# TABLE OF CONTENTS

## I. Executive Summary ................................................. 4
   1. Overview ................................................. 4
   2. ACIR Recommendations on the Voting of Proxy Resolutions ................................................. 4
   3. Screens to Prevent College Ownership of Shares of Certain Companies with Operations in Sudan ......... 6
   4. Public Forum ............................................. 7
   5. Community Resources ................................. 7
   6. Executive Summary Conclusion .................... 8

## II. Membership 2006 .................................................. 9

## III. Policies Adopted .................................................. 9
   1. Abstention Policy ....................................... 9
   2. Political Contributions Transparency Policy ...... 10

## IV. 2006 Proxy Season – Social Issues Area Proxy Resolutions . . . 16
   1. Affirm Political Non-Partisanship .................... 16
   2. Animal Welfare ........................................ 17
   3. Banking Issues ........................................ 22
   4. Bio-Engineering ........................................ 22
   5. Charitable Contributions ................................ 24
   6. Defense Issues and Military Contracting ............ 26
   7. Drug Price Restraints ................................ 28
   8. Environment: Miscellaneous ............................ 28
  10. Global Climate Change ................................ 37
  11. Global Labor Standards ................................ 41
  12. Human Rights ........................................... 44
  13. Link Executive Pay to Social Criteria ................. 47
  14. MacBride Principles ..................................... 49
  15. Miscellaneous .......................................... 51
  16. Political Contributions ............................... 52
  17. Sustainability Reporting ............................. 53
  18. Tobacco ............................................... 54

## V. Update on Activities Relating to Companies with Operations
VI. Conclusion .................................................. 60

APPENDICES

Appendix I: Proxy Resolutions Listed by Company
Appendix II: Proxy Resolutions Listed by Subject Matter
Appendix III: Excerpts and Descriptions of Proxy Resolutions upon
Which Recommendations were made by ACIR in 2006
I. EXECUTIVE SUMMARY

1. Overview

The Dartmouth College Advisory Committee on Investor Responsibility ("ACIR") completed its third full year of operation in 2006 since it was convened in its current iteration by President James E. Wright. The principal mission of ACIR is to review proxy resolutions relating to important social issues and to make recommendations to Dartmouth – through the Investment Office – on how it should vote specific shareholder-initiated proxy resolutions for publicly traded companies in which Dartmouth directly holds shares. In addition, ACIR is charged with making recommendations to Dartmouth regarding: the desirability of disclosing information regarding Dartmouth’s investment portfolio to its constituents; the process by which Dartmouth determines its position with respect to proxy resolutions, and the practices Dartmouth employs to express its positions; the guidance, if any, that Dartmouth’s investment advisors should be given to avoid selection of investment positions that could be deemed inconsistent with Dartmouth’s mission; and the possibilities for education of students and other interested parties regarding the goals and constraints of Dartmouth’s investment portfolio.

2. ACIR Recommendations on the Voting of Proxy Resolutions

In keeping with prior practice, ACIR met several times in late 2005 and early 2006 to prepare for the 2006 so-called “proxy season,” the period between March and May when the vast majority of companies with shares trading on U.S. exchanges hold their annual meetings. Beginning on March 28, 2006 and ending in late May, ACIR met on a weekly basis to review proxy resolutions and to address other mission-related business.

In 2006, ACIR continued to employ certain policies with regard to making recommendations on the voting of certain classes of proxy resolutions and adopted additional voting policies. Consistent with the prior practice of increasing efficiency and remaining true to its mission of advising Dartmouth on the responsible exercise of its shareholder rights, ACIR agreed to continue its policy of recommending that Dartmouth vote to abstain on all social issue proxy resolutions for companies in which Dartmouth directly held shares if ACIR was unable to review and make recommendations upon such resolutions. ACIR also voted to continue to recommend that Dartmouth vote in favor of all proxy
resolutions requesting companies to issue reports to shareholders on their websites detailing political contributions. On the other hand, ACIR agreed that it would recommend that Dartmouth vote to abstain on all proxy resolutions requesting companies to publish in newspapers information regarding political contributions. Pursuant to these policies, ACIR made recommendations on 25 proxy resolutions.

In 2006, ACIR made recommendations to the Dartmouth College Investment Office on the voting of 115 proxy resolutions, including those described above. These proxy resolutions dealt with the following social issues areas: animal testing, banking issues, bio-engineering, charitable contributions, military contracting and defense issues, drug price restraints, equal employment opportunity, fair employment in Northern Ireland, risks associated with increased globalization, global climate change, global labor standards, human rights, linking executive compensation to social criteria, miscellaneous environmental issues, corporate political contributions, political non-partisanship, public policy advocacy, sustainability reporting, and tobacco sales and legislation. Every single ACIR recommendation was accepted by the Investment Office and voted upon accordingly. The chart below provides a summary of the recommendations made by ACIR in 2006.

<table>
<thead>
<tr>
<th>Issues</th>
<th>Proxy Resolutions Voted</th>
<th>Proxy Resolutions Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Animal Welfare</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Banking Issues</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bio-engineering</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Charitable Contributions</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Defense Issues</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Drug Price Restraints</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Equal Employment Opportunity</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td>Fair Employment in Northern Ireland</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Globalization Risks</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Global Climate Change</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Global Labor Standards</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Human Rights</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Linking Executive Compensation to Social</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Criteria</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Miscellaneous Environmental Issues</td>
<td>25</td>
<td>23</td>
</tr>
<tr>
<td>Political Contributions</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Political Non-Partisanship</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Public Policy Advocacy</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Sustainability Reporting</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Total Recommendations Made</td>
<td>115</td>
<td>81</td>
</tr>
</tbody>
</table>

Section IV of this Annual Report contains a narrative summarizing the rationale behind ACIR’s recommendations. Appendices I – III contain specific information about the proxy resolutions reviewed by ACIR, including excerpts or descriptions of the resolutions and the actual results of shareholder votes on the resolutions.

3. Screens to Prevent College Ownership of Shares of Certain Companies with Operations in Sudan

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 six publicly traded companies with operations in Sudan because their activities amounted to direct complicity in the genocidal activities in the Darfur region of Sudan. Those companies included ABB Ltd., Greater Nile Petroleum Operating Company Ltd., PetroChina, Sudanese White Nile Petroleum Company, Petronas, and Sinopec.

During the course of 2006, ACIR acknowledged that it bore an ongoing responsibility to ensure that the companies listed above continued to operate in Sudan in such a manner or to such a degree that the Board of Trustees would still desire the investment screens to bar College ownership of their shares. In addition, ACIR felt that it bore responsibility to identify additional companies whose activities in Sudan amounted to direct complicity as described above and, thus, qualified them for the same screening out or, possibly, divestment from. Towards these ends, ACIR purchased additional information services from Institutional Shareholder Services and convened a subcommittee to conduct research and make recommendations if necessary. On October 11, 2006, the subcommittee submitted its recommendations to ACIR’s Chair Lindsay J.
Whaley. ACIR anticipates that it will act on the subcommittee’s recommendations before the end of 2006.

4. Public Forum

On May 30, 2006, ACIR hosted its third public forum. Members of the Dartmouth community were invited to join ACIR members to discuss ACIR’s work regarding proxy resolution recommendations and the existing and potential additional divestment/screening out of companies operating in Sudan. At the public forum, ACIR discussed its review of and recommendations regarding specific proxy resolutions relating to human rights, bio-engineering and tobacco legislation. Unfortunately, ACIR’s 2006 public forum was not well attended by the Dartmouth community. ACIR believes that attendance was poor in part because the public forum was held relatively late in the semester. ACIR continues to believe that input from and interaction with the Dartmouth community will assist it in remaining true to its mission. ACIR will host another public forum and possibly other events during 2007 to further educate the Dartmouth community about ACIR’s work and to seek input from community members.

5. Community Resources

ACIR continues to make available to the Dartmouth community a listing of Dartmouth’s direct holdings in publicly traded equities. This listing is updated on a quarterly basis and is available for review during normal business hours at Dartmouth’s Investment Office, which is located at 7 Lebanon Street, Hanover, New Hampshire. ACIR also continues to provide two computer terminals in Dartmouth’s libraries that provide direct access to the resources of the Investor Responsibility Research Center, the company ACIR subscribes to in order to obtain on-line information about publicly held companies, their annual reports, and the issues raised by shareholder initiated proxy resolutions. ACIR encourages the Dartmouth community to utilize these resources and to engage in dialogue with ACIR regarding its work, as well as to conduct independent research relating to the particular academic and personal interests of community members.
6. Executive Summary Conclusion

Shareholder activism and discussion of socially responsible investment (“SRI”) continue to generate significant interest at educational institutions across the country and by religious, labor and SRI funds. ACIR believes that it accomplished much in 2006, both with regard to the 115 recommendations on the voting of proxy resolutions it made and its continuing review of the activities of companies operating in Sudan. ACIR will be joined by several new members in 2007, and it looks forward to the coming year.
II. Membership 2006

There were thirteen voting members of ACIR for the 2006 year. All ACIR members were appointed by President James E. Wright and represented faculty, administration, students from Dartmouth’s undergraduate and graduate schools, and alumni.

In 2006, Lindsay J. Whaley, Chair and Professor of Dartmouth’s Program in Linguistics and Cognitive Science, took over as Chair of ACIR. ACIR’s other members included: Lori A. Alvord, Associate Dean for Student and Multicultural Affairs, Assistant Professor of Surgery, Assistant Professor of Psychiatry, Dartmouth Medical School; Robert B. Donin, General Counsel, Dartmouth College; Andrew A. King, Associate Professor of Strategy, Tuck School of Business; Philip J. Moss, M.B.A. Candidate ’06, Tuck School of Business; Maryanna V. Quigless, Dartmouth College ’07; Erland M. Schulson, George Austin Colligan Distinguished Professor of Engineering, Thayer School of Engineering, Dartmouth College; Niral T. Shah, Dartmouth College ’07; John E. Shellito, Dartmouth College ’07; Emmanuel (Skip) R. Sturman, Director of Career Services, Dartmouth College; The Reverend Nancy A.G. Vogele, Dartmouth Alumnus ’85; Beth B. White, Investment Analyst, Office of Investments, Dartmouth College; and Lora G. Wise, Executive Assistant to the Executive Vice President for Finance and Administration, Dartmouth College. Allegra B. Lubrano continued to serve as ACIR’s Executive Administrator.

III. Policies Adopted

1. Abstention Policy

While companies hold their annual meetings throughout the calendar year, ACIR only meets weekly during the peak of the so-called proxy season – from late March through the end of May. ACIR meets during this limited period of time because, as noted above, the vast majority of companies with shares traded on U.S. exchanges hold their annual meetings between late March and late May.

In recognition of its limited resources and its aspiration to accomplish as much as possible throughout the year, ACIR agreed in 2006 to continue its policy of recommending that Dartmouth vote to abstain on social issues area proxy
resolutions in cases when ACIR was unable to review the resolutions in question and, therefore, unable to make reasoned recommendations to Dartmouth. If a shareholder fails to vote its shares, those shares are generally counted as having been voted in support of management. Since all of the social issues proxy resolutions ACIR reviews are brought by shareholders and, in all but the rarest of cases, are opposed by management, ACIR is uncomfortable allowing Dartmouth’s shares to be voted as supporting management by virtue of the fact that Dartmouth’s shares might not be voted. ACIR continues to believe that its existence signifies that Dartmouth wishes to take a position on proxy issues and that ACIR’s inability to provide specific advice with regard to a proxy resolution should not be construed as a vote in favor or against a given proxy resolution. Therefore, on December 8, 2005, ACIR voted to continue to practice its previously adopted policy of recommending that Dartmouth vote to abstain on any social issues proxy resolutions that ACIR did not have the time or resources to make recommendations upon. ACIR’s Abstention Policy is posted on ACIR’s web site at http://www.dartmouth.edu/~finance/committees/acir-disclosure.html.

In 2006, ACIR recommended that Dartmouth vote to abstain on two proxy resolutions pursuant to this policy.

2. Political Contributions Transparency Policy

The second policy ACIR adopted related to its recommendations on proxy resolutions which requested disclosure of political contributions. This policy was in part consistent with a similar policy adopted by ACIR in 2005, but it was refined to make some distinctions between the types of resolutions ACIR recommends support of and those it recommends abstention on.

In 2004, ACIR reviewed 21 resolutions requesting transparency of political contributions. There were two types of such resolutions: those requesting companies to issue reports to shareholders detailing the company’s political contributions and those requesting companies to publish in newspapers with general circulation information detailing the company’s political contributions. In 2004, ACIR unanimously voted to recommend that Dartmouth support the 21 such resolutions.

In 2005, ACIR continued to believe that transparency of political contributions by public companies was desirable. ACIR agreed that such transparency should be encouraged, particularly in light of resistance to such
disclosure by many public companies. ACIR also agreed that the requested disclosure was not terribly onerous, nor would it require significant expense or hardship. Therefore, on March 31, 2005, ACIR adopted a policy that it would recommend that Dartmouth vote in favor of all 2005 proxy resolutions requesting disclosure of political contributions in whatever form. Pursuant to this policy, ACIR recommended that Dartmouth vote in favor of 20 such proxy resolutions.

In 2006, 25 shareholder-initiated proxy resolutions requesting transparency of political contributions were pending at companies in which Dartmouth directly held shares. With a number of new members and the availability of more information about the acceptance and efficacy of the shareholder movement for political contributions transparency, ACIR revisited its political contributions transparency policy in 2006.

There were three types of these resolutions proposed in 2006.

A. Political Contributions Transparency Resolution Type I

The first type of proxy resolution requesting transparency of political contributions had been proposed to shareholders many times in recent years, and it had been met with considerable success, not only reflected by shareholder support but also by negotiations with management. Proponents of this political contributions transparency resolution in 2006 included pension funds, asset management firms, and unions. This type of resolution stated:

“The shareholders of [the company in question] (the “Company”) hereby request that the Company provide a report updated semi-annually, disclosing the Company’s:

1 The Investor Research Responsibility Center Background Report on Political Contributions and Related Issues, dated February 10, 2006, provides a great deal of information on these issues. In addition, the Center for Political Accountability has numerous articles and statistics posted on its web site: http://www.politicalaccountability.net/. Its Report entitled “The Green Canary: Alerting Shareholders and Protecting Their Interests,” dated February 2005, together with its Contribution Fact Sheet are particularly helpful in understanding the scope of political contributions and shareholder and management support of transparency resolutions in recent years.

2 For example, in 2005, Johnson & Johnson, Morgan Stanley, and Schering-Plough all instituted reporting changes after proponents of this resolution met with management.
1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons described above;

   b. The business rationale for the Company’s political contributions;

   c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be posted on the Company’s website to reduce costs to shareholders.”

The supporting statement filed with this Resolution Type I read as follows:

“As long-term shareholders of [the company in question] (the “Company”), we support policies that apply transparency and accountability to corporate political giving. In our view, such disclosure is consistent with public policy in regard to public company disclosure. Company executives exercise wide discretion over the use of corporate resources for political purposes. In 2003-04, the last fully reported election cycle, [the company in question] contributed at least $__. (The Center for Public Integrity []). Relying only on the limited data available from the Federal Election Commission and the Internal Revenue Service, the Center for Public Integrity, a leading campaign finance watchdog organization, provides an incomplete picture of the Company’s political donations. Complete disclosure by the company is necessary for the company’s Board and its shareholders to be able to fully evaluate the political use of corporate assets. Although the Bi-Partisan Campaign Reform Act of 2002 prohibits corporate contributions to political parties at the federal level, it allows companies to contribute to independent political committees, also known as 527s. Absent a system of accountability, corporate executives will be free to use the Company’s assets for political objectives that are not shared by and may be inimical to the interests of the Company and its shareholders. There is currently no single source of information...
that provides the information sought by this resolution. That is why we urge your support for this critical governance reform.”


