

**DARTMOUTH COLLEGE**  
**ADVISORY COMMITTEE ON INVESTOR RESPONSIBILITY**

**EXECUTIVE SUMMARY PREPARED FOR THE DARTMOUTH COMMUNITY**  
**FISCAL 2020**

**Executive Summary**

The start of the global pandemic hit North America and the Dartmouth campus at the height of the proxy voting season. As a result, the Advisory Committee on Investor Responsibility (ACIR) was unable to function in its usual form and all proxy voting was done based on ACIR's previous recommendations and voting history. In fiscal 2020 there were nearly 60 votes recommended, which is almost identical to the number of votes in fiscal 2019.

As background, former President James E. Wright mandated the formation of ACIR in 2003 as one means for Dartmouth College to act as a responsible and engaged investor. The principal mission of ACIR is to review proxy resolutions relating to social issues raised by shareholders and to make recommendations to Dartmouth through its Investment Office on how it should vote those shareholder-initiated proxy resolutions filed at publicly traded companies in which Dartmouth directly holds shares. The committee is also intended to address the desirability of disclosing information regarding the College's investment portfolio to its constituencies.

The Environmental, Social and Governance (ESG) proxy landscape continues to evolve with unprecedented shareholder success. However, with potentially significant changes proposed by the Security and Exchange Commission (SEC) the number of future proxies could be reduced. These new rules by the SEC will impact who can file proxies as well as diminishing the influence of proxy advisory firms.

Within Dartmouth's portfolio, in fiscal 2020 we had two proxy votes earn a shareholder majority:

- Johnson and Johnson: "a report to shareholders describing the governance measures JNJ has implemented since 2012 to more effectively monitor and manage financial and reputational risks related to the opioid crisis."
- Chevron: "a report on Chevron's lobbying activities to align with the goal of limiting average global warming to well below 2 degrees Celsius."

Within this year's votes, three major themes continue to play a significant role in Dartmouth's ESG proxy resolutions:

- Environmental concerns: including sustainable oversight, environmental management, and climate change.
- Political activity: focusing on election spending and lobbying transparency, and

- Diversity: covering fair treatment and pay for women and minorities and requesting reports on sexual harassment policies

### ACIR Recommendations on the Voting of Proxy Resolutions

As of January 31, 2020, there were 179 directly held publicly traded equities, 31 of which Dartmouth submitted proxy votes related to environmental, social, or governance issues. There were 59 total proxy recommendations made to the Investment Office in fiscal 2020.

The table below provides a summary of the recommendations by subject area in fiscal 2020:

Topic	Proxy Resolution Recommendations			Total Voted
	Support	Oppose	Abstain	
Animal Welfare			1	1
Board Diversity		2	2	4
Board Oversight		1		1
Climate Change	4		1	5
Corporate Political Activity	15			15
Decent Work	7		1	8
Environmental Management	2	1		3
Ethical Finance			1	1
Health	1	3		4
Human Rights	4	1	1	6
Sustainability Oversight	6		2	8
Workplace diversity	1		2	3
<b>Total</b>	<b>40</b>	<b>8</b>	<b>11</b>	<b>59</b>

Appendix I to this Executive Report lists the resolution topics and ACIR's recommendations by company name and includes the level of shareholder support received by each resolution.

Appendix II lists the resolution topics and ACIR's recommendations by subject area and includes the level of shareholder support received by each resolution.

Appendix III and IV outline the screens to prevent Dartmouth ownership of shares of certain companies with operations in Sudan and screens to prevent tobacco holdings.

The ACIR continues to make available to the Dartmouth community a listing of Dartmouth's direct holdings of publicly traded equities. This listing is updated quarterly and is available for review during normal business hours at Dartmouth's Investment Operations Office, located at 12 South Street, Suite 1, Hanover NH.

