	Beverly Travers
Stanley Griffith*	Lindsey Ryckman	Peter Voss*
Daniel MacCombie	Sandra Seibel	Harold Ward (Chairman)
William Masket	Anne Sharp	Christopher Wilson
Laura Posten*	Christina Tang	(* by phone)

Agenda:

- I. Global warming-related proposals for GE, Dupont, Occidental
- II. Other E.I. Dupont resolutions
- III. Textron resolution
- IV. Dominion Resources resolution
- V. Google resolution
- VI. Manpower resolution
- VII. Update to Sudan/Darfur divestitures

Meeting commenced at 4:03 PM.

Items:

- I. Global warming-related proposals for GE, Dupont, Occidental
 1. In the interest of time Committee voted at once on three similar proposals:

General Electric – Issue #12: *Resolved: The shareholders request that the Board of directors prepare by October 2007, at reasonable expense and omitting proprietary information, a global warming report. The report may discuss (1) Specific scientific data and studies relied on to formulate GE's climate policy; (2) Extent to which GE believes 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. (3) Estimate of costs and benefits to GE of its climate policy.*

E.I. Dupont – Issue #8: *The shareholders request that the Board of Directors prepare by October 2007, at reasonable expense and omitting proprietary information, a Global Warming Right-to-Know Report. The report may discuss the:*

- a. *Specific scientific and economic data and studies relied on to formulate the Company's climate policy;*
- b. *Extent to which the Company believes human and Company activity will significantly alter global climate, whether such climate change is necessarily undesirable and whether a cost-effective strategy for mitigating any undesirable change is practical;*
- c. *Estimates of costs and benefits to the Company of its climate policy;*
- d. *Cash and in-kind contributions made to nonprofit groups that advocate for greenhouse gas emission schemes like the Kyoto Protocol.*

Occidental Petroleum -- *Asks the board to publish annually a "Scientific Report on Global Warming/ Cooling" that would include global temperature measurements, atmospheric gases thought to be greenhouse gases, effect of the sun's radiation, sources of carbon dioxide and the "greenhouse effect" occurring from atmospheric concentrations of carbon dioxide.*

Committee members recognized that these resolutions are intended to challenge the science of climate change and global warming, science the Committee feels is sound and widely accepted, and therefore the proposals are inappropriate. Moreover, both GE and Dupont are regarded as industry leaders in sensitivity to these subjects, and are likely being singled out as a result. The Dupont resolution in particular also contains a requirement (d) concerning charitable contributions that would automatically exclude it from approval under Committee guidelines.

Motion against passed 8-0.

II. Other E.I. Dupont resolutions

1. Issue #5: *That the stockholders of E. I. du Pont de Nemours and Company, assembled in annual meeting and by proxy, hereby request that the Board of Directors consider the following nonbinding proposal: That it create a committee, with members drawn from the employee work force of DuPont, the union leadership of DuPont, the management of DuPont, and any necessary independent consultants, to report to the Board of Directors regarding (1) the impact to communities as a result of DuPont's action in laying off mass numbers of employees, selling its plants to other employers, and closing its plants and (2) alternatives that can be developed to help mitigate the impact of such actions in the future.*

Committee was somewhat divided on this proposal. A small contingent felt that a wise company would consider local impact in their decision-making, if only for public relations interests, and that the formation of a committee as proposed would not present an undue burden. A larger contingent of the Committee, however, presented the following arguments against the proposal:

- a. the subject of local impact from plant closings is a far too subjective matter and best left to the decision of the management
- b. Dupont is not a malevolent company, and recent closings are the result of a change in company strategy, not a result of a repetitive boom/bust scenario played out in other industries
- c. too many layoffs are bad for a company's image, and Dupont is likely already taking local impact into account in their decision-making
- d. a committee as proposed might represent a significant investment, funds which would be better spent developing new products

Motion against passed 6-2.

2. Resolutions concerning PFOA compounds

- a. Proposal #6: *Asks the company "to issue a report on PFOA compounds used in DuPont products by the 2008 annual meeting, at reasonable cost and excluding confidential information, evaluating the feasibility of an expeditious phaseout of the use of PFOA in the production of all DuPont products, including materials that may degrade to PFOA in use or in the environment, and the development and adoption of safer substitutes."*

Discussion on this proposal was combined with discussion on Proposal #7 (below). While some members expressed concern that these proposals could open the floodgates to a wave of similar, but probably needless proposals, most members agreed that, in spite of Dupont's demonstrated plans to phase out use of PFOA compounds, an expedited remediation process might be in the interest of the company, and certainly in the interest of those affected by PFOA's. Moreover, these proposals do not appear to burden the company with undue expense. **Motion in favor passed 8-0.**

- b. Proposal #7: *Requests that Du Pont "report by the 2008 shareholder meeting, at reasonable cost and*

excluding confidential information, its annual expenditures for each year from 1996 through 2006, on attorney's fees, expert fees, lobbying, and public relations/ media expenses, relating to DuPont's environmental pollution with PFOA and related fluorocarbon compounds or by dioxins, as well as expenditures on actual remediation of contaminated sites."