B. Resolution Type II

The second type of resolution dealing with political contribution transparency expands upon the first by requesting companies to also disclose the amounts given to and the identities of trade associations. Proponents included pension funds and unions. To the best of ACIR’s knowledge, 2006 was the first year this Resolution Type II was proposed. The Resolution Type II stated:

“The shareholders of [the company in question] (the “Company”) hereby request that the Company provide a report updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:

   a. An accounting of the Company’s funds contributed to any of the persons described above;
b. The business rationale for the Company’s political contributions; and;
c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be posted on the Company’s website to reduce costs to shareholders."

The supporting statements submitted with this Resolution Type II stated:

“As long-term shareholders of [the company in question], we support policies that apply transparency and accountability to corporate spending on political activities. Such disclosure is consistent with public policy and in the best interest of the Company’s shareholders. Company executives exercise wide discretion over the use of corporate resources for political activities. These decisions involve political contributions, called "soft money." They also involve payments to trade associations and related groups used for political activities that media accounts call the "new soft money." Most of these expenditures are not disclosed. In 2003-04, the last fully reported election cycle, the Company contributed at least $_______ in soft money. (Center for Public Integrity, Silent Partners: http://www.publicintegrity.org/527/db.aspx?act=main) However, its payments to trade associations used for political activities are undisclosed and unknown. The proposal asks the Company to disclose its political contributions and payments to tax exempt organizations including trade associations. The Bi-Partisan Campaign Reform Act of 2002 allows companies to contribute to independent political committees, also known as 527s, and to give to tax-exempt organizations that make political expenditures and contributions. Absent a system of accountability, corporate executives will be free to use company assets for political objectives that are not shared by and may be inimical to the interests of the Company and its shareholders. Relying on publicly available data does not provide a complete picture of the Company’s political expenditures. The Company’s Board and its shareholders need complete disclosure to be able to fully evaluate the political use of corporate assets. Thus, we urge your support for this critical governance reform.”

Dartmouth owned shares in the following companies that received this political contributions transparency resolution: Citigroup Inc., ExxonMobil Corporation, Pfizer Inc., Charles Schwab Corporation, Target Corporation, Wachovia Corporation, and Wal-Mart Stores Inc.
C. Resolution Type III

The third type of proxy resolution dealing with political contributions was proposed by Evelyn Davis, an individual investor with a longtime interest in this area, to shareholders of Bank of America Corporation, Lucent Corporation and PepsiCo Inc. The Resolution Type 3 requested the subject companies to:

“[W]ithin five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago, San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and U.S.A. Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens’ initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders. And if no such disbursements were made, to have that fact publicized in the same manner.”

D. ADOPTION OF VOTING POLICY FOR POLITICAL CONTRIBUTIONS TRANSPARENCY RESOLUTIONS

Over the course of three separate meetings, ACIR discussed the pros and cons of recommending support for all three types of resolutions. Some ACIR members expressed concern over the burden being imposed on companies asked to track funds used by trade associations. Other ACIR members raised concerns about resolutions requesting the public disclosure of the identities of individuals with decision-making authority regarding political contributions. Several ACIR members questioned whether the Type III resolution was primarily designed to embarrass by publishing political contributions information in newspapers when doing so in a report to shareholders on the internet appeared to be a more sensible and cost-effective approach. Regardless of the concerns raised, there was consensus that transparency of political contributions by publicly held companies is extremely important due to the money-driven nature of the U.S. political election and legislative processes.
Based on its many discussions, ACIR voted unanimously to recommend that Dartmouth vote to support Resolution Types I and II during 2006. Although noting its prior support of the Resolution Type III, ACIR agreed that it would recommend that Dartmouth vote to abstain on all such Type III resolutions during 2006. Pursuant to this policy, ACIR recommended that Dartmouth vote in favor of 22 resolutions and to abstain on 3 resolutions in 2006.

IV. 2006 Proxy Season – Social Issues Area Proxy Resolutions

This Section of the Annual Report describes the proxy resolutions reviewed by ACIR and provides an explanation for the recommendations made by ACIR with respect to these resolutions.

1. Affirm Political Non-Partisanship

ACIR reviewed one proxy resolution in which The Home Depot Company was asked to publicly affirm its political non-partisanship. This resolution was proposed by Evelyn Davis, an individual shareholder. The resolution requested that the shareholders of the company recommend that the company affirm its political nonpartisanship by ending various practice such as:

“(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.”

ACIR agreed that it was generally supportive of the notion that publicly traded companies should not expend their resources – owned by shareholders –
on overtly partisan activities. ACIR noted that it had recommended support for
the identical resolution proposed to shareholders of ExxonMobil Corporation in
2004 and 2005 and to shareholders of The Home Depot Company in 2005. While
some ACIR members questioned whether the alleged activities were actually
occurring, others felt that – regardless of whether they were occurring or not –
the company should agree that the activities were prohibited. Since the U.S. is
fast approaching a new election cycle, the majority of ACIR members felt that
management would be well advised to adopt the proposal. Therefore, ACIR
recommended that Dartmouth should vote in favor of the resolution. Ultimately,
the resolution received shareholder support of 12%, up from 9.5% in 2005.

2. Animal Welfare

ACIR reviewed twelve resolutions dealing with various animal welfare
issues, the same number of resolutions that ACIR reviewed in this subject area in
2005. The proponent of every one of these resolutions was People for the
Responsible Treatment of Animals (“PETA”).

PETA asked shareholders of Altria Group, Amgen Inc., and Chevron
Corporation in a proxy resolution request that their respective Boards adopt and
post animal welfare policies addressing the companies’ commitment to “(a )
reducing, refining and replacing [their] use of animals in research and testing,
and (b) ensuring superior standards of care for animals . . . used for these
purposes, both by the [companies themselves] and by all independently retained
laboratories, including provisions to ensure that animals’ psychological, social
and behavioral needs are met.” In addition, this resolution sought an annual
report from the companies detailing adherence to the animal welfare policies.

In a similarly worded resolution, PETA asked shareholders of Bristol-
Myers Squibb Company, Eli Lilly & Company, Merck & Company, and Pfizer
Inc. to request their respective Boards to “issue a report to shareholders on the
feasibility of amending the [companies’ animal welfare policies] to ensure (a) that
[they] extend to all contract laboratories and that [the animal welfare policy] is
reviewed with such outside laboratories on a regular basis, and (b) superior
standards of care for animals who continue to be used for these purposes, both
by the [companies themselves] and by all independently retained laboratories,
including provisions to ensure that animals’ psychological, social and behavioral
needs are met.” This resolution also sought an annual report from the
companies detailing adherence to the animal welfare policies by the companies and their third party contractors.

ACIR noted that a number of the issues identified in the two resolutions related to the increasingly significant amount of outsourcing of animal testing by many companies, in part, to avoid negative publicity, and the desire by PETA to hold such independently operated laboratories to the companies’ animal welfare policies. ACIR noted that PETA’s supporting material provided by IRRC included allegations of gross physical abuses and psychological torment of animals in laboratories run by third party contractors, although ACIR could not independently substantiate those allegations. ACIR also noted that it has historically been supportive of animal welfare resolutions that request the adoption of formal and well-publicized animal welfare policies, and ACIR agreed that asking companies to extend their policies to third party contractors was reasonable. Finally, ACIR did not believe that the resolutions requested onerous or unreasonably burdensome actions or expense. For all of the foregoing reasons, ACIR recommended that Dartmouth vote in favor of the above seven resolutions.

These resolutions received the following shareholder support at the companies’ annual meetings:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altria Group Inc.</td>
<td>3.6%</td>
</tr>
<tr>
<td>Amgen Inc.</td>
<td>8.4%</td>
</tr>
<tr>
<td>Bristol-Myers Squibb Co.</td>
<td>5.0%</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>6.4%</td>
</tr>
<tr>
<td>Eli Lilly &amp; Co.</td>
<td>3.9%</td>
</tr>
<tr>
<td>Merck &amp; Co.</td>
<td>5.0%</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

The amount of shareholder support received by these resolutions suggests that the proponent will bring them before shareholders again in 2007.

PETA also brought three proxy resolutions to shareholders of Kroger Company, Outback Steakhouse Inc., and Wal-Mart Stores, Inc. that addressed controlled atmosphere killing (“CAK”). In these resolutions, PETA requested the subject companies to “issue interim reports to shareholders following the second,
third and fourth quarters of 2006 that detail the progress made toward accelerating the implementation of CAK.”

CAK is a method of poultry slaughter that PETA claims is more humane than the slaughter method more commonly used, in which conscious birds are shackled upside-down and their heads are dragged through an electrified pool. The electrical current is designed to render the birds unconscious before their throats are slit and they are dipped in scalding water for feather removal. PETA alleges that birds can and do avoid being stunned and that the slaughter method causes suffering to many birds. In CAK, birds are put in cages and sealed in an airtight room in which oxygen is gradually replaced with inert (not poisonous) gas. As opposed to the live kill method of slaughter, the birds die without struggling, and are then butchered. The IRRC materials indicated that it appears that no major U.S. poultry supplier uses CAK, although some U.S. turkey suppliers use controlled atmosphere stunning (“CAS”), a similar method in which gas is used to render birds unconscious before killing.

ACIR discussed the scientific bases for supporting CAK versus traditional live kill methods. The committee noted that 10% of chicken suppliers in Europe employ the CAK method. ACIR recognized the enormous costs associated with converting to CAK facilities. ACIR noted the existence of some studies indicating that better poultry results from using the CAK or more humane kill methods. Several ACIR members felt that the resolution’s request for reports in the second, third and fourth quarters was highly unreasonable and objected to the resolution on this ground. ACIR discussed the possibility of writing to the proponent and the company to indicate support generally of more humane kill methods and to request information on financial feasibility issues, but to point out that ACIR felt that the reporting timeline was unreasonable. Ultimately, a majority of the committee voted to recommend abstention.

The CAK resolutions received the following shareholder support at the companies’ annual meetings:

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ACIR did send a letter to PETA and to Outback Steakhouse Inc. indicating its concerns with the language of the resolutions and also its support generally of exploring more humane kill methods. PETA responded to ACIR by agreeing that the timeline for reporting that it had requested in the Outback Steakhouse Inc. resolution was not ideal. PETA indicated that it planned to withdraw the resolution from the Outback Steakhouse Inc. and to better refine the resolution in the future. PETA also offered to come to the Dartmouth College campus to meet with ACIR and the Dartmouth community to further discuss the benefits of CAK.
Company | Shareholder Support
---|---
Kroger Company | 7.7%
Outback Steakhouse Inc. | withdrawn\(^4\)
Wal-Mart Stores, Inc. | 2.7%

In addition to the above resolutions, PETA submitted a proxy resolution to shareholders of Pfizer Inc. asking their support for a request to the company “to report to shareholders on the justification for affirmatively contributing to the advancement of animal-based testing while publicly promoting an animal care policy that affirmatively commits to the advancement of non-animal-based test methodologies.” In support of this resolution, PETA asserted that “affirmatively supporting” animal testing is “wholly inconsistent” with Pfizer’s policy of reducing, refining, and replacing animal-based methods as expressed in its *Laboratory Animal Care and Use*. In support of the resolution, PETA argued that the company should justify what PETA claims are contradictory actions. PETA claimed that, despite Pfizer’s professed policy, it has also funded projects that promote animal testing. Specifically, PETA pointed out that Pfizer donated £4 million to British universities “to promote medical research and training specifically using animals” in 2004. PETA, therefore, asserted that a “credibility gap” had arisen and asked the company to provide justification for this paradox in a separate report to shareholders.

While many ACIR members agreed that Pfizer’s stated policy its gift of such a large sum to promote research using animals had indeed created a credibility gap, several ACIR members did not feel that the company was behaving in an inconsistent manner. A large majority of ACIR agreed that the requested report was not overly burdensome or unreasonable. ACIR recommended that Dartmouth vote in favor of the resolution.

This resolution received shareholder support of 5.3%.

Finally, PETA proposed a resolution to shareholders of Yum! Brands Inc. asking them to support a request for a report “on the feasibility of Yum! Brands requiring that all chickens served in [its Kentucky Fried Chicken] restaurants [“KFC”] be raised according to the recommendations made by Drs. Grandin, Douglass, and Duncan on March 11, 2005.”

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\(^4\) See immediately preceding footnote.
This resolution centered on a set of recommendations made by two members of KFC’s Animal Welfare Advisory Council in March 2005. The recommendations were made by Council members Dr. Temple Grandin—considered by many to be the United States’ foremost expert on animal welfare, and praised once by PETA’s founder as someone who “has done more to reduce suffering in the world than any other person who has ever lived”—and Dr. Ian Duncan. They were joined by outside consultant Dr. Mohan Raj. The recommendations included:

- Implementing stricter animal welfare standards;
- Adopting controlled atmosphere killing (CAK), a poultry slaughter method that many animal welfare experts believe is more humane;
- Working with chicken breeders to breed chickens that grow more slowly, have stronger legs and are less aggressive;
- Phasing out the use of antibiotics and drugs (except when necessary to treat sick birds);
- Introducing automated systems to load chickens into cages for transport (a procedure that appears to cause chickens less stress and injury than current methods, in which chickens are picked up by hand); and
- Publishing regular animal welfare reports on the company’s website.

Two months after submitting their March report, Duncan and Grandin resigned from KFC’s Animal Welfare Advisory Council. The main reason they cited for their resignations was a demand by KFC that they sign a nondisclosure agreement that they found excessively restrictive. The agreement, which KFC maintained had always been in place, but which Duncan and Grandin said was new, would have prevented members of the council from making any comment to the media regarding their work with KFC.

ACIR discussed the longstanding and very public battle between PETA and the KFC subsidiary of Yum! Brands. ACIR discussed the significance of the resignation of Drs. Grandin and Duncan from KFC’s Animal Welfare Advisory Council. ACIR discussed the costs that might be imposed on suppliers should CAK and other measures recommended by the Animal Welfare Advisory Council be imposed. Most members felt that KFC’s suppliers were large
operators given the number of suppliers (16) and their facilities (52). ACIR agreed that the resolution’s request for the company to report on its response to its own Animal Welfare Advisory Council was reasonable and, thus, recommended that Dartmouth vote in favor of the resolution.

The resolution garnered shareholder support of 7.3%

PETA continues to be extremely active in the shareholder-initiated proxy resolution arena. ACIR expects to review at least as many proxy resolutions relating to animal welfare in 2007 as it did in 2006.

3. Banking Issues

ACIR reviewed one proxy resolution relating to banking issues. This resolution was proposed by Northstar Asset Management to shareholders of Wells Fargo & Company. The resolution asked Wells Fargo to “prepare a special report, providing explanations of racial and ethnic disparities in the cost of loans provided by the company.” The resolution specified questions that the report should address.