## **Executive Summary Conclusion**

In the 2020 proxy season, the number of total ESG proposals were slightly up to 458 from last year. It is notable that 20 of those votes received over 50% support, with another 23 proxies above 40%.<sup>1</sup>

Although COVID-19 has disrupted Dartmouth's campus, Dartmouth was able to vote this year's slate of proxies based on prior vote precedents.

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<sup>1</sup> Proxy counts and information from the Sustainable Investments Institute's Proxy Season Mid-Year Review: "Social, Environmental & Sustainable Governance Shareholder Proposals in 2020", dated September 2020

## APPENDIX I - INDEX TO ACIR RECOMMENDATIONS ON PROXY RESOLUTIONS BY COMPANY

**KEY:** Rec: ACIR Voting Recommendation

F = Vote in favor of resolution

O = Vote to oppose resolution

A = Vote to abstain on resolution

Support: Percentage of total level of shareholder support

Company	Action	Rec.	Support
Apple	Review/report on free speech rights policy	A	40.64
Apple	Report on executive pay links to ESG metrics	A	12.06
Deere	Report on board nominee ideological diversity	O	1.13
Bank of America	Report on gender/minority pay disparity	A	9.77
Bank of America	Review/report on corporate purpose	F	9.33
Coca-Cola	Report on sugary products and public health	O	7.7
Johnson & Johnson	Report on opioid crisis	F	60.92
Pfizer	Report on gender/minority pay disparity	F	38.14
Pfizer	Report on lobbying	F	20.58
Abbott Laboratories	Report on lobbying	F	19.8
Honeywell Int.	Report on lobbying	F	46.16
United Technologies	Report on plant closure impacts	F	5.38
Wells Fargo	Report on compensation links to risky practices	F	23.35
Wells Fargo	Report on gender/minority pay disparity	F	9.36
CMS Energy	Review/report on election spending	F	34.93
Berkshire Hathaway	Adopt board diversity policy	A	12.34
Eli Lilly	Report on board nominee ideological diversity	O	1.03
Eli Lilly	Report on executive pay links to ESG metrics	F	24.47
Eli Lilly	Report on lobbying	F	29.7
Eli Lilly	Phase out/end animal testing	A	3.43
PepsiCo	Report on sugary products and public health	O	11.14
DTE Energy	Review/report on election spending	F	36.5
Verizon	Report on executive pay links to ESG metrics	F	30.96
Verizon	Report on lobbying	F	46.99
Arthur J. Gallagher	Adopt board diversity policy	A	24.44
T. Rowe Price Group	Review and report on ESG proxy voting	F	14.32
Mondelez Int.	Consider pay disparity in CEO compensation	F	10
Cheniere Energy	Report on LNG stranded asset scenarios	F	28.1
BlackRock	Review/report on corporate purpose	A	3.85
Home Depot	Report on political spending and values	F	32.99
Home Depot	Report on EEO and affirmative action	F	35.83
McDonald's	Report on sugary products and public health	O	9.43
NextEra Energy	Review/report on election spending	F	38.88
Xcel Energy	Provide cost-benefit report on enviro. programs	A	3.31
Merck	Report on tax cut windfall	A	3.28