Motion in favor passed 8-0.

3. Issue #8: *"Resolved: That shareholders request the board of directors to review and report to shareholders by November 2007, on the company's internal controls related to potential adverse impacts associated with genetically engineered organisms, including:*
- a. adequacy of current post-marketing monitoring systems;*
 - b. adequacy of plans for removing GE seed from the ecosystem should circumstances so require;*
 - c. possible impact on all DuPont seed product integrity;*
 - d. effectiveness of established risk management processes for different environments and agricultural systems such as Mexico."*

The Committee has historically voted against these types of proposals due to the belief that the concerned company has little control over the GM products it sells (e.g. Restaurants), an argument set forth in the Guidelines. However, being that Dupont does have control over the GM products it produces, the Guidelines do not sufficiently cover this proposal. Most of the Committee agreed that GM products still represent a new area of research, and that such products could present a significant liability to the company if not sufficiently controlled, particularly in foreign nations where seed and environmental controls may be lacking. Moreover, it is believed that Dupont currently does little or nothing to address the possible dangers of GM products. There was some discussion about the wording in the final section (d) as to whether it is addressing environments and systems utilized only by Dupont, or by foreign entities, the latter of which could introduce remarkable expense and subjectivity. **Motion in favor passed 6-2.**

Discussion turned to Guidelines on the issue of GM products. While the Guidelines on reports may cover such proposals, some on the Committee felt this type of proposal goes beyond reporting, possibly spilling over into controlling issues best left to management. However, because the potential effects of malicious GM products concern global health and safety interests, such proposals may be considered advisable, if not always in the financial interests of the company. Most in the Committee would like to see more information on GM products to inform their votes in the future. **Motion to change Guidelines split 4-4.** Committee Chairman on his own volition will bring this issue to the Proxy Committee's attention with the expectation of altering Guidelines at the close of proxy season.

4. Issue #9: *Asks that the company "prepare a report...on the implications of a policy for reducing potential harm and the number of people in danger from potential catastrophic chemical releases by increasing the inherent security of DuPont facilities through such steps as reducing the use and storage of extremely hazardous substances, reengineering processes, and locating facilities outside high-population areas. The report should be available to investors by the 2008 annual meeting."*

There was some confusion as to whether this proposal is specifically meant to address the threat of terrorism, or is concerned with slowly unfolding catastrophes that affect a local community but may not be recognized for many years. If the former, this is largely a government issue. The company has also stated that such a report may itself be a compromise to security. **Motion in favor failed 2-6.**

III. Textron resolution

1. *Resolved: Shareholders request that, within six months of the annual meeting, the Board of Directors provide a comprehensive report, at reasonable cost and omitting proprietary and classified information, of Textron's foreign sales of weapons-related products and services, including depleted uranium hardened weapons/systems.*

Short discussion recognized that Textron is already required to report to the federal government on its sales to foreign entities. In addition, disclosure of its clientele, if not an industry-wide action, could present public relation and competition issues. **Motion against passed 7-1.**

IV. Dominion Resources resolution

1. *Shareholders request that the Board prepare before November 2007 (at reasonable cost and omitting proprietary information) a report evaluating the environmental, health and cultural impacts created by utilizing NIETC, and how those impacts would differ if a powerline were constructed without such utilization.*

Committee felt that local considerations of the NIETC are at least as stringent, if not more so, than the state process for approval of powerline rights-of-way and construction. Such a report would likely have little effect on the actions of the company regardless, and is therefore an unwise use of company resources. **Motion against passed 8-0.**

V. Google resolution

1. *Therefore, be it resolved, that shareholders request that management institute policies to help protect freedom of access to the Internet which would include the following minimum standards:*
 - a. *data that can identify individual users should not be hosted in Internet restricting countries, where political speech can be treated as a crime by the legal system.*
 - b. *The company will not engage in pro-active censorship.*
 - c. *The company will use all legal means to resist demands for censorship. The company will only comply with such demands if required to do so through legally binding procedures.*
 - d. *Users will be clearly informed when the company has acceded to legally binding government requests to filter or otherwise censor content that the user is trying to access.*
 - e. *Users should be informed about the company's data retention practices, and the ways in which their data is shared with third parties.*
 - f. *The company will document all cases where legally-binding censorship requests have been complied with, and that information will be publicly available.*

This resolution was widely recognized as developing a broad range of specific policies, rather than developing reports, which is most often outside the purview of the Committee. Some felt that this resolution would prohibit Google from doing business in certain nations, such as China, but others argued strongly that freedom of information is a serious enough issue that it should not be dismissed out of hand. Vote to be taken via email to allow members more time to research.