ACIR discussed the Home Mortgage Disclosure Act (the “HMDA”) and the various allegations by the proponent that Wells Fargo is engaged in discriminatory lending practices. ACIR noted studies of credit card interest rates and findings that minorities tend to receive higher rates on loans. ACIR noted the company’s defense that the HMDA statistical data does not present a clear and complete picture because many other factors go into its decision to sell mortgages. The issue of whether competition in the marketplace could cure the alleged discriminatory practices was raised. ACIR discussed whether it made sense to write to the proponent and Wells Fargo noting its support for the first two parts of the resolution, but its lack of support for part three. Ultimately, a majority of ACIR voted to recommend support for the resolution.

The resolution received shareholder support of 7.3%.

4. Bio-Engineering

ACIR reviewed three resolutions relating to bio-engineering issues in 2006. These resolutions were proposed to shareholders of Yum! Brands Inc.
McDonald’s Corporation and Safeway Inc. Proponents included two religious organizations and the Camilla Madden Trust.

The language of the resolutions was identical. The resolutions stated: “[S]hareholders request that the Board of Directors adopt a policy to identify and label all food products manufactured or sold by the company under the company’s brand names or private labels that may contain genetically engineered (GE) ingredients.”

The first resolution reviewed by ACIR was that proposed to Yum! Brands shareholders. ACIR discussed the competing jurisdiction over genetically engineered (“GE”) organisms by the Department of Agriculture, the Food and Drug Administration and the Environmental Protection Agency. ACIR recognized the confusion created by multiple and competing jurisdictions. ACIR noted the negative reputational and business impacts suffered by Taco Bell in 2002 when GE corn not approved for human consumption was discovered in taco shells being sold by Kraft under the Taco Bell label. Several ACIR members felt that regulation of GE foods and food products should be uniform, and that companies shouldn’t be targeted to disclose GE- foods or ingredients when others are not required to do so. These members felt that such targeting could lead to arbitrary competitive impacts. Other ACIR members felt that the resolution provided an opportunity to shed more light on the prevalence of GE foods and food products in the marketplace. It was suggested that the company might gain a competitive edge if it got out in front of the issues raised by selling GE foods and food products. One ACIR member expressed concern that the bio-engineering field is moving very rapidly, perhaps more rapidly than are the studies of its impacts on humans and the ecosystem. ACIR was unable to reach consensus on the issue and, as a result, recommended that Dartmouth vote to abstain on the resolution.

At a subsequent meeting, ACIR addressed the bio-engineering resolutions pending at McDonald’s and Safeway. ACIR noted its previous discussions of issues raised by these resolutions. ACIR noted that one of the subject companies actually grows some of the food that it sells, while the other company purchased all of its foods from suppliers and growers, and discussed whether a distinction should be drawn on that ground. ACIR also noted that the resolution requires more regarding GE labeling than is required by European Union standards. Some ACIR members were concerned that because this is such a complex area, ACIR should defer to the regulatory agencies charged with overseeing GE food products. ACIR again noted the potential competitive disadvantages that might
accrue to companies singled out for mandatory labeling. Despite its prior recommendation to vote to abstain on the Yum! Brands Inc. resolution, a majority of ACIR voted to recommend opposition to the bio-engineering resolutions pending at McDonald’s and Safeway.

The bio-engineering resolutions received the following shareholder support at the companies’ annual meetings:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
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<tbody>
<tr>
<td>McDonald’s Corp.</td>
<td>6.0%</td>
</tr>
<tr>
<td>Safeway Inc.</td>
<td>6.6%</td>
</tr>
<tr>
<td>Yum! Brands Inc.</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

5. Charitable Contributions

In 2006, ACIR reviewed seven resolutions that addressed aspects of charitable giving. These resolutions were brought by Trillium Asset Management, the National Legal and Policy Center (4), Human Life International, and Raymond Ruddy. The resolutions generally sought reports detailing all charitable contributions made by the subject companies. A review of IRRC materials, however, revealed that the purposes of the resolutions were in some cases very different.

ACIR noted that it had not reviewed any charitable contributions resolutions in 2005, and it had reviewed four charitable contributions resolutions of a very different nature in 2004. Those reviewed in 2004 generally requested companies to cease making charitable contributions. The pending resolutions generally requested disclosure of the identities of recipients, the rationale for the contributions, and the identities of the individuals with decision-making authority. ACIR recognized that it needed to address the issues raised by the pending charitable contributions resolutions in a fresh light.

ACIR discussed the pros and cons of the disclosure requested by the resolutions, including the business risks of disclosure, strategies geared towards maximizing long term value and the purposes of the various resolutions. ACIR discussed the danger of potentially discouraging corporate charitable giving as a result of the requested disclosure. ACIR noted that two of the seven resolutions
appeared to be directed at contributions to non-profit organizations that may or do support activities opposed by pro-life groups. Some ACIR members felt that there was a distinction between the resolutions requesting semi-annual reports and those requesting web site disclosure, the latter potentially intended to serve as flashpoints and sources of embarrassment. ACIR also discussed Dartmouth’s practices with regard to charitable giving and noted that Dartmouth has given assets – land and money – anonymously in the past. ACIR recognized the possibility that Dartmouth might do so in the future. There was consensus that sometimes entities and individuals have good reasons for maintaining anonymity when making charitable contributions.

Finally, ACIR felt that there was reason to distinguish between those resolutions requesting disclosure generally and those resolutions targeting companies that support pro-choice activities. Resolutions to shareholders of Avon Products Inc., Boeing Company, Citigroup Inc., The Coca-Cola Company, and PepsiCo Inc. appeared to request disclosure of contributions generally. Resolutions to shareholders of Johnson & Johnson and Textron Inc. appeared to target gifts to organizations supporting abortion rights.

With regard to the resolutions proposed to shareholders of Avon Products, Boeing, Citigroup, Coca-Cola, and PepsiCo, ACIR voted 4-2-2 to recommend support. With regard to resolutions proposed to Johnson & Johnson and Textron, ACIR voted 0-5-3 to oppose. Because ACIR did not feel that there was a true consensus, nor a proper majority voting on either resolution, ACIR, consistent with prior practice, agreed that it would recommend that Dartmouth vote to abstain on these resolutions.

The charitable contributions resolutions received the following shareholder support:

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<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
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</thead>
<tbody>
<tr>
<td>Avon Products Inc.</td>
<td>3.5%</td>
</tr>
<tr>
<td>Boeing Co.</td>
<td>10.4%</td>
</tr>
<tr>
<td>Citigroup Inc.</td>
<td>8.7%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>6.2%</td>
</tr>
<tr>
<td>PepsiCo Inc.</td>
<td>5.8%</td>
</tr>
</tbody>
</table>
The resolution to Coca-Cola shareholders was not presented at the annual meeting and, therefore, not voted upon. The resolution pending before shareholders of Textron Inc. was withdrawn by the proponent.

ACIR anticipates that it will review numerous similar resolutions in 2007 given the large increase of interest in this subject area.

6. Defense Issues and Military Contracting

ACIR reviewed four resolutions dealing with defense issues. These resolutions were proposed by religious orders, religious organizations and one investment management firm that manages funds for religious organizations.

The first resolution ACIR reviewed was proposed by Sisters of Charity of St. Elizabeth, New Jersey, a group affiliated with the Interfaith Center for Corporate Responsibility, to shareholders of United Technologies Corporation. The resolution requested “a comprehensive report, at reasonable cost and omitting proprietary and classified information, of United Technologies’ foreign sales of weapons-related products and services.”

ACIR noted that United Technologies objected to the resolution on the bases that the company complies with all laws regarding disclosure and that it is the government’s job to set foreign policy on military sales. ACIR also noted that the resolution asked for disclosure and transparency, which may be beyond what is required by law, but which may be helpful to shareholders. ACIR questioned the purpose of the resolution. ACIR noted that it had recommended abstention on a related resolution proposed by the same proponent to United Technologies shareholder in 2005. Although 5 members voted to recommend opposition to the resolutions, the committee did not feel that there was a true consensus, nor a proper majority voting. Therefore, ACIR, consistent with prior practice, agreed that it would recommend that Dartmouth vote to abstain on the resolution.

The resolution garnered shareholder support of 6.6%.

ACIR reviewed two resolutions proposed by several religious orders and the Mercy Consolidated Asset Management Program to shareholders of Textron

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5 The resolution was not presented because the proponent, National Legal and Policy Center, was unable to send a representative to Coca-Cola’s annual meeting to formally present it.
Inc. and Lockheed Martin Corporation. These resolutions requested information from the companies regarding the management of nuclear weapons sites and production of depleted uranium ("DU") weapons component and health and safety considerations relating to such management and production. This was the first time ACIR had reviewed resolutions dealing with DU issues.

ACIR discussed the Textron and Lockheed Martin resolutions together. It noted the inconclusive scientific studies linking illness and environmental damage to DU. ACIR also noted that DU has many commercial applications as well as military uses. ACIR agreed that what these resolutions were essentially seeking the companies to perform risk assessments, which was a reasonable request. ACIR recommended that the College vote in favor of the resolutions.

The Textron Inc. and Lockheed Martin Corp. resolutions received shareholder support of 9.3% and 6.4%, respectively.

Finally, ACIR reviewed a proxy resolution proposed by the School Sisters of Notre Dame and 8 co-filers affiliated with the Interfaith Center for Corporate Responsibility to shareholders of Boeing Company. This resolution asked the company’s board to “review and if necessary amend and amplify [the company’s] code of conduct and statements of ethical criteria for military production-related contract bids, awards and contract execution” and report the results to shareholders.

ACIR members expressed concern that Boeing was being asked to do something that might create a competitive disadvantage for it. Some ACIR members felt that since Boeing must comply with US government restrictions on military production sales, a more effective change must come from the government, not from individual companies. Some ACIR members expressed a concern over the tightened time frame in the resolution (six months). An ACIR member was concerned that it might not be prudent for a company to decide to whom it would sell its products rather than relying on government sanctions which would maintain uniformity across the defense contracting industry. ACIR was split with one member voting in favor, five members opposing, and five members voting for abstention. ACIR, therefore, recommended that Dartmouth vote to abstain on the resolution.

The resolution received shareholder support of 8.8%.
7. Drug Price Restraints

ACIR only reviewed one proxy resolution addressing drug price restraints compared with six resolutions it addressed in 2005. This resolution was proposed by Trinity Health and the Interfaith Center on Corporate Responsibility to shareholders of Pfizer Inc. The resolution requested that Pfizer report to shareholders “on measures [the] company is taking to contain the price increases of its most-prescribed drugs to levels equal to or below the annual rate of inflation.”

While noting that ACIR had supported this resolution in 2005, ACIR questioned whether tying drug prices to the inflation rate was a reasonable or practicable approach. Several ACIR members suggested that the resolution had been poorly drafted. For these reasons, ACIR recommended that Dartmouth vote to oppose the resolution.

The resolution received shareholder support of 7.0%.

8. Environment: Miscellaneous

ACIR reviewed nine shareholder-initiated proxy resolutions addressing various different environmental issues.

A. Community Hazards

ACIR reviewed two identical resolutions to shareholders of ConocoPhillips and ExxonMobil Corporation. The proponents of the resolution to ConocoPhillips resolution included the Domestic and Foreign Missionary Society of the Episcopal Church and the School Sisters of Notre Dame of St. Louis. The proponents of the resolution to ExxonMobil shareholders included the Benedictine Sisters of Mt. St. Scholastica and the Domestic and Foreign Missionary Society of the Episcopal Church. The proponents requested reports from the companies detailing how the companies ensure they are accountable for environmental impacts in all of the communities where they operate. The proponents requested that the reports contain the following information:
“1. how the corporation makes available reports regarding its emissions and environmental impacts on land, water and soil—both within its permits and emergency emissions—to members of the communities where it operates.
2. how the corporation integrates community environmental accountability into its current code of conduct and ongoing business practices; and
3. the extent to which the corporation’s activities have negative health effects on individuals living in economically poor communities.”

ACIR discussed the proponents’ belief that the Sarbanes-Oxley Act of 2002 as well as longstanding moral obligations compel companies to be accountable for their environmental impacts, including direct effects on communities that host their facilities. Some ACIR members were troubled by the resolution’s request that the company report on its activities in all of the locations in which it operates. For example, ConocoPhillips has operations in 40 countries while ExxonMobil has operations in over 200 countries and territories. In light of the breadth of these operations, ACIR questioned how realistic the resolutions’ requests were. ACIR members noted, however, that the resolutions were arguably seeking environmental justice for poorer communities where the companies operate. Some ACIR members felt that the actions requested by the resolutions were prudent from a risk management perspective. One ACIR member voiced concern that the committee is seeing more and more resolutions requesting micro-reporting and that this was becoming unreasonable. This member suggested that if a company appears to be making a good faith effort in the subject area targeted by the resolution, then the committee should not support the resolution. ACIR noted that nothing in the IRRC materials suggested that either of the companies had been involved in any negative incidents in or around the communities in which it has operations. On the other hand, ACIR noted that ExxonMobil had apparently failed to follow its own reporting policies in 2005 and would be well served to work on its public image. An ACIR member suggested that ACIR should support the resolution because disparity of environmental conditions in poorer communities exists. Ultimately, ACIR recommended that Dartmouth vote in favor of the resolutions.

The community hazards resolutions to shareholders of ConocoPhillips and ExxonMobil Corporation received shareholder support of 9.2% and 10.0%, respectively.
Given the high support enjoyed by these resolutions during their inaugural year, ACIR anticipates that it will see several similar resolutions in 2007.

B. Sensitive Areas

ACIR reviewed three proxy resolutions proposed by Green Century Capital Management to shareholders of Chevron Corporation, ConocoPhillips and ExxonMobil Corporation. These resolutions asked the companies to prepare reports describing potential environmental damage that would result from drilling for oil and gas in certain environmentally sensitive areas. The resolution to ConocoPhillips shareholders limited the information requested in the report to its oil and gas drilling operations in Alaska. The resolutions to Chevron and ExxonMobil asked for information to be included in the report relating to oil and gas drilling in numerous protected areas, “including IUCN Management Categories I-IV and Marine Management Categories I-V; World Heritage Sites; and national parks, monuments, and wildlife refuges.” All three resolutions requested that the companies in their reports also consider the implications of a policy of refraining from drilling in such sensitive areas.

ACIR noted that it had reviewed similar resolutions in 2004 and 2005 and had consistently supported similar or identical resolutions. In addition, ACIR discussed what types of information the resolution requested, and many ACIR members agreed that the companies likely had this information on hand. With respect to the ConocoPhillips resolution, ACIR noted the fact that the company is the largest producer of oil in Alaska and questioned the benefits that would accrue to the company or its shareholders should the company report on the implications of refraining from drilling for oil in Alaska. Despite some concerns, ACIR members were overwhelmingly supportive of these resolutions and, thus, recommended that Dartmouth vote in favor of them.

The resolutions received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
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</thead>
<tbody>
<tr>
<td>Chevron Corp.</td>
<td>8.7%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>25.5%</td>
</tr>
<tr>
<td>ExxonMobil Corp.</td>
<td>8.5%</td>
</tr>
</tbody>
</table>
C. Toxicity

ACIR reviewed a resolution proposed by Domini Social Investments, which manages assets for individual and institutional investors desiring to integrate social and environmental criteria into their investment decisions, to shareholders of Avon Products Inc. The resolution requested that the company’s board “prepare a report [for shareholders] analyzing and articulating Avon’s policy on using safer substitutes for chemicals that are known or suspected carcinogens, mutagens, and reproductive toxicants, as well as chemicals that affect the endocrine system, accumulate in the body, or persist in the environment.”