<b>Amazon.com</b>	Report on diversity programs	A	12.21
<b>Amazon.com</b>	Report on gender/minority pay disparity	F	15.28
<b>Amazon.com</b>	Report on sales of offensive products	O	34.94
<b>Amazon.com</b>	Report on surveillance technology	F	32.07
<b>Amazon.com</b>	Report on surveillance technology	F	31.98
<b>Amazon.com</b>	Report on food waste management	O	32.08
<b>Amazon.com</b>	Report on human rights risk assessment	F	31.07
<b>Amazon.com</b>	Report on lobbying	F	30.07
<b>Amazon.com</b>	Report on cost-benefit analysis of discrimination	A	1.51
<b>Amazon.com</b>	Report on environmental/social impacts of business	F	6.14
<b>Chevron</b>	Report on climate-related extreme weather impacts	F	46.03
<b>Chevron</b>	Report on benefits of lobbying	F	28.57
<b>Chevron</b>	Establish board committee on climate change	O	8.16
<b>Chevron</b>	Report on human rights risk assessment	F	16.67
<b>Chevron</b>	Review/report on climate change advocacy	F	53.46
<b>Exxon Mobil</b>	Report on climate-related extreme weather impacts	F	24.47
<b>Exxon Mobil</b>	Provide cost-benefit report on enviro. programs	F	4.14
<b>Exxon Mobil</b>	Review/report on election spending	F	30.95
<b>Exxon Mobil</b>	Report on lobbying	F	37.55
<b>Comcast</b>	Review/report on sexual harassment policy	F	13.11
<b>Comcast</b>	Report on lobbying	F	26.39
<b>Walmart</b>	Review/report on sexual harassment policy	F	13.17
<b>Walmart</b>	Report on antibiotic use in animal feed	F	3.79
<b>Walmart</b>	Report on Plastics pollution	F	16.98

**APPENDIX II - INDEX TO ACIR RECOMMENDATIONS ON PROXY RESOLUTIONS BY SUBJECT  
AREA**

**KEY:** Rec: ACIR Voting Recommendation  
 F = Vote in favor of resolution  
 O = Vote to oppose resolution  
 A = Vote to abstain on resolution  
 Support: Percentage of total level of shareholder support

**Animal Welfare**

<b>Company</b>	<b>Action</b>	<b>Rec.</b>	<b>Support</b>
Eli Lilly	Phase out/end animal testing	A	3.43

**Board Diversity**

<b>Company</b>	<b>Action</b>	<b>Rec.</b>	<b>Support</b>
Arthur J. Gallagher	Adopt board diversity policy	A	24.44
Berkshire Hathaway	Adopt board diversity policy	A	12.34
Deere	Report on board nominee ideological diversity	O	1.13
Eli Lilly	Report on board nominee ideological diversity	O	1.03

**Board Oversight**

<b>Company</b>	<b>Action</b>	<b>Rec.</b>	<b>Support</b>
Chevron	Establish board committee on climate change	O	8.16

**Climate Change**

<b>Company</b>	<b>Action</b>	<b>Rec.</b>	<b>Support</b>
Cheniere Energy	Report on LNG stranded asset scenarios	F	28.1
Chevron	Report on climate-related extreme weather impacts	F	46.03
Exxon Mobil	Provide cost-benefit report on enviro. programs	F	4.14
Exxon Mobil	Report on climate-related extreme weather impacts	F	24.47
Xcel Energy	Provide cost-benefit report on enviro. programs	A	3.31

## Corporate Political Action

Company	Action	Rec.	Support
Abbott Laboratories	Report on lobbying	F	19.8
Amazon.com	Report on lobbying	F	30.07
Chevron	Report on benefits of lobbying	F	28.57
Chevron	Review/report on climate change advocacy	F	53.46
CMS Energy	Review/report on election spending	F	34.93
Comcast	Report on lobbying	F	26.39
DTE Energy	Review/report on election spending	F	36.5
Eli Lilly	Report on lobbying	F	29.7
Exxon Mobil	Report on lobbying	F	37.55
Exxon Mobil	Review/report on election spending	F	30.95
Home Depot	Report on political spending and values	F	32.99
Honeywell Inter.	Report on lobbying	F	46.16
NextEra Energy	Review/report on election spending	F	38.88
Pfizer	Report on lobbying	F	20.58
Verizon	Report on lobbying	F	46.99

## Decent Work

Company	Action	Rec.	Support
Amazon.com	Report on gender/minority pay disparity	F	15.28
Bank of America	Report on gender/minority pay disparity	A	9.77
Comcast	Review/report on sexual harassment policy	F	13.11
Mondelez Inter.	Consider pay disparity in CEO compensation	F	10.0
Pfizer	Report on gender/minority pay disparity	F	38.14
United Technologies	Report on plant closure impacts	F	5.38
Walmart	Review/report on sexual harassment policy	F	13.17
Wells Fargo	Report on gender/minority pay disparity	F	9.36