VI. Manpower resolution

1. *Asks the company to "make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles."*

Discussion began with presentation from Research Assistant concerning laws covering Manpower's interests in Northern Ireland. Committee agreed that the Fair Employment and Treatment Order 1998 (FETO) largely covers the same issues as the McBride Principles. Moreover, there is some ambiguity as to whether the McBride Principles require affirmative

action, which might necessitate quotas, which the Guidelines specifically prohibit. There is also no evidence to suggest Manpower is strongly biased against Protestants, so the adoption of the Manpower Principles might be unnecessary. Committee agrees that Guidelines on the McBride Principles adequately cover this resolution. No vote taken. Shares will be voted with management.

VII. Update to Sudan/Darfur divestitures

1. Committee agreed to look at activity of peer institutions and governments concerning this issue. Research Assistant agreed to delineate financial interests of each company being investigated for their interests in Sudan, as well as whether companies have stock that is publicly traded. Information on companies to be added or withdrawn from list of divestitures to be presented at May 15th meeting.

Meeting adjourned at 5:35.

Minutes prepared by Christopher S. Wilson on 27 April, 2007.

Advisory Committee on Corporate Responsibility in Investment Policy (ACCRIP)

Minutes of the Meeting – 15 May 2007

Present:

Stanley Griffith*	Anne Sharp	Harold Ward (Chairman)
Daniel MacCombie	Christina Tang	Christopher Wilson
Laura Posten*	Beverly Travers	(* by phone)
Lindsey Ryckman	Peter Voss*	

Agenda:

- I. Review minutes of the 23 April 2007 meeting
- II. Update on Sudan divestitures
- III. Proposal on Home Depot
- IV. Proposal on McDonald's
- V. Proposals on Exxon-Mobil
- VI. Recommended Revisions to Proxy Guidelines
- VII. Lecture Series in AY08
- VIII. Responsible Endowments Coalition

Meeting commenced at 4:07 PM.

Items:

- I. Review minutes of the 23 April 2007 meeting
 1. Minutes author complimented on quality of minutes.
 2. Minutes approved.
- II. Update on Sudan divestitures
 1. Committee moves to recommend to President Simmons to draft letters to respective corporations in gratitude for their recent divestiture from the nation of Sudan. Corporations include Siemens and ABB Ltd.
 2. Short discussion concerning benefits or hazards of the presence of telecommunications companies in Sudan (Sudatel). While previous discussion centered on the belief that telecommunications availability would be beneficial to persecuted citizens, information suggests Sudatel is largely owned and operated by the Sudanese government, and may not benefit the populace sufficiently to offset the government's benefit, if at all. Motion to add five corporations to list of recommended divestitures passes with no objection. Corporations include the following:
 - a. Electricity Generating Corporation (EGCO)
 - b. Indian Oil Corporation (IOCL)
 - c. Mobile Telecommunications Co. (Sudatel)
 - d. Muhibbah Engineering (M) Berhad
 - e. Reliance Industries
 3. Committee considered corporation Videocon Industries for recommended divestiture, but due to lack of sufficient information, deferred discussion to fall season.
 4. Committee considered options regarding Fidelity's stake in PetroChina and Sinopec and Brown's current relationship to Fidelity. Many members expressed concerns about Fidelity's strong commitment to avoiding any political or global controversy in their investment

decisions, but members also recognized the difficulty in delineating how Fidelity is actually invested and what action can be taken. Committee discussed option of alerting campus community to Fidelity's involvement with these divested companies to allow employees the option to remove retirement funds from Fidelity's oversight. This option was tabled for future discussion. Motion to recommend President Simmons draft a letter to Fidelity asking for an official response to Committee's concerns passed unanimously. *(Late update: recent reports that Fidelity had already divested many of their shares in PetroChina, albeit not for moral considerations, makes a letter from the President moot. Committee agreed to forgo such a letter via email.)*

III. Proposal on Home Depot

1. Issue #10 - *“RESOLVED: That the stockholders of Home Depot assembled in Annual Meeting in person and by proxy, hereby recommend that the Corporation affirm its political nonpartisanship. To this end the following practices are to be avoided: (a) The handing of contribution cards of a single political party to an employee by a supervisor. (b) Requesting an employee to send a political contribution to an individual in the Corporation for a subsequent delivery as part of a group of contributions to a political party or fund raising committee. (c) Requesting an employee to issue personal checks blank as to payee for subsequent forwarding to a political party, committee or candidate. (d) Using supervisory meetings to announce that contribution cards of one party are available and that anyone desiring cards of a different party will be supplied one on request to his supervisor. (e) Placing a preponderance of contribution cards of one party at mail station locations.”*

While Committee recognized that, regardless of the truthfulness of allegations about these practices, this issue is already adequately covered by law. **Motion against passed 7-0.**

Committee also moved to strike the phrase “for reports” from General Guidelines to allow passage of proxies concerning direct actions, as opposed to reports only.