ACIR agreed that the report requested by the resolution was reasonable for risk management purposes and also agreed that it was likely that the company possessed the requested information. Therefore, ACIR recommended that Dartmouth vote in favor of the resolution.

The resolution received shareholder support of 4.4%.

D. Remediation in Ecuador

ACIR reviewed a resolution requesting Chevron Corporation to prepare a report detailing the company’s expenditures relating to the health and environmental consequences of a predecessor subsidiary’s drilling activities in Ecuador, as well as remediation efforts in connection with those activities. The resolution was proposed by Trillium Asset Management, Boston Common Asset Management, New York State Common Retirement Fund and several co-filers.

ACIR noted that it had reviewed and recommended support of similar resolutions to Chevron shareholders in 2004 and 2005, although the 2006 resolution sought greater detail in the requested report. ACIR discussed the potential legal liabilities of Chevron from its activities in Ecuador, and whether producing the requested material would put the company at a disadvantage. ACIR also questioned whether such a report would actually be useful to shareholders. A majority of ACIR recommended that Dartmouth support the
resolution for the same reasons ACIR had recommended support of the earlier resolutions.

The resolution received 8.4% shareholder support, down from shareholder support of 9.2% in 2005 and 9.5% in 2004.

E. Water Usage in India

ACIR reviewed a resolution proposed to shareholders of Coca-Cola Company by Harrington Investments, an SRI fund, requesting that the “independent directors of the board of the [company] prepare a report, at reasonable cost and omitting proprietary information, 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[, considering the implications of a policy of refraining from extracting ground and surface water in India.”

ACIR first noted that there was some indication that the resolution could be withdrawn depending on discussions between the proponent and the company. ACIR discussed the question of whether groundwater shortages in India are being caused by the company’s groundwater extraction or lower rainfall during monsoon seasons. ACIR noted the Indian Government’s involvement and two investigations into this issue, as well as the fact that one of the company’s bottling facilities had been shut down due to concerns about groundwater and toxins. ACIR questioned Coca-Cola’s claim that it recycles significant quantities of water and noted the company’s use of rain harvesting. There was some skepticism among ACIR members as to whether rain harvesting was a viable solution. ACIR also noted that the enforcement of laws in India is notoriously decentralized and inconsistent. ACIR agreed that the resolution essentially asked Coca-Cola to prepare an environmental impact study. A majority of ACIR felt that this request was reasonable and prudent, particularly in light of the fact that the company’s operations had been suspended at one facility. ACIR recommended that Dartmouth vote to support the resolution.

The resolution garnered shareholder support of 6.9%.
F. Recycling

ACIR reviewed another resolution put forth to shareholders of Coca-Cola Company by Walden Asset Management asking the company to “review the efficacy of its container recycling program and prepare a report to shareholders, by Sept. 1, 2006, on a recycling strategy that includes a publicly stated, quantitative goal for enhanced rates of beverage container recovery rate in the U.S.”

There was considerable disagreement between ACIR members as to whether Coca-Cola was the right agent for setting enhanced rates of beverage container recovery. Nor was there consensus that recycling beverage containers is the best practice in terms of sustainability. Some ACIR members felt that it should recommend that Dartmouth support the resolution as a way of sending a message that Dartmouth believes recycling is important. Other ACIR members objected to that approach and did not think that ACIR should take symbolic actions; rather, ACIR should vote based upon its convictions. ACIR discussed Dartmouth’s approach to recycling and whether ACIR should and could endorse any single approach to sustainability. One ACIR member suggested that the resolution should be divided into two distinct parts: (1) prepare a report on recycling strategy, and (2) set enhanced rates of beverage container recovery. A majority of ACIR members agreed that it supported the first part of the resolution. However, ACIR members could not reach consensus on the second part of the resolution. Therefore, ACIR recommended that Dartmouth vote to abstain on the resolution.

Due to successful negotiations between the proponent and Coca-Cola, the proponent agreed to withdraw the resolution prior to the company’s annual meeting.

9. Equal Employment Opportunity

ACIR reviewed eleven resolutions relating to equal employment opportunity issues during the 2006 proxy season, which was more than twice the number of similar resolutions ACIR reviewed the previous year. The shareholder-initiated resolutions dealing with equal employment opportunities in 2006 covered a number of different areas, some old and some new to ACIR.
A. Sexual Orientation

As in 2005, ACIR reviewed several resolutions asking companies to amend their anti-discrimination policies to include sexual orientation. For the second year in a row, such a resolution was proposed to ExxonMobil Corporation. Proponents included New York City Pension Funds, Trillium Asset Management, Walden Asset Management, FNC Asset Management, The Funding Exchange, Pride Foundation, Needmor Fund and Unitarian Universalist Association. A similar resolution was proposed to shareholders of Leggett & Platt by Walden Asset Management, Community Church of New York, The First Parish in Cambridge, Manhattan Country School and Women’s Equity Fund.

ACIR referred to Dartmouth’s Non-Discrimination Policy, which includes sexual orientation. In addition, ACIR noted that New Hampshire law makes it unlawful to discriminate on the basis of sexual orientation. Consistent with ACIR’s previous recommendations relating to the inclusion of sexual orientation in company anti-discrimination policies, ACIR unanimously recommended that Dartmouth vote in favor of both resolutions.

The ExxonMobil resolution received shareholder support of 34.6%, up from 29.5% in 2005. The Leggett & Platt resolution received support of 24.7%, a remarkably high percentage given that this was the first year this resolution was presented to the company’s shareholders.

In contrast to the above resolutions, in 2006 ACIR reviewed four resolutions specifically requesting companies to remove sexual orientation as a protected class in their anti-discrimination policies. Three individuals proposed such resolutions separately to shareholders of American Express Company, Bank of America Corporation and Ford Motor Company. The Roegele Living Trust proposed a similar resolution to shareholders of J.P. Morgan Chase & Company.

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6 Dartmouth College’s Non-Discrimination Policy states: “Dartmouth College is committed to the principle of equal opportunity for all its students, faculty, employees, and applicants for admission and employment. For that reason Dartmouth does not discriminate on the basis of race, color, religion, sex, age, sexual orientation, gender identity or expression, national origin, disability, or status as a disabled or Vietnam-era Veteran in its programs, organizations, and conditions of employment and admission.”

ACIR agreed that these resolutions were inconsistent with Dartmouth’s Non-Discrimination Policy, with ACIR’s voting record and with ACIR members’ beliefs. ACIR unanimously agreed to recommend that Dartmouth vote to oppose all of the resolutions.

The resolutions received the following shareholder support:

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<tr>
<th>Company</th>
<th>Shareholder Support</th>
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<tbody>
<tr>
<td>American Express Co.</td>
<td>1.9%</td>
</tr>
<tr>
<td>Bank of America Corp.</td>
<td>2.3%</td>
</tr>
<tr>
<td>Ford Motor Co.</td>
<td>4.7%</td>
</tr>
<tr>
<td>J.P. Morgan Chase &amp; Co.</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

Due to the low level of support enjoyed by these resolutions, only the resolution to Ford Motor Company can be proposed again in 2007.

B. Reporting

ACIR reviewed several resolutions in which companies were asked to issue reports regarding statistics of their workforce composition or the award of stock options and restricted stock options by race and gender. Three religious orders proposed such a resolution at Lockheed Martin Corporation, another religious order proposed the resolution to Wal-Mart Stores, Inc., and Walden Asset Management and two dozen co-filers filed the resolution with The Home Depot Inc.

ACIR again noted its traditional support for resolutions requesting reports of this nature. ACIR also noted that Dartmouth College annually prepares reports detailing the composition of its students, faculty and staff on an annual basis. ACIR was unanimous in recommending that Dartmouth support these three resolutions.

The resolutions received the following shareholder support:

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<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lockheed Martin Corp.</td>
<td>25.1%</td>
</tr>
</tbody>
</table>
ACIR also reviewed a resolution proposed by Citizens Fund and the Needmor Fund to shareholders of Yum! Brands Inc. requesting the company to prepare a report providing: “an update on a disabilities class action lawsuit in California; any financial planning underway to address potential related liability; statistical data on the company’s work force by race and gender; and a summary of policies and programs on the following: disability access at corporate restaurants; work force diversity, including job categories where women and minorities are underutilized; and efforts to increase the number of managers who are qualified women or minorities.”

ACIR noted that it had supported this resolution in 2005. ACIR also noted that the company has a very respectable reputation relating to its efforts in equal employment opportunity, diversity, and civil rights for its customers; even the proponents agree. Fortune magazine has reported favorably on the company and in 2005 listed it in “America’s 50 Best Companies for Minorities.” ACIR noted that the resolution could be broken into two components: (1) requests for information about the class action disability discrimination litigation in California, and (2) requests for information relating to the race and gender of the company’s employees. ACIR acknowledged that it had supported resolutions requesting both types of information in the past and agreed that the shareholder requests were reasonable. Therefore, ACIR unanimously recommended that Dartmouth vote in favor of the resolution.

The resolution garnered shareholder support of 10.3%, down from 13.2% in 2005.

C. Executive Perks

Finally, ACIR reviewed a resolution proposed by Martha Burk, co-founder and President of the Center for Advancement of Public Policy, a research and policy analysis organization in Washington, D.C., and currently Chair of the National Council of Women's Organizations, to shareholders of ExxonMobil Corporation requesting the company to review and report on the company’s anti-discrimination statement as it pertains to corporate sponsorships and executive perks. Specifically, the resolution requested that the report address: why “company funds are expended on corporate sponsorships and
executive perks, like country club memberships and entertainment at or in conjunction with institutions that discriminate against groups protected by the company’s anti-discrimination statement; whether the company would sponsor an event held at a venue that barred African-Americans, Jews or homosexuals from membership; and how the company’s anti-discrimination statement is to be applied to decisions concerning sponsorships and executive perks.”

ExxonMobil was a broadcast sponsor of the Masters Golf Tournament, owned by and held at the Augusta National Golf Club, which excludes women from membership. The proponent, Dr. Martha Burk, claimed that sponsorships of events like the Masters send a message that gender discrimination is not taken seriously by the company. The proponent commended the company on its strong anti-discrimination statement and stated that she would like to see it applied to sponsorships and executive perks. In support of her resolution, Burk pointed out that ExxonMobil extends coverage of its anti-discrimination statement to contractors and asked “why not then also to sponsorships and executive perks purchased with shareholder funds?” The proponent also claimed that club memberships are more than about recreation, “they are places where important business is conducted.”

ACIR noted that this resolution raised issues it has not reviewed before. ACIR engaged in a lengthy discussion about Dartmouth policies regarding holding fundraising events at locations that might discriminate. ACIR agreed that it was safe to assume that Dartmouth does not knowingly hold events at such venues, yet on occasion allowing for separate but equal exceptions. A majority of ACIR members agreed that the situation at Augusta is different because golf – and golf at that particular golf club – provides a unique setting and is inherently imbued with great business-networking potential. Therefore, ACIR recommended that Dartmouth vote in favor of the resolution.

The resolution received shareholder support of 8.3%.

10. Global Climate Change

Global Climate Change continued to be an area of great interest for shareholder proponents. ACIR reviewed six resolutions dealing with this subject in 2006.
ACIR reviewed resolutions proposed to shareholders of Dominion Resources Inc. and Standard Pacific Corporation by Trillium Asset Management and New York City Pension Funds and by the Nathan Cummings Foundation, respectively. These resolutions asked the companies to issue reports to shareholders assessing their response to rising regulatory, competitive, and public pressure to increase energy efficiency.

With respect to the Dominion Resources resolution, ACIR noted that the company did not currently have a global climate change policy in place and agreed that having a carbon management policy was prudent. ACIR also noted its historical support for this type of resolution. ACIR unanimously agreed to recommend that Dartmouth vote in favor of the resolution.

The Dominion Resources resolution received 22.6% shareholder support.

With respect to the Standard Pacific resolution, ACIR noted the growing size of the company and the fact that it had constructed over 11,400 homes in 2005. ACIR discussed the market opportunities presented by constructing “green housing.” ACIR also noted the relevance of green housing in the company’s market areas, e.g. California, Arizona, and Florida. ACIR noted that some of Standard Pacific’s competitors were using EnergyStar standards for construction. ACIR agreed that the company should examine the many potential advantages of assessing increased energy efficiency in the home construction market. The resolution does not ask Standard Pacific to adopt a policy, but rather to begin to make public its position. ACIR recommended that Dartmouth vote in favor of the resolution.

The Standard Pacific resolution enjoyed an enormous amount of support. Over 39% of shareholders supported the resolution, making it the fifth highest supported social issues resolution for the 2006 year.

On the other hand, ACIR reviewed a resolution to shareholders of General Electric Company by Action Management Fund, LLC which essentially asked the company to explain to shareholders why its policy towards global climate change had been altered.

ACIR noted that in May 2005, General Electric Chairman Jeffrey Immelt had announced a new “ecomagination” initiative, whereby GE pledged to achieve a 1 percent reduction in its GHG emissions from 2004 levels by 2012, and to cut the GHG intensity rate of its operations by 30 percent by 2008. In addition,
General Electric had announced that it plans to double its investments in climate-friendly technologies to $1.5 billion a year by 2010. Materials ACIR members reviewed suggested that the proponent is an advisor to the Free Enterprise Action Fund, a mutual fund that uses shareholder advocacy to “counter-balance social activist pressure on corporate managements and strive[s] to keep managements focused on lawful maximization of profits and shareholder returns rather than appeasement of [left-wing] social activists,” according to a description posted on its website. Steven Milloy of Action Fund Management, LLC presented the resolution. Milloy is an adjunct scholar for the Cato Institute and a Fox News columnist. He also maintains a website called junkscience.com that questions the science of global warming and the need to address it. ACIR has generally been very supportive of resolutions that ask companies to address issues related to global climate change. ACIR members agreed that this resolution was essentially asking the company to explain why it was finally doing so. ACIR recommended that Dartmouth vote to oppose the resolution.

The resolution received shareholder support of 6.9%.

ACIR reviewed resolutions proposed to shareholders of Ford Motor Company and Occidental Petroleum Corporation in which the companies were asked to prepare reports including detailed scientific analysis. Specifically, the resolutions asked the companies to “[p]ublish annually a ‘Scientific Report on Global Warming/Cooling’ that would address issues such as:

1. global temperature measures
2. atmospheric gases thought to be greenhouse gases
3. effect of the sun’s radiation
4. sources of carbon dioxide
5. the ‘greenhouse effect’ occurring from global temperature changes and atmospheric concentrations of carbon dioxide.”

The proponent of these resolutions was Carl Olson of State Department Watch, a foreign policy watchdog group.

ACIR noted that the proponent is skeptical of the science suggesting that industrial emissions are contributing to global warming, calling the evidence
“fragmented, contradictory and unverified.” ACIR also discussed what value the companies or their shareholders would receive as a result of preparing this scientific report on global warming. Some ACIR members expressed the notion that the resolutions were geared, perhaps, to challenge the companies’ existing GHG emissions policy in the future. ACIR decided that the requested reports would not be an effective use of the companies’ resources and voted unanimously to recommend that Dartmouth vote to oppose the resolutions.

The Ford Motor Company resolution received shareholder support of 4.3%. The Occidental Petroleum resolution received shareholder support of 7.3%.