## Environmental Management

Company	Action	Rec.	Support
Amazon.com	Report on food waste management	O	32.08
Walmart	Report on antibiotic use in animal feed	F	3.79
Walmart	Report on plastics pollution	F	16.98

## Ethical Finance

Company	Action	Rec.	Support
Merck	Report on tax cut windfall	A	3.28

## Health

Company	Action	Rec.	Support
Coca-Cola	Report on sugary products and public health	O	7.7
Johnson & Johnson	Report on opioid crisis	F	60.92
McDonald's	Report on sugary products and public health	O	9.43
PepsiCo	Report on sugary products and public health	O	11.14

## Human Rights

Company	Action	Rec.	Support
Amazon.com	Report on human rights risk assessment	F	31.07
Amazon.com	Report on sales of offensive products	O	34.94
Amazon.com	Report on surveillance technology	F	31.98
Amazon.com	Report on surveillance technology	F	32.07
Apple	Review/report on free speech rights policy	A	40.64
Chevron	Report on human rights risk assessment	F	16.67

## Sustainability Oversight

Company	Action	Rec.	Support
Amazon.com	Report on environmental/social impacts of business	F	6.14
Apple	Report on executive pay links to ESG metrics	A	12.06
Bank of America	Review/report on corporate purpose	F	9.33
BlackRock	Review/report on corporate purpose	A	3.85
Eli Lilly	Report on executive pay links to ESG metrics	F	24.47
T. Rowe Price Group	Review and report on ESG proxy voting	F	14.32
Verizon	Report on executive pay links to ESG metrics	F	30.96
Wells Fargo	Report on compensation links to risky practices	F	23.35

## Workplace Diversity

Company	Action	Rec.	Support
Amazon.com	Report on cost-benefit analysis of discrimination	A	1.51
Amazon.com	Report on diversity programs	A	12.21
Home Depot	Report on EEO and affirmative action	F	35.83



## APPENDIX III – SUDAN NO HOLD LIST

### Screens to Prevent College Ownership of Shares of Certain Companies with Operations in Sudan and Screens to Prevent Tobacco Holdings

Acting on recommendations from ACIR, in November 2005 the Board of Trustees of Dartmouth College announced that it would bar College ownership of shares in 6 publicly traded companies with operations in Sudan due to the conclusion by ACIR that their activities amounted to direct complicity in the genocidal activities of the government of Sudan in its Darfur region. Pursuant to the Board of Trustees' direction, Dartmouth College's Investment Office created a Sudan No Hold List effectively prohibiting its investment managers from purchasing shares of the companies that Dartmouth, through ACIR, had identified as being complicit with the Khartoum regime's genocidal activities.

The ACIR will continue to monitor the No Hold List to ensure the companies on the list continue to meet the criteria set forth above. The list should be reviewed each fiscal year as company operations and ownership can change over time.

- Bharat Electronics Limited (military)
- China Petrochemical Corporation (Sinopec Group) (oil)
- China National Petroleum Corp. (oil)
- China North Industries Group Corporation (military)
- China Poly Group Corporation (oil)
- Dongfeng Motor Group Ltd. (military)
- Egypt Kuwait Holding Company (oil)
- Establishments Maurel & Prom (oil)
- GAZ Group (military)
- Indian Oil Corporation Limited (oil)
- Jiangxi Hongdu Aviation Company Limited (military)
- MAN SE (multiple)
- Oil and Natural Gas Corporation Limited (oil)
- Oil India Limited (oil)
- ONGC Videsh, Limited (oil)
- Pertamina Persero PT (oil)
- PetroChina Company Limited (oil)
- Petronas Gas Berhad (oil)
- Petroleum Nasional Berhad (oil)
- Scomi Berhad (oil)
- Statesman Resources Limited (oil)

## APPENDIX IV – TOBACCO NO HOLD LIST

On June 2, 2012, Dartmouth’s Board of Trustees voted to divest Dartmouth’s tobacco holdings. Further, the Board of Trustees directed the Investment Office to create a mechanism with which to ensure that none of Dartmouth’s investment managers purchase tobacco stocks for Dartmouth’s portfolio in the future. The current tobacco list is based on MSCI’s ACWI Tobacco Index.