IV. Proposal on McDonald's

1. Issue #4 - *“Therefore, be it resolved that the shareholders urge the Board of Directors to adopt, implement, and enforce a revised company-wide Code of Conduct, inclusive of suppliers and sub-contractors, based on the International Labor Organization’s (“ILO”) Declaration of Fundamental Principles and Rights at Work and the following other relevant ILO conventions:*
“Employment shall be freely chosen. There shall be no use of forced labor, including bonded or voluntary prison labor (ILO Conventions 29 and 105); “Workers are entitled to overtime pay when working more than 8 hours per day (ILO Convention 1);
“All workers have the right to form and join trade unions and to bargain collectively. (ILO Conventions 11, 87, 98, 110);
“Worker representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to enable them to carry out their representation functions (ILO Convention 135).
“The Board should also prepare a report at reasonable cost to shareholders and the public concerning the implementation and enforcement of this policy.”

Questions were raised as to whether this proxy was designed to apply to domestic or international operations, while some on the Committee saw ambiguity in the phrase “inclusive of suppliers and sub-contractors.” Nonetheless Committee agreed that this proposal fits within the guidelines for Labor Standards under the clause “compliance with codes of conduct.”

Motion in favor passed 7-0.

V. Proposals on Exxon-Mobil

1. Issue #9 - *Asks the board to conduct an executive pay review and report. The review is to include: a*

comparison of total pay for the CEO and the lowest paid U.S. workers in 1995 and 2005; an analysis of changes in the relative size of the wage gap and the rationale behind it; whether the top executive pay package is “excessive” and should be modified; and whether sizeable layoffs or pay levels of the lowest paid workers should result in an adjustment of executive pay “to more reasonable and justifiable levels.”

While this proposal contains a number of issues that, on their own, might pass a Committee vote, the Guidelines specifically forbid approving proposals that seek compensation comparisons. **Motion against passed 7-0.**

2. Issue #15 **RESOLVED:** *shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company’s products and operations; and that the Company report to shareholders by September 30, 2007, on its plans to achieve these goals. Such a report will omit proprietary information and be prepared at reasonable cost.”*

Committee agreed this proposal fits within General Guidelines for “reports and...standards.” **Motion in favor passed 7-0.**

3. Issue #16 - *“Resolved that Exxon Mobil Corporation inform its customers about the carbon dioxide (CO2) emissions generated by the gasoline or the diesel fuel they buy. The quantitative information would be provided at the pump and based on average well-to-wheels figures, i.e. encompassing all phases from extraction up to and including consumption.”*

Entire Committee felt this an unreasonable and costly proposal. **Motion against passed 7-0.**

4. Issue #17 - **RESOLVED** *the shareholders request that ExxonMobil’s Board adopt a policy of significantly increasing renewable energy sourcing globally, with recommended goals in the range of between 15%-25% of its energy sourcing by between 2015-2025.”*

Committee mostly felt this range is unrealistic, and Exxon has already explicitly stated they are not interested in altering their business makeup. **Motion against passed 7-0.**

VI. Recommended Revisions to Proxy Guidelines

1. Committee took up issue of internet access and suggested a guideline that supports both a right to privacy and unfettered access to information.
2. Committee agreed that guideline for Genetically Engineered Products should include clause to “support resolutions requesting corporations to identify financial *and social* impacts” of unintended distribution of GMO's.
3. Lengthy discussion of need for corporate disclosure of lobbying and 527 organization contributions. All agreed there is a desire at both political and shareholder levels for increased transparency. Consensus was reached to create guidelines asking for disclosure of policy, criteria, and aggregate amounts of contributions, forgoing information on the detail of contributions.

VII. Lecture Series in AY08

1. Short discussion of possible uses of available funds for lecture series. Suggestions included lectures on climate change, the social choice fund, and a session for Staff Development Day.

VIII. Responsible Endowments Coalition

1. Committee member brought attention to possible collaboration with Responsible Endowments Coalition (SRIendowment.org), a nonprofit organization that works across campuses “to foster social and environmental change through university endowments.” Possibilities may exist to work in tandem with other SRI committees to propose proxy issues and effect greater change. While such activity fits within the outreach clause of the ACCRIP Charter, for the time being the Committee cannot propose its own proxies. To do so would require approval from the Proxy Committee.

Meeting adjourned at 5:33.

Minutes prepared by Christopher S. Wilson on 24 May 2007.