Finally, ACIR reviewed a resolution proposed by Green Century Capital Management to shareholders of Ford Motor Company asking the company to “prepare a report… on all of Ford’s lobbying efforts and financial expenditures intended to influence government regulation of fuel economy standards. The report should also present the business case for these activities in light of long-term economic trends and the company’s widely publicized plans to increase fuel economy and reduce the environmental impact of its vehicles.”

ACIR discussed Ford’s stated commitment to increasing fuel efficiency in contrast to the vast sums it spends lobbying the government to refrain from imposing tighter fuel efficiency standards. ACIR also noted Ford’s curious opposition to the resolution on the grounds that only 10% of GHG emissions occurred during the manufacture of vehicles and 90% of GHG emissions occur when the vehicle is driven. ACIR noted that Ford made a bad bet on the sale of SUV’s and trucks when consumers are moving away from such vehicles in light of higher gas costs. ACIR agreed that the resolution requested the company to report on the consistency of its stated position versus its actions (lobbying). ACIR also noted that it had recommended support of this resolution in 2005. A majority of ACIR members agreed that the resolution requested reasonable action on the part of Ford. ACIR recommended that Dartmouth vote in favor of the resolution.

The resolution received shareholder support of 7.3%, up from 6.2% in 2005.
11. Global Labor Standards

ACIR reviewed eight resolutions that addressed global labor standards issues. Proponents of these resolutions included New York City Pension Funds, Harrington Investments and the As You Sow Foundation.

New York City Pension Funds proposed resolutions to shareholders of Altria Group Inc., Cooper Industries Inc., Hasbro Inc. and Lear Corporation asking those companies to commit to implementing a code of conduct based on the International Labor Organization (“ILO”) human rights standards and the United Nations’ Norms on the Responsibilities of Transnational Corporations with regard to Human Rights. The resolutions requested that the code be applied to each of the company’s production facilities and the facilities of their suppliers. Finally, the resolutions also requested that the companies commit to a program of independent, third party monitoring of compliance with the code.

ACIR has reviewed this resolution in the same or similar forms many times over the past three years. While ACIR has generally been supportive of the resolution because it requests companies to maintain certain minimum standards for workers at their own plants and at independent contractor facilities, and it also requires independent, third party monitoring of these workplace for code compliance, ACIR has always been careful to take a case-by-case approach to making recommendations regarding this and similar resolutions. In 2006, ACIR continued to review the specifics of each subject company’s operations and efforts in the global labor standards area when this resolution was proposed.

With regard to the resolution pending before Altria Group shareholders, ACIR discussed the company’s internal labor standards and how the main difference between the company’s current practices and the standards supported by the proponent related to the child labor practices of suppliers. One ACIR member noted Altria’s proactive stance working with child labor in developing countries, particularly agrarian economies where children often work on family farms. For example, Altria implemented programs to make family farms more efficient in an effort to allow the families’ children to attend school rather than work. Another ACIR member voiced concern that support of this resolution

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8 ACIR was unable to review the resolution proposed by an individual, Aaron Epstein, to shareholders of Costco Wholesale Corporation asking the company to adopt a vendor compliance policy aligned with ILO core conventions. Pursuant to its Abstention Policy, ACIR recommended that Dartmouth vote to abstain on this resolution.
might dissuade the company from continuing to do such work in developing countries. Notwithstanding the company’s fairly good track record and the concerns articulated above, ACIR did not feel that committing to implementation of the proposed code and third party monitoring of facilities would be a significant additional burden for Altria. ACIR was unanimous in recommending that Dartmouth vote in favor of the resolution.

When ACIR reviewed the materials relating to the global labor standards resolution pending before Cooper Industries Inc. shareholders, a full Shareholder Investor Services Proxy Report was not yet available from the Investor Responsibility Research Center Research, ACIR’s primary source of background information. Because it did not have a full report on Cooper Industries Inc.’s global labor standards practices, ACIR did not believe it could make a reasoned recommendation to Dartmouth as to how it should vote the resolution. Therefore, pursuant to its Abstention Policy, ACIR recommended that Dartmouth vote to abstain on the resolution.

When it reviewed the resolution as it applied to Hasbro, ACIR agreed that Hasbro appeared to generally be a good actor and an industry leader in the global labor standards area. ACIR noted that Hasbro is a member of the International Council of Toy Industries (ICTI) and a signatory to the code of conduct required by the ICTI. In addition, ACIR noted that, as of December 31, 2005, approximately 95 percent of the vendors Hasbro used to produce products in the Far East had received ICTI certification. ACIR, however, noted that there have been labor abuse incidents reported from at least one Chinese facility despite the existence of the company’s code. In spite of the company’s relatively good track record, ACIR did not feel that complying with the resolution would require onerous changes, increase costs significantly or impose undue hardship on the company and was persuaded that the resolution should be supported. ACIR, therefore, recommended that Dartmouth vote in favor of the resolution.

ACIR also reviewed New York City Pension Funds’ resolution to Lear Corporation, the world’s largest supplier of automotive interiors. Based on the IRRC materials ACIR members reviewed, ACIR agreed that Lear was neither the best nor the worst with respect to its policies and practices relating to global labor standards. ACIR also noted the company’s plans to significantly expand its operations in Asia, particularly China, which has a notably poor record of labor standard laws or enforcement. ACIR recommended that Dartmouth vote in favor of the resolution.
New York City Pension Funds also proposed a resolution to shareholders of The Walt Disney Company that varied from the one discussed above. In this resolution, the proponent requested that Disney “review and report to shareholders . . . on the adherence of Disney’s suppliers in China to Disney’s corporate code of conduct, to the provisions of the Chinese government’s Labor Law, and to the core conventions of the International Labor Organization.”

ACIR noted that the identical resolution had in 2005 received 8.9% shareholder support and that ACIR had unanimously recommended that Dartmouth support that resolution. ACIR discussed the history of shareholder activism on this issue, specifically noting that an initial resolution in 2004 had garnered 29% support from shareholders. ACIR noted that it has historically supported this type of resolution. In addition, ACIR noted that the failure of Disney to monitor its suppliers in China could result in significant negative publicity and, potentially, revenues, should gross labor violations or conditions be identified. For all of these reasons, ACIR unanimously recommended that Dartmouth vote in favor of the resolution.

ACIR also reviewed two resolutions proposed by Harrington Investments to shareholders of International Business Machines (“IBM”) and Illinois Tool Works. Each of these resolutions asked the subject companies to “adopt an 11-point code of conduct for its operations in China, meant to protect the environment and the rights of workers and to help ensure that the company’s technology is not used to further human or labor rights abuses.” In addition, the resolutions asked that the subject company “make annual statements on its progress in implementing the code to a human rights working group.”

With regard to the IBM resolution, ACIR took note of IBM’s proactive stance in enacting global labor standards; IBM has had a supplier code of conduct which is, in some areas, stricter than the current ILO standards. ACIR also discussed how the proponent desired the company to scrutinize its business practices in China despite the IBM’s stance of having a global policy, rather than a country-specific policy. ACIR agreed that despite IBM’s progressive labor stance, the resolution could be symbolic in invoking even more positive labor changes. ACIR recommended that Dartmouth vote in favor of the resolution.

For reasons consistent with those above, ACIR recommended that Dartmouth vote in favor of the global labor standards resolution pending at Illinois Tool Works.

ACIR Annual Report 2006
Page 43
Finally, ACIR review a resolution proposed by As You Sow Foundation to shareholders of Time Warner Inc. This resolution requested that the company develop a code vendor of conduct, establish a code implementation plan for auditing supply chain facilities and release periodic reports on adherence to the code.”

Based on its review of the relevant IRRC materials and its discussions, ACIR agreed that Time Warner was not doing enough to support - much less improve - decent global labor standards. ACIR noted that many of the company’s competitors had conduct codes for vendors and audit policies, while Time Warner did not. ACIR also discussed Dartmouth’s own requirements for vendors. ACIR agreed that the actions requested by the resolution were reasonable. ACIR recommended that Dartmouth vote in favor of the resolution.

The global labor standards resolutions discussed above received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altria Group Inc.</td>
<td>6.2%</td>
</tr>
<tr>
<td>Cooper Industries Inc.</td>
<td>6.8%</td>
</tr>
<tr>
<td>Costco Wholesale Corp.</td>
<td>6.4%</td>
</tr>
<tr>
<td>Hasbro Inc.</td>
<td>9.8%</td>
</tr>
<tr>
<td>IBM</td>
<td>9.7%</td>
</tr>
<tr>
<td>Illinois Tool Works</td>
<td>6.5%</td>
</tr>
<tr>
<td>Lear Corp.</td>
<td>49.8%(^9)</td>
</tr>
<tr>
<td>Time Warner Inc.</td>
<td>26.5%</td>
</tr>
<tr>
<td>Walt Disney Co.</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

12. Human Rights

ACIR reviewed five resolutions directly relating to human rights issues in 2006. Proponents of these resolutions included pension funds and religious orders and organizations.

\(^9\) The Lear Corporation resolution enjoyed the second highest level of shareholder support in the social issues area. The proponent, New York City Pension Funds, accounted for the great success of the resolution in part due to Institutional Shareholder Services’ support of it.
For the second year in a row, New York City Pension Funds proposed a resolution to shareholders of Coca-Cola Company asking the company “to establish a special committee of independent directors, with authority to retain independent experts as needed, to oversee the Company’s sponsorship of an independent delegation of inquiry to Colombia to examine the charges of collusion in anti-union violence that have been made against officials of Coca-Cola’s bottling plants in that country; and that the delegation includes representatives from U.S. and Colombian human rights organizations and be charged with preparing and presenting to the special committee and the Board a report on its findings, which will be made available to the shareholders by the next annual meeting of the Company.”

ACIR noted that it had unanimously voted to recommend support for this resolution in 2005. ACIR discussed the merits of investigations by the International Labor Organization (“ILO”) and a concurrent independent panel appointed by the company, and whether these investigations might be duplicative. Some ACIR members questioned the impartiality of the ILO investigation as yet to be completed. There was some discussion about the relevance of time and whether anti-union violence was on-going in Colombia. ACIR also noted the student movement against Coca-Cola due to the alleged human rights abuses targeted by the resolution that appears to be gathering steam, both at Dartmouth and around the world. ACIR unanimously recommended that Dartmouth vote in favor of the resolution.

The resolution received shareholder support of 5.7%, up from 5.4% in 2005.

Several religious orders affiliated with the Interfaith Center on Corporate Responsibility proposed resolutions to shareholders of Boeing Company, Chevron Corporation and Halliburton Company. These resolutions asked each the respective company’s board to either adopt a human rights policy or to review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies relating to human rights. Each resolution requested that the company report back to shareholders on progress in implementing its human rights policy or making changes to its existing policy. All three proposals included language specifically requesting the companies to focus attention on human rights with regard to their operations in China.
ACIR noted that it has in the past generally recommended that Dartmouth vote to support resolutions requesting companies to create or review human rights policies. ACIR also noted that none of the companies subject to these resolutions had in place formalized human rights policies, and ACIR agreed that each company should have such a policy in place and enforced. ACIR discussed the use by some of the companies of local military in foreign countries to assist in “security” of their operations. ACIR also noted the many similarities between these human rights resolutions and the global labor standards resolutions it had supported. In addition, ACIR noted that Dartmouth requires that certain, but not all, suppliers meet explicit minimum standards relating to human rights and labor standards. In separate discussions, ACIR either unanimously or overwhelmingly agreed to recommend that Dartmouth vote in favor of each of the resolutions.

The resolutions received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
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</thead>
<tbody>
<tr>
<td>Boeing Co.</td>
<td>25.0%</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>23.9%</td>
</tr>
<tr>
<td>Halliburton Co.</td>
<td>23.3%</td>
</tr>
</tbody>
</table>

It should be noted that shareholder support at this level is extraordinarily rare.

Finally, ACIR reviewed a resolution proposed by New York City Pension Funds to shareholders of Freeport McMoRan Copper & Gold Inc. “urging] management to review its policy concerning payments to the Indonesian military and security forces, with a particular reference to potential financial and reputational risks incurred by the company by these payments, and to report to shareholders urge management to review its policy concerning payments to the Indonesian military and security forces, with a particular reference to potential financial and reputational risks incurred by the company by these payments, and to report to shareholders.”

ACIR noted that it reviewed this resolution in 2005 and unanimously supported it. ACIR discussed recent activities at the Gasberg Mine in Indonesia, the fact that the company derives the vast majority of its income from this mine and Indonesia’s 9% stake in the mine. ACIR questioned whether the company was presently reporting on the issues the resolution addressed. ACIR discussed whether the resolution was asking whether the company was paying for police
protection or paying for police protection plus paying bribes. ACIR noted that perhaps the company was required to pay Indonesian military forces to operate in the country, but ACIR members agreed that did not justify knowingly supporting violence or other illegal activities by the Indonesian military. Finally, ACIR noted a December 2005 report by The New York Times detailing complicity between the company and the Indonesian military in identifying environmental activists in an unethical manner. ACIR recommended that Dartmouth vote in favor of the resolution.

The resolution received shareholder support of 6.2%, down from 7.1% in 2005.

13. Link Executive Pay to Social Criteria

ACIR reviewed five resolutions addressing executive compensation. Some of these resolutions asked the companies to examine their top executive compensation packages to determine whether the packages were reasonable in light of various factors. Other resolutions asked companies to link executive compensation packages to specific social criteria. Proponents included SRI investment funds and religious orders.

ACIR reviewed three proxy resolutions proposed to shareholders at Amgen Inc., AT&T Corporation and ExxonMobil Corporation by Harrington Investments and several religious orders affiliated with the Interfaith Center for Corporate Responsibility. The resolutions proposed to Amgen and AT&T shareholders were identical and asked the companies “to conduct a special executive pay review and report to supplement information in the proxy statement. The review [was to] include: rationale for top executive pay packages, including whether a pay cap has been considered; how or if executive pay is compared to the average employee’s pay package and if the increasing wage gap is considered; how social and environmental performance criteria are used and whether employee downsizing or outsourcing is considered; evaluation of whether top pay packages “are excessive and should be modified;” and a summary description of stakeholder opposition to compensation packages. The resolution proposed to ExxonMobil shareholders was substantially similar.

ACIR examined the relevance and appropriateness of the resolution as it applied to each of the three companies. Factors taken into account by ACIR
included the size of the relative company, performance, compensation of top executives, merger activities, compensation package ratings by external sources, number of employees, lay-offs, and compensation committee practices, among others. ACIR noted that there continues to be debate over whether U.S. executive pay is too high relative to average employee pay, and whether it is sufficiently linked to performance and other criteria. Some ACIR members also voiced their feeling that compensation issues more appropriately belonged under the corporate governance umbrella, and that ACIR should not be reviewing corporate governance issues. Other members noted that executive compensation issues continue to bleed over into the social issues area and in certain cases – such as when linked to environmental or social criteria – belong there. ACIR noted that it supported the Amgen and AT&T resolutions in 2005. ACIR unanimously recommended that Dartmouth vote to support all three resolutions.

The Amgen, AT&T and ExxonMobil executive compensation resolutions received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amgen Inc.</td>
<td>9.8%</td>
</tr>
<tr>
<td>AT&amp;T Corp.</td>
<td>11.9%</td>
</tr>
<tr>
<td>ExxonMobil Corp.</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

ACIR also reviewed resolutions proposed to shareholders of ExxonMobil Corporation and Ford Motor Company requesting the companies’ compensation committees to explicitly include social responsibility and environmental criteria among the goals that executives must meet. The resolution proposed to Ford shareholders by Russell Long was even more specific, requesting that “a significant portion” of executive compensation be linked “to progress in reducing lifetime product greenhouse gas emissions from the company’s new passenger vehicles.”