- AL-EQBAL INVESTMENT COMPANY
- Alliance One International, Inc.
- Altria Group, Inc.
- American Heritage International Inc
- Bangladesh Leaf Tobacco Co Ltd
- BRITISH AMERICAN TOBACCO (MYS) BERHAD
- BRITISH AMERICAN TOBACCO BANGLADESH CO. LTD.
- British American Tobacco Kenya Ltd
- BRITISH AMERICAN TOBACCO
- British American Tobacco Uganda
- British American Tobacco Vranje
- British American Tobacco Zimbabwe
- Bulgartabac holding AD
- CEYLON TOBACCO COMPANY PLC
- Coka Duvanska Industrija ad Coka
- CONG TY CO PHAN NGAN SON
- CTO PCL
- Duvanska industrija ad Bujanovac
- Duvanski Kombinat ad Podgorica u stecaju
- Eastern Co SAE
- ELECTRONIC CIGARETTES INTERNATIONAL GROUP, LTD.
- FABRIKA DUHANA SARAJEVO D.D. SARAJEVO
- GODFREY PHILLIPS INDIA LIMITED
- Golden Tobacco Ltd
- Gotse Delchev Tabac AD
- HEALTHIER CHOICES MANAGEMENT CORP.
- Hrvatski Duhani dd
- HUABAO INTERNATIONAL HOLDINGS LTD
- Icon Vapor Inc
- IMPERIAL BRANDS PLC
- ITC LIMITED
- JAPAN TOBACCO INC.
- Jerusalem Cigarette Co Ltd
- Karelia Tobacco Company Inc SA
- MEDIGREEN HOLDINGS CORPORATION
- Newgen Concepts Inc
- Nicotiana BT Holding AD
- NTC Industries Ltd
- Pakistan Tobacco Company Ltd
- Pazardzhik BTM AD
- PHILIP MORRIS (PAKISTAN) LIMITED
- Philip Morris CR as
- Philip Morris International Inc.
- Philip Morris Operations a.d. Nis
- PT Bentoel Internasional Investama Tbk
- PT Gudang Garam Tbk
- PT Hanjaya Mandala Sampoerna Tbk
- Reynolds American Inc.
- SCANDINAVIAN TOBACCO GROUP A/S
- SCHWEITZER-MAUDUIT INTERNATIONAL, INC.
- SHANGHAI INDUSTRIAL HOLDINGS LTD
- Shumen Tabac AD
- SILA HOLDING Plc
- Sinnar Bidi Udyog Ltd
- Slantse Stara Zagora Tabak AD
- Smokefree Innotec Inc
- Societe Ivoirienne des Tabacs SA
- Swedish Match AB
- Tanzania Cigarette Co Ltd
- THE WEST INDIAN TOBACCO COMPANY LIMITED
- TURNING POINT BRANDS, INC.
- Tutunski Kombinat AD Prilep
- Union Tobacco and Cigarette Industries Company
- UNIVERSAL CORPORATION
- Vapor Hub International Inc
- VECTOR GROUP LTD.
- Virat Crane Industries Ltd
- VPR Brands LP

- Khyber Tobacco Company Ltd
- Kimree Inc
- KT&G Corporation

- VST INDUSTRIES LIMITED
- Wee-Cig International Corp
- Wisnilak Inti Makmur Tbk PT