ACIR discussed the differences between the Ford resolution and the resolutions proposed to Amgen, AT&T and ExxonMobil shareholders. Some ACIR members objected to the resolution because it specifically linked compensation to reduction of GHG emissions rather than performance generally or to compensation levels of the company’s employees. ACIR discussed the proponent’s position that to be competitive the company cannot continue to be
last in fuel efficiency standards. Several ACIR members objected to the resolution because they felt it was too narrowly crafted. If the resolution had suggested linking compensation to greenhouse gas emissions or other specific environmental issues, more ACIR members would have supported the resolution. Ultimately, a majority of ACIR members agreed to recommend that Dartmouth vote to abstain on the resolution.

With respect to the ExxonMobil resolution, ACIR noted that the company made more money in 2005 than it has ever made. Obviously, poor performance is not a link that should be studied. ACIR noted that in opposing the resolution the company stated that it already considers non-performance and social issues factors, but management doesn’t say much more than that. ACIR noted that this is a controversial subject and that linking compensation to environmental criteria is arguably more important for oil companies. ACIR unanimously recommended that Dartmouth vote in favor of the resolution.

The executive compensation at Ford received shareholder support of 4.8%, and the resolution at ExxonMobil received shareholder support of 12.8%.

14. MacBride Principles

ACIR reviewed two resolutions addressing religious discrimination in Northern Ireland. The proponent of both proposals was New York City Pension Funds, and the recipient companies were Crane Company and Yum! Brands Inc. The resolutions asked the subject companies to “make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles.”

ACIR noted that it has traditionally supported resolutions requesting implementation of the MacBride Principles. Dr. Sean MacBride, founder of Amnesty International and Nobel Peace laureate, proposed several equal opportunity employment principles to serve as guidelines for corporations in Northern Ireland. These MacBride Principles include:

1. Increasing the representation of individuals from underrepresented religious groups in the workforce including managerial, supervisory, administrative, clerical and technical jobs.

2. Adequate security for the protection of minority employees both at the workplace and while traveling to and from work.
3. The banning of provocative religious or political emblems from the workplace.

4. All job openings should be publicly advertised and special recruitment efforts should be made to attract applicants from underrepresented religious groups.

5. Layoff, recall, and termination procedures should not, in practice, favor particular religious groupings.

6. The abolition of job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin.

7. The development of training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

8. The establishment of procedures to assess, identify and actively recruit minority employees with potential for further advancement.

9. The appointment of a senior management staff member to oversee the company’s affirmative action efforts and the setting up of timetables to carry out affirmative action principles.

While agreeing that different facts and considerations applied to the two recipient companies, ACIR agreed that it generally supports resolutions encouraging implementation of the MacBride Principles, which ACIR views as akin to principles opposing discrimination on the basis of religion. ACIR recommended that Dartmouth vote in favor of the resolutions.

The Crane Company resolution received shareholder support of 13.4%, and the Yum! Brands resolution received shareholder support of 10.6%.
15. Miscellaneous

A. Globalization Risks

ACIR reviewed a resolution proposed by Michael L. Saville to shareholders of International Business Machines requesting the company “to establish an independent committee to prepare a report evaluating the risk of damage to the Company’s brand name and reputation in the United States resulting from IBM’s offshoring initiative and make copies of the report available to shareholders of the Company upon request.”

ACIR discussed IBM’s recent sale of business units to offshore operators. ACIR felt that this resolution was intended to oppose outsourcing and that IBM’s preference for offshoring at least a portion of its operations is apparent through the company’s recent actions. A majority of ACIR members agreed that a report on this matter would not be an efficient use of IBM’s resources and voted to oppose the resolution. ACIR recommended that Dartmouth vote to oppose the resolution.

The resolution garnered shareholder support of 7.6%, down from 9.4% in 2005.

B. Public Policy Advocacy

ACIR reviewed a resolution proposed by Thomas Borelli, an individual affiliated with the Free Enterprise Action Group, to shareholders of J.P. Morgan Chase & Company. The resolution asked the company to “report to shareholders on the Company’s process for identifying and prioritizing legislative and regulatory public policy advocacy activities.”

ACIR noted that the proponent had filed the resolution in response to the company’s 2005 decision to track GHG emissions, to consider environmental factors as part of its lending practices, and to urge clients to assess global climate change issues. According to the IRRC materials reviewed by ACIR, these actions outraged the proponent and affiliated organizations. ACIR questioned whether, taken on its face, the resolution requested reasonable actions. Some ACIR members viewed the resolution as a request for transparency and noted the similarity between it and those political contributions requests ACIR
recommended support for both in 2006 and in the past. ACIR was unable to
reach consensus and voted 5-0-4 to recommend support for the resolution.
Because there were several ACIR members missing at the time of the vote and
because the vote was so close, ACIR agreed that it would recommend that
Dartmouth vote to abstain on the resolution.

The resolution received shareholder support of 27.2%, a remarkably high
level of support for a first time resolution.

16. Political Contributions

ACIR’s review of resolutions dealing with the transparency of political
contributions and the policy it adopted relating to these resolutions is discussed
above in Section II(2) above. The resolutions requesting political contributions
received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott Laboratories Inc.</td>
<td>9.3%</td>
</tr>
<tr>
<td>Amgen Inc.</td>
<td>75.5%(^{10})</td>
</tr>
<tr>
<td>AT &amp; T Inc.</td>
<td>15.2%</td>
</tr>
<tr>
<td>Bank of America Corp.</td>
<td>4.5%</td>
</tr>
<tr>
<td>BellSouth Corp.</td>
<td>12.1%</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>13.2%</td>
</tr>
<tr>
<td>Chubb Corp.</td>
<td>11.5%</td>
</tr>
<tr>
<td>Citigroup Inc.</td>
<td>9.9%</td>
</tr>
<tr>
<td>Clear Channel Communications</td>
<td>20.5%</td>
</tr>
<tr>
<td>Coca-Cola Co.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>ExxonMobil Corp.</td>
<td>11.5%</td>
</tr>
<tr>
<td>Home Depot Inc.</td>
<td>34.0%</td>
</tr>
<tr>
<td>IBM</td>
<td>9.7%</td>
</tr>
<tr>
<td>J.P. Morgan Chase &amp; Co.</td>
<td>28.9%</td>
</tr>
<tr>
<td>Lucent Technologies Inc.</td>
<td>24.6%</td>
</tr>
<tr>
<td>Monsanto Co.</td>
<td>7.0%</td>
</tr>
<tr>
<td>PepsiCo Inc.</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

\(^{10}\) Management of Amgen Inc. ultimately supported the resolution, explaining the
extremely high level of support. It remains to be seen, however, how the company will
implement the transparency mechanisms requested by the resolution.
Pfizer Inc. 10.3%
Schwab (Charles) Corp. 28.9%
Target Corp. 11.0%
Union Pacific Corp. 27.7%
Verizon Communications 33.4%
Wachovia Corp. 12.3%
Wal-Mart Stores, Inc. 11.5%
Washington Mutual Inc. 24.1%

ACIR anticipates that the campaign by labor unions, socially screened investment funds and religious groups to get companies to disclose their political contributions will remain strong and continue to be well received by shareholders, particularly with the 2008 presidential elections heating up.

17. Sustainability Reporting

ACIR reviewed five proxy resolutions addressing sustainability reporting, the same number it reviewed in 2005. Proponents included New York City Pension Funds, Connecticut Retirement Plan & Trust Funds, and General Board of Pension and Health Benefits of the United Methodist Church. The resolutions ACIR reviewed were proposed to shareholders of Dean Foods Company, Kellogg Company, Kroger Company, Safeway Inc. and Wal-Mart Stores, Inc. The resolutions all asked the subject companies to prepare sustainability reports for shareholders.

Sustainability reporting continues to be a highly supported area in social issues proxy voting since the first such resolution was brought in 2002. Resolutions requesting sustainability reporting ask the target company to focus upon and manage sustainability in order to improve their long-term value. Sustainability is often described as meeting the needs of the present without compromising the ability of future generations to meet their own needs.\(^\text{11}\)

Resolutions requesting sustainability reporting have received significant support in recent years and continued to do so in 2006.\(^\text{12}\)

\(^{12}\) The social issues resolution receiving the third highest level of shareholder support in 2006 - 48.4% - was one asking Terex Corp. to issue a sustainability report to shareholders.
In 2006, ACIR continued to be in agreement generally that sustainability reporting has become an expected norm at large companies, and that such reporting can lead to significant benefits for both short-term and long-term share value. ACIR also noted that sustainability indexes are being used by an increasing number of mutual funds and money managers of socially screened funds. ACIR recommended that Dartmouth vote in favor of each sustainability reporting resolution it reviewed.

The sustainability reporting resolutions received the following shareholder support in 2006:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dean Foods Co.</td>
<td>33.9%</td>
</tr>
<tr>
<td>Kellogg Co.</td>
<td>6.4%</td>
</tr>
<tr>
<td>Kroger Co.</td>
<td>9.6%</td>
</tr>
<tr>
<td>Safeway Inc.</td>
<td>27.1%</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

This resolution was first brought to Kellogg Co. and Kroger Co. shareholders in 2006, but it was a repeat resolution at the other three companies. Shareholder support increased this year at Dean Foods Co. (from 27.1%) and at Safeway Inc. (from 16.7%), although it decreased at Wal-Mart Stores, Inc. (from 14.2%).

ACIR discussed the possibility of adopting a policy to support all resolutions seeking sustainability reporting. This issue will be taken up by ACIR early in 2007.

18. Tobacco

ACIR reviewed seven proxy resolutions addressing issues related to tobacco during the 2006 year. The proponents of these resolutions included various religious orders affiliated with the Interfaith Center for Corporate Responsibility.
A. Legislation

ACIR reviewed three resolutions proposed to shareholders of Altria Group Inc., Loews Corporation and Reynolds American Inc. requesting those companies to “make as public policy a commitment to support legislation at all levels of local, regional, state and federal government that is geared toward that end.” The resolution also requested the companies to “support all efforts to repeal existing preemption laws limiting local smoke-free air ordinances.”

ACIR noted the contradiction implicit in the resolution: asking the companies to actively promote legislation that would decrease their sales. Some ACIR members noted that stipulations of the tobacco settlement require tobacco companies to engage in policies that discourage smoking and therefore decrease sales. Some ACIR members thought the companies should promote such legislation if it would actually discourage underage people from smoking. Other ACIR members thought it was not the companies’ charge to promote such legislation. Ultimately, an equal number of ACIR members voted to recommend opposition to the resolution as did to recommend abstention on the resolution. ACIR recommended that Dartmouth vote to abstain on all three resolutions.

The resolutions received the following shareholder support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Shareholder Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altria Group Inc.</td>
<td>5.1%</td>
</tr>
<tr>
<td>Loews Corp.</td>
<td>2.2%</td>
</tr>
<tr>
<td>Reynolds American Inc.</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

B. Marketing

ACIR reviewed two resolutions that addressed tobacco marketing issues. The first resolution was proposed to shareholders of Reynolds American Inc. and requested the company to “initiate and oversee an independent analysis of those who begin smoking its flavored brands, to be completed within a year.” If the analysis determined that more than 20 percent of new smokers were youth, then the resolution requested the company to “cease immediately all testing, development and marketing of flavored cigarettes.”
ACIR discussed at length the 1998 Master Settlement Agreement (“MSA”) with state attorneys general explicitly prohibiting participating cigarette manufacturers from marketing their products to youth. ACIR also noted that the company has in the past run afoul of the MSA. ACIR noted that the MSA does not prohibit the manufacture of flavored tobaccos, which are arguably more appealing to youths. One ACIR member felt that there was a real difference between targeting youths and targeting adults for cigarette consumption. Some ACIR members were troubled by the 20% target contained in the resolution. ACIR noted that the resolution requests (1) a report, and (2) a request to cease production in the event that the report makes certain findings. ACIR also discussed whether the company could lessen or increase potential liability if it prepared the requested report. Some ACIR members felt that this resolution provided an opportunity for shareholders to send a message that they are concerned with the company’s practices. ACIR recommended that Dartmouth vote in favor of the resolution.

The resolution garnered only 1.0% shareholder support.

The other resolution addressing tobacco marketing that ACIR reviewed was proposed to Altria Group Inc. and asked the company to “undertake a campaign aimed at African Americans apprising them of the unique health hazards to them associated with smoking menthol cigarettes, including data showing the industry descriptors such as ‘light’ and ‘ultralight’ do not mean those who smoke such brands will any less likely to incur diseases than those who smoke regular brands.”

ACIR noted that a similar resolution asking the company to inform smokers of the risks associated with smoking “light” cigarettes garnered 4.2% shareholder support in 2005. ACIR agreed that the resolution requested reasonable action and unanimously recommended that Dartmouth vote in favor of it.

The resolution received shareholder support of 4.8%.

C. Fire Safety

ACIR reviewed another resolution to shareholders of Altria Group Inc. that asked the company to “voluntarily establish New York’s cigarette fire safety
regulatory criteria as the standard for all the cigarettes that are produced for sale in the United States, Puerto Rico and all U.S. protectorates."

ACIR noted its prior support for this resolution, which received 4.9% shareholder support in 2005. ACIR also discussed the fact that Altria already meets fire safety regulatory criteria for cigarettes sold in New York, but that the additional cost to manufacture cigarettes that comply with the fire safety laws would be negligible. Some ACIR members also suggested that Altria could be held legally liable if the company did not adopt the fire safety regulatory criteria for cigarettes, perhaps resulting in additional lawsuits against the company. ACIR voted unanimously in favor of the resolution.

This resolution received shareholder support of 5.2%.

D. Second Hand Smoke

Finally, ACIR reviewed a resolution proposed to Altria Group Inc. shareholders asking the company to “refrain from any action that would maintain the existing law (expected to have expired March 31, 2006), and voluntarily make on its website and to all requesting physicians, nurses, dentists and other medical personnel, questionnaires for their patients that include their past and present exposure to [second hand smoke].”

ACIR discussed the inclusion of questions regarding second-hand smoke exposure on medical questionnaires, in particular on the new Medicare questionnaires. ACIR discussed reports that the company had lobbied against the inclusion of these questions. This issue divided members of ACIR; half voted to recommend support for the resolution and half voted recommend abstention. ACIR recommended that Dartmouth vote to abstain on the resolution.

The resolution received shareholder support of 4.2%.

V. Update on Activities Relating to Companies with Operations in Sudan

On November 11, 2005, the Board of Trustees of Dartmouth College voted to accept the recommendations of ACIR and Dartmouth’s Investment Committee and forego direct investment in the six companies that ACIR had identified as
being directly complicit in the genocidal activities occurring in the Darfur region on Sudan. Those companies included ABB Ltd., Greater Nile Petroleum Operating Company Ltd., PetroChina, Sudanese White Nile Petroleum Company, Petronas, and Sinopec. In effect, the Board placed these companies on a “No Hold List.” The Board authorized Dartmouth’s Investment Office to issue instructions to Dartmouth’s outside investment managers and stock custodians to ensure avoidance of direct College investment in the above companies. The Board also authorized the Investment Committee to instruct the Investment Office to take such steps as maybe necessary to avoid direct Dartmouth investments in other companies that may be identified in the future as being directly complicit in the genocidal activities in the Darfur region of Sudan.

During the course of 2006, ACIR acknowledged that it bore an ongoing responsibility to ensure that the companies listed above continued to operate in Sudan in such a manner or to such a degree that the Board of Trustees would still desire the investment screens to bar College ownership of their shares. In addition, ACIR agreed that it bore responsibility to identify additional companies whose activities in Sudan amounted to direct complicity in the genocidal activities in the Darfur region of Sudan and, thus, qualified them for inclusion on the No Hold List or, if shares of those companies were held by Dartmouth, divestment. In order to fulfill these responsibilities, ACIR – with the support of Adam Keller, Vice President for Administration & Finance - purchased additional information services from Institutional Shareholder Services to enable the subcommittee to conduct research into company activity in Sudan. ACIR then convened a subcommittee to conduct research and make recommendations if necessary. Over the summer of 2006, this subcommittee researched the activities of nearly 140 companies operating in Sudan.

On October 11, 2006, the subcommittee submitted its recommendations to ACIR’s Chair. The subcommittee recommended that ACIR petition the Investment Committee to add eight additional companies to Dartmouth’s No Hold List. These companies included: China National Petroleum Corporation, Muhibbah Engineering Bhd, Nam Fatt Co. Bhd, Oil & Natural Gas Corporation Ltd., Ranhill Bhd, Schlumberger Ltd., Tatneft OAO and Videocon Industries Ltd. In addition, the subcommittee identified one company that was placed by the Trustees on the No Hold List at its November 2005 meeting and which the subcommittee recommended should be removed from that list. This company was Greater Nile Petroleum Operating Company, and the subcommittee sought its removal from the No Hold List because it is actually a consortium rather than
a company directly involved in the oil industry in Sudan. The subcommittee requested that ACIR formally make these recommendations to add eight companies to the No Hold List and remove one company from the No Hold List to the Board of Trustees through its Investment Committee.

In addition to identifying eight companies to add to the No Hold List, the subcommittee identified five companies that it felt should be regularly monitored because they apparently owned drilling rights to oil in Sudan or have other contractual relationships that relate to the extraction of oil in Sudan. These companies included: BP PLC, Lundin Petroleum, Petrel Resources PL, Royal Dutch Shell PLC and Total SA. Unfortunately, due to limitations in research materials, the subcommittee could not determine whether these companies were currently active in the oil sector in Sudan. The subcommittee asked ACIR to contact these companies directly, and the subcommittee intends to continue to monitor other sources of information regarding their activities.

Finally, the subcommittee identified ten companies that appear to have various connections and arrangements with other companies directly involved in the extraction and shipment of oil from Sudan. These companies included: Alstom, AMEC PLC, BAE Systems PLC, Bollore, MMC Corp., Sarawak Enterprise Corp. Bhd, Siemens AG, Sulzer Ltd., Sumatec Resources B and Weir Group PLC. The subcommittee recommended that ACIR contact these companies and continue to monitor other sources of information regarding their activities.

ACIR hopes to act on the subcommittee’s recommendations by the end of 2006. In spite of promises of peace treaties and discussion of placing upwards of 20,000 United Nations peacekeeping forces on the ground in the Darfur region of Sudan, humanitarian conditions there have only worsened since Dartmouth instituted its so-called No Hold List in 2005. ACIR recognizes that Dartmouth has acknowledged a responsibility to decline to hold shares of companies whose activities in Sudan – primarily the extraction of oil and gas – amount to direct complicity with the genocidal activities that continue to occur in Darfur. ACIR will continue to monitor the activities of public companies operating in Sudan in 2007.
VI. Conclusion

Through the diligent and hard work of its members, ACIR accomplished a great deal in 2006. ACIR made recommendations to Dartmouth as to how it should vote 115 different proxy resolutions for companies in which Dartmouth directly held shares. The issues raised by these resolutions spanned roughly twenty extraordinarily different social issues subject areas. For the third year running, Dartmouth College – through its Investment Office – accepted every single one of ACIR’s recommendations and voted its resolutions accordingly. ACIR is grateful for Dartmouth’s continuing support and endorsement of its work.

As it has in previous years, in 2006 ACIR continued to reach out to the community to seek input and involvement, and it will continue to do so. ACIR is considering hosting several different types of events for the Dartmouth community in 2007 to further engage the community. Given that part of ACIR’s mission includes providing for the possibilities for education of students and other interested parties regarding the goals and constraints of Dartmouth’s investment portfolio, it is ACIR’s hope that more community members will become familiar with ACIR’s work.

Finally, in the wake of Dartmouth’s decision to create a No Hold List for companies deemed to be directly complicit in the genocidal activities in the Darfur region of Sudan, ACIR this year undertook the responsibility to continue to monitor the operations of various companies active in Sudan. These companies included those already placed on Dartmouth’s No Hold List as well as every publicly traded company ACIR could identify as operating in Sudan. As a result of an ACIR subcommittee’s work, ACIR may submit recommendations to Dartmouth College regarding additions to the No Hold List in the near future.

ACIR wishes to thank its members for the enormous amount of time and effort they have given to support the committee’s important mission. ACIR also wishes to thank the following departing ACIR members for their service to the community: Lori A. Alvord, Robert B. Donin, Andrew A. King, Philip J. Moss, Erland M. Schulson, Emmanuel (Skip) Sturman and Nancy A.G. Vogele. Last, ACIR wishes to thank its Executive Administrator, Allegra B. Lubrano, for continuing to enable the committee to operate so efficiently and productively.
Appendices

Appendix I - Proxy Resolutions Listed by Company
Appendix II - Proxy Resolutions Listed by Subject Matter
Appendix III - Excerpts and Descriptions of Proxy Resolutions upon Which Recommendations were made by ACIR in 2006
APPENDIX I

INDEX TO ACIR RECOMMENDATIONS ON 2005 PROXY RESOLUTIONS BY COMPANY

KEY:  
F = Recommended a vote in favor of resolution
O = Recommended a vote to oppose resolution
A = Recommended a vote to abstain on resolution
* = Withdrawn by proponent, omitted, or not presented at annual meeting after ACIR recommendation made.
** = Management agreed to follow resolution.
*** = College didn’t own shares at time of meeting although ACIR previously issued recommendation.

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<td>Yum! Brands Inc.</td>
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DARTMOUTH COLLEGE
ADVISORY COMMITTEE ON INVESTOR RESPONSIBILITY

INDEX TO ACIR RECOMMENDATIONS ON 2006 PROXY RESOLUTIONS BY SUBJECT AREA

KEY:  
F = Recommended a vote in favor of resolution  
O = Recommended a vote to oppose resolution  
A = Recommended a vote to abstain on resolution  
* = Withdrawn by proponent, omitted, or not presented at annual meeting after ACIR recommendation made.  
** = Management agreed to follow resolution.  
*** = College didn’t own shares at time of meeting although previously issued recommendation.

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<th>Subject Area</th>
<th>Company</th>
<th>Rec.</th>
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<td>Wal-Mart Stores, Inc.</td>
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<td>Yum! Brands Inc.</td>
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**Link Executive Pay to Social Criteria**

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**MacBride Principles**

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**Miscellaneous**

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**Political Contributions**

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<td>Chevron Corp.</td>
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<td>Chubb Corp.</td>
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<td>Target Corp.</td>
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<td>Union Pacific Corp.</td>
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**Sustainability Reporting**

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**Tobacco**

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<td>Loews Corp. (legislation)</td>
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<td>2.2%</td>
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<td>Reynolds American (flavored)</td>
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<td>Reynolds American (legislation)</td>
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APPENDIX III

EXCERPTS AND DESCRIPTIONS OF PROXY RESOLUTIONS UPON WHICH ACIR MADE RECOMMENDATIONS IN 2006

I. AFFIRM POLITICAL NON-PARTISANSHIP


Resolution: “[T]he shareholders of The Home Depot ("Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operated under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

b. Identification of the person or persons in the Company who participated in making the decisions to contribute.

c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”

Proponent: Evelyn Y. Davis.

ACIR recommendation: ACIR recommended that the College vote in favor of the above resolution.

II. ANIMAL WELFARE

1. Company: Altria Group Inc.

Resolution: “[T]he shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company’s commitment to (a) reducing, refining and replacing its use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and
behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

2. **Company:** Amgen Inc.

**Resolution:** Asked the company to “adopt and post an Animal Welfare Policy online which addresses the company’s commitment to a) reducing, refining and replacing its use of animals in research and testing, and b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

3. **Company**  
   Bristol-Myers Squibb Company

**Resolution:** Asked the company to “issue a report to shareholders on the feasibility of amending the company’s policy to ensure a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and b) superior standards of care for animals who continue to be used for these purposes, both by the company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

4. **Company:** Chevron Corporation

**Resolution:** “[T]he shareholders request that the Board adopt and post an Animal Welfare Policy online which addresses the Company’s commitment to (a) reducing, refining and replacing its
use of animals in research and testing, and (b) ensuring superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

5. **Company:** Kroger Company

**Resolution:** “[The] shareholders request that the Board of Directors issue interim reports to shareholders following the second, third, and forth quarters of 2006 detailing the progress made toward accelerating the development of [controlled atmosphere killing].”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote to oppose the above resolution.

6. **Company:** Lilly (Eli) & Company

**Resolution:** Asked the company to “issue a report to shareholders on the feasibility of amending the company’s policy to ensure a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and b) superior standards of care for animals who continue to be used for these purposes, both by the company itself and by all independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

**Proponent:** People for the Ethical Treatment of Animals.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

7. **Company:** Merck & Company

**Resolution:** Asked the company to “issue a report to shareholders on the feasibility of amending the company’s policy to ensure a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and b) superior standards of care for animals who continue to be used for these purposes, both by the company itself and by all
independently retained laboratories, including provisions to ensure that animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[T]he shareholders request that the board of directors issue interim reports to shareholders following the second, third and fourth quarters of 2006 that detail the progress made toward accelerating the implementation of [controlled atmosphere killing].”

Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.


Resolution: “[T]he shareholders request that the Board issue a report to shareholders on the feasibility of amending the Company’s Laboratory Animal Care and Use policy to ensure (a) that it extends to all contract laboratories and that it is reviewed with such outside laboratories on a regular basis, and (b) superior standards of care for animals who continue to be used for these purposes, both by the Company itself and by all independently retained laboratories, including provisions to ensure animals’ psychological, social and behavioral needs are met. Further, the shareholders request that the Board issue an annual report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of the psychological enrichment measures.”

Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

10. Company: Pfizer Inc.

Resolution: “[T]he Board is requested to report to shareholders on the justification for affirmatively contributing to the advancement of animal-based testing while publicly promoting an animal care policy that affirmatively commits to the advancement of non-animal-based test methodologies.”
Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[The] shareholders request that the Board of Directors issue interim reports to shareholders following the second, third, and fourth quarters of 2006 detailing the progress made toward accelerating the implementation of [controlled atmosphere killing] for birds killed for its stores.”

Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

12. Company: Yum! Brands Inc.

Resolution: “[The] shareholders of Yum!! Brands request that the Board of Directors issue a report to shareholders by October 2006, prepared at reasonable cost and omitting proprietary information, on the feasibility of Yum!! Brands requiring that all chickens served in KFC restaurants be raised according to the recommendations made by Drs. Grandin, Douglass, and Duncan on March 11, 2005.”

Proponent: People for the Ethical Treatment of Animals.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

III. BANKING ISSUES

1. Company: Wells Fargo & Company

Resolution: Asked the board to prepare a report that provides explanations of racial and ethnic disparities in the cost of loans provided by the company. The report shall discuss racial and ethnic disparities pertaining to high cost mortgages revealed in Home Mortgage Disclosure Act data; whether such disparities affect home affordability or wealth-building benefits of homeownership for minority customers; and whether some of these disparities are explained by the racial wealth divide prevalent in this country and, if so, what can be done to lessen this divide.

Proponent: NorthStar Asset Management, Needmor Fund; Amnesty International USA, Unitarian Universalist Service Committee, and three individuals.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

IV. BIO-ENGINEERING

1. Company: McDonald’s Corporation

Resolution: “Shareholders request that the Board of Directors adopt a policy to identify and label all food products manufactured or sold by the company under the company’s brand names or private labels that may contain genetically engineered (GE) ingredients.”

Proponent: Camilla Madden Charitable Trust and five co-filers.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

2. Company: Safeway Inc.

Resolution: “Shareholders request that the Board of Directors adopt a policy to identify and label all food products manufactured or sold by the company under the company’s brand names or private labels that may contain genetically engineered (GE) ingredients.”

Proponent: Adrian Dominican Sisters.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

3. Company: Yum! Brands Inc.

Resolution: “Shareholders request that the Board of Directors adopt a policy to identify and label all food products manufactured or sold by the company under the company’s brand names or private labels that may contain genetically engineered (GE) ingredients.”

Proponent: Sisters of Charity of the Incarnate Word.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

V. CHARITABLE CONTRIBUTIONS

Resolution: Asked the company to report annually to shareholders on: “Total contributions (itemized by in-kind contributions, product donations and staff time) of Avon Products to the Avon Foundation; Fundraising and administrative costs, including for each Avon 2-Day Walk for Breast Cancer; Criteria for awarding research grants, including the extent to which criteria include the role of environmental factors and the role of genetic factors; Geographical distribution of grants awarded for screening, treatment, patient care and support services; Description of the purpose of each research grant awarded, including the scientific question addressed by the grant; and, Description of the mission, function, and qualifications for serving on the Avon Foundation’s community advisory board.”

Proponent: Trillium Asset Management.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

2. Company: Boeing Company

Resolution: The proponent requested Boeing to issue a report, updated semiannually, at reasonable cost and omitting proprietary information, including: 1. “Policies and procedures for charitable contributions (both direct and indirect) made with corporate assets; 2. Monetary and non-monetary contributions made to non-profit organizations operating under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code, and any other public or private charitable organizations; 3. Business rationale for each of the charitable contributions; 4. Personnel who participated in making the decisions to contribute; and 5. To the extent reasonably possible, the actual or estimated benefits to the Company and beneficiaries produced by contributions.”

Proponent: National Legal and Policy Center.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

3. Company: Citigroup Inc.

Resolution: Requested the company issue a semi-annual report disclosing: 1) “policies and procedures for charitable contributions (both direct and indirect) made with corporate assets”; 2) “monetary and non-monetary contributions made to non-profit organizations operating under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code, and any other public or private charitable organizations”; 3) business rationale for each charitable contribution; 4) “personnel who participated in making the decisions to contribute”; and 5) “to the extent reasonably possible, the actual or estimated benefits to the Company and beneficiaries produced by contributions.”

Proponent: National Legal and Policy Center.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.
4. **Company:** Coca-Cola Company

**Resolution:** Shareholders requested Coca-Cola to issue a semiannual report, omitting proprietary information and at reasonable cost, on the following:

1. “Policies and procedures for charitable contributions (both direct and indirect) made with corporate assets;
2. Monetary and non-monetary contributions made to non-profit organizations operating under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code, and any other public or private charitable organizations;
3. Business rationale for each of the charitable contributions;
4. Personnel who participated in making the decisions to contribute; and
5. To the extent reasonably possible, the actual or estimated benefits to the Company and beneficiaries produced by contributions.”

**Proponent:** National Legal and Policy Center.

**ACIR Recommendation:** ACIR recommended that the College vote **to abstain on** the above resolution.

5. **Company:** Johnson & Johnson

**Resolution:** “The shareholders request the Board of Directors to implement a policy listing all charitable contributions on the company website.”

**Proponent:** Human Life International.

**ACIR Recommendation:** ACIR recommended that the College vote **to abstain on** the above resolution.

6. **Company:** PepsiCo Inc.

**Resolution:** “The shareholders request that the Company provide a report updated semiannually, omitting proprietary information and at reasonable cost, disclosing the Company’s:

1. “Policies and procedures for charitable contributions (both direct and indirect) made with corporate assets;’ 2. Monetary and non-monetary contributions made to non-profit organizations operating under Section 501(c)(3) and 501(c)(4) of the Internal Revenue Code, and any other public or private charitable organizations; 3. Business rationale for each of the charitable contributions; 4. Personnel who participated in making the decisions to contribute; and 5. To the extent reasonably possible, the actual or estimated benefits to the Company and beneficiaries produced by contributions.”

**Proponent:** National Legal Policy Center.
ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

7. Company: Textron Inc.

Resolution: Shareholders requested that Textron prepare a report including:

1. “A brief history of Textron’s involvement in management of nuclear weapons sites and production of DU weapons components”;

2. “Human, workplace and environmental safety precautions, e.g. safeguards for transportation, storage, impact on land and water and waste disposal situating and monitoring”;

3. “Health and safety record at facilities”;

4. “Financial arrangements”; and

5. “Policies and procedures for cooperating fully with persons, organizations and government agencies planning and carrying out health/safety assessment studies.”

Proponent: Interfaith Center on Corporate Responsibility.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

VI. DEFENSE ISSUES: CONTRACTING

1. Company: Boeing Company

Resolution: “[The shareholders request that] the Board of Directors review and if necessary amend and amplify our Company’s code of conduct and statements of ethical criteria for military production-related contract bids, awards and contract execution, and report the results of this process to shareholders within six months of the annual meeting.”

Proponent: School Sisters of Notre Dame and eight cosponsors affiliated with the Interfaith Center on Corporate Responsibility.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

2. Company: Lockheed Martin Corporation
Resolution: “The shareholders request the Board of Directors to make available to all shareholders within six months of the annual meeting, a written report on Lockheed Martin’s depleted uranium and other nuclear weapons related involvement, excluding confidential and proprietary information.”

Proponent: The Sisters of Mercy, Detroit, the Sisters of St. Agnes, the School Sisters of Notre Dame Cooperative Investment Fund, the Loretto Community, Sisters of Loretto, the Sisters of St. Joseph, The Sisters of Charity of Saint Elizabeth, the Sisters of Saint Joseph, Mount Saint Joseph Convent, and the Congregation of the Sisters of Charity of the Incarnate Word.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: Textron Inc.

Resolution: The shareholders requested that Textron prepare a report including:

1. “A brief history of Textron’s involvement in management of nuclear weapons sites and production of DU weapons components”;

2. “Human, workplace and environmental safety precautions, e.g. safeguards for transportation, storage, impact on land and water and waste disposal situating and monitoring”;

3. “Health and safety record at facilities”;

4. “Financial arrangements”; and

5. “Policies and procedures for cooperating fully with persons, organizations and government agencies planning and carrying out health/safety assessment studies.”


ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

4. Company: United Technologies Corporation

Resolution: “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 United Technologies’ foreign sales of weapons-related products and services.”

Proponent: Sisters of Charity of St. Elizabeth.
ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

VII. DRUG PRICE RESTRAINTS

1. Company: Pfizer Inc.

Resolution: Requested the board to report “on measures our company is taking to contain the price increases of its most-prescribed drugs to levels equal to or below the annual rate of inflation.”

Proponent: Trinity Health and other cofilers affiliated with the Interfaith Center on Corporate Responsibility.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

VIII. ENVIRONMENT: MISCELLANEOUS

A. COMMUNITY HAZARDS

1. Company: ConocoPhillips

Resolution: “[T]he shareholders request the Board of Directors to report to shareholders, at a reasonable cost and omitting proprietary information, on how the corporation ensures that it is accountable for its environmental impacts in all of the communities where it operates. The report should contain the following information:

1. how the corporation makes available reports regarding its emissions and environmental impacts on land, water, and soil – both within its permits and emergency emissions – to members of the communities where it operates;
2. how the corporation integrates community environmental accountability into its current code of conduct and ongoing business practices; and
3. the extent to which the corporation’s activities have negative health effects on individuals living in economically-poor communities.”

Proponent: Domestic and Foreign Missionary Society of the Episcopal Church and School Sisters of Notre Dame of St. Louis.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.
2. **Company:** ExxonMobil Corporation

**Resolution:** “[T]he shareholders request the Board of Directors to report to shareholders, at a reasonable cost and omitting proprietary information, on how the corporation ensures that it is accountable for its environmental impacts in all of the communities where it operates. The report should contain the following information:

1. how the corporation makes available reports regarding its emissions and environmental impacts on land, water, and soil – both within its permits and emergency emissions – to members of the communities where it operates;
2. how the corporation integrates community environmental accountability into its current code of conduct and ongoing business practices; and
3. the extent to which the corporation’s activities have negative health effects on individuals living in economically-poor communities.”

**Proponent:** Green Century Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

**B. DRILLING IN PROTECTED AND SENSITIVE AREAS**

1. **Company:** Chevron Corporation

**Resolution:** “[S]hareholders request that the independent directors of the Board of Chevron prepare a report, at reasonable cost and omitting proprietary information, on the potential environmental damage that would result from the company drilling for oil and gas in protected areas such as IUCN Management Categories I-IV and Marine Management Categories I-V, national parks, monuments, and wildlife refuges (such as the Arctic National Wildlife Refuge), and World Heritage Sites. The report should consider the implications of a policy of refraining from drilling in such areas and should be available to investors by the 2007 annual meeting.”

**Proponent:** Green Century Capital Management.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

2. **Company:** ConocoPhillips

**Resolution:** “Shareholders request that the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on the potential environmental damage that would result from drilling for oil and gas in the areas inside the National Petroleum Reserve - Alaska originally protected by the 1998 ROD. The report should consider the implications of a policy of refraining from drilling in such areas and should be available to investors by the 2007 annual meeting.”
Proponent: Green Century Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: ExxonMobil Corporation

Resolution: “Shareholders instruct ExxonMobil to prepare a report on the potential environmental damage that would result from the company drilling for oil and gas in protected areas, including IUCN Management Categories I-IV and Marine Management Categories I-V; World Heritage Sites; and national parks, monuments, and wildlife refuges. The report should examine the possible impacts on our company’s value from decisions to do business in these areas. The report should be available to investors by the 2007 annual meeting.”

Proponent: Green Century Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

C. ECUADOR REMEDIATION

1. Company: Chevron Corporation

Resolution: “Shareholders request that the Board of Directors report by 10/01/06, at reasonable cost and excluding confidential information, the company’s (a) annual expenditures by category for each year from 1993 to 2005, for attorneys’ fees, expert fees, lobbying, and public relations/media expenses, relating in any way to the health and environmental consequences of hydrocarbon exposures and Chevron’s remediation of Texaco drilling sites in Ecuador and (b) expenditures on the remediation of the Ecuador sites.”

Proponent: Trillium Asset Management, Boston Common Asset Management, New York State Common Retirement Fund and other filers.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

D. RECYCLING

1. Company: Coca-Cola Company

Resolution: Asked that the company “review the efficacy of its container recycling program and prepare a report to shareholders, by Sept. 1, 2006, on a recycling strategy that includes a publicly
stated, quantitative goal for enhanced rates of beverage container recovery rate in the U.S. The report, to be prepared at reasonable cost, may omit confidential information.”

**Proponent:** Walden Asset Management.

**ACIR Recommendation:** ACIR recommended that the College vote *in favor of* the above resolution.

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### E. TOXICITY

1. **Company:** Avon Products Inc.

**Resolution:** Asked the board “to prepare a report analyzing and articulating Avon’s policy on using safer substitutes for chemicals that are known or suspected carcinogens, mutagens, and reproductive toxicants, as well as chemicals that affect the endocrine system, accumulate in the body, or persist in the environment. The report, prepared at reasonable cost and omitting proprietary information, should be made available to shareholders by Nov. 1, 2006.”

**Proponent:** Domini Social Investments, Evangelical Lutheran Church in America and As You Sow Foundation.

**ACIR Recommendation:** ACIR recommended that the College vote *in favor of* the above resolution.

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### F. WATER USAGE IN INDIA

1. **Company:** Coca-Cola Company

**Resolution:** “[S]hareholders request that the independent directors of the board of the Coca-Cola Company prepare a report, at reasonable cost and omitting proprietary information, 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 2007 annual meeting.”

**Proponent:** Harrington Investments.

**ACIR Recommendation:** ACIR recommended that the College vote *in favor of* the above resolution.

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### IX. EQUAL EMPLOYMENT OPPORTUNITY
1. **Company:** American Express Company  
   **Resolution:** “[T]he shareholders request that American Express form a committee to explore ways to formulate an equal employment opportunity policy which complies with all federal, state and local regulations but does not make reference to any matters related to sexual interests, activities or orientation.”  
   **Proponent:** Thomas Strobar.  
   **ACIR Recommendation:** ACIR recommended that the College vote to oppose the above resolution.

2. **Company:** Bank of America Corporation  
   **Resolution:** “The shareholders request that our company amend its written equal employment opportunity policy to explicitly exclude reference to sexual orientation.”  
   **Proponent:** Virginia M. Brown.  
   **ACIR Recommendation:** ACIR recommended that the College vote to oppose the above resolution.

3. **Company:** ExxonMobil Corp.  
   **Resolution:** “The Shareholders request that ExxonMobil amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and to substantially implement that policy.”  
   **Proponent:** New York City Pension Funds.  
   **ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

4. **Company:** ExxonMobil Corporation  
   **Resolution:** Asked the board for a special review and report on the company’s anti-discrimination statement as it pertains to corporate sponsorships and executive perks. The report is to address what “company funds are expended on corporate sponsorships and executive perks, like country club memberships and entertainment at or in conjunction with institutions that discriminate against groups protected by the company’s anti-discrimination statement; whether the company would sponsor an event held at a venue that barred African-Americans, Jews or homosexuals from membership; and how the company’s anti-discrimination statement is to be applied to decisions concerning sponsorships and executive perks.”  
   **Proponent:** Martha Burk.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

5. Company: Ford Motor Company

Resolution: “The shareholders request that Ford Motor Company amend its written equal employment opportunity policy to exclude any reference to privacy issues related to sexual interests, activities or orientation.”

Proponent: Robert E. Hurley.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.


Resolution: Asked for a company report that includes statistical data on the company’s work force by race and gender for the last three years; a summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; and a description of any policies and programs oriented specifically toward increasing the number of managers who are qualified females or minorities.

Proponent: Walden Asset Management.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[T] the shareholders request that our company amend its written equal employment opportunity policy to explicitly exclude reference to sexual orientation.”

Proponent: Roegele Living Trust.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.


Resolution: “The Shareholders request that Leggett & Platt amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and to substantially implement that policy.”

Proponent: Walden Asset Management.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

9. Company: Lockheed Martin Corporation

Resolution: Asked for a company report that includes statistical data on the company’s work force by race and gender; a description of affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; a description of how these policies and programs are publicized to merchandise suppliers and services providers; a description of policies and programs oriented toward increasing the number of female or minority managers; and a description of policies and programs supporting purchase of goods and services from minority and women-owned firms.

Proponent: Sisters of St. Francis, Philadelphia.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: Asked the board to prepare and make available to shareholders a report documenting the distribution of last year’s stock options and restricted stock awards by race and gender of the recipient. The report also is to discuss recent trends in equity compensation distribution to women and employees of color.

Proponent: North Star Management.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

11. Company: Yum! Brands Inc.

Resolution: Asked for a company report that includes statistical data on the company’s work force by race and gender; a description of affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; a description of how these policies and programs are publicized to merchandise suppliers and services providers; a description of policies and programs oriented toward increasing the number of female or minority managers; and a description of policies and programs supporting purchase of goods and services from minority and women-owned firms.

Proponent: Glen Mary Home Missioners.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.
X. GLOBAL CLIMATE CHANGE

1. Company: Dominion Resources Inc.

Resolution: “Shareholders request that a committee of independent directors assess how the company is responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide and other emissions and report to shareholders by Sept. 1, 2006.”

Proponent: Trillium Asset Management and New York City Pension Funds

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

2. Company: Ford Motor Company

Resolution: “[T]he shareholders request that the Board prepare a report... on all of Ford’s lobbying efforts and financial expenditures intended to influence government regulation of fuel economy standards. The report should also present the business case for these activities in light of long-term economic trends and the company’s widely publicized plans to increase fuel economy and reduce the environmental impact of its vehicles.”

Proponent: Green Century Capital Management.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: Ford Motor Company

Resolution: “[Shareholders request that the company] Publish annually a ‘Scientific Report on Global Warming/Cooling’ that would address issues such as:

1. global temperature measures;
2. atmospheric gases thought to be greenhouse gases
3. effect of the sun’s radiation
4. sources of carbon dioxide
5. the ‘greenhouse effect’ occurring from global temperature changes and atmospheric concentrations of carbon dioxide.”

Proponent: Carl Olson, chairman of the Fund for Stockowners Rights.
ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

4. Company: General Electric Company

Resolution: “[Shareholders request t]hat, by the 2006 annual shareholder meeting, the Board of Directors report to shareholders on the scientific and economic analyses relevant to GE’s climate change policy, omitting proprietary information and at reasonable cost. This report should discuss the:

1. Specific scientific data and studies relied on to formulate GE’s climate change 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. Estimates of costs and benefits to GE of its climate change policy.”

Proponent: Action Fund Management, LLC.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

5. Company: Occidental Petroleum Company

Resolution: Asked 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.

Proponent: Carl Olson, chairman of the Fund for Stockowners Rights.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

6. Company: Standard Pacific Corporation

Resolution: Asked that the company “assess its response to rising regulatory, competitive, and public pressure to increase energy efficiency and report to shareholders (at reasonable costs and omitting proprietary information) by Sept. 1, 2006.”

Proponent: Nathan Cummings Foundation.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.
XI. GLOBAL LABOR STANDARDS

1. Company: Altria Group Inc.

Resolution: “[T]he shareholders request that the company commit itself to the implementation of a code of conduct based on the aforementioned ILO human rights standards and United Nations’ Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights, by its international suppliers and in its own international production facilities, and commit to a program of outside, independent monitoring of compliance with these standards.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

2. Company: Cooper Industries Inc.

Resolution: “[T]he shareholders request that the company commit itself to the implementation of a code of conduct based on the aforementioned ILO human rights standards and the United Nations’ Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights, by its international suppliers and in its own international production facilities, and commit to a program of outside, independent monitoring of compliance with these standards.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

3. Company: Costco Wholesale Corporation

Resolution: “The stockholders request that the Board of Directors take the steps necessary to adopt a vendor code of conduct.” The proponent says that the code should be aligned with the ILO’s core conventions.

Proponent: Aaron M. Epstein.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

4. Company: Disney (Walt) Company

Resolution: “Therefore, be it resolved, that shareholders request that the Board of Directors review and report to shareholders by September 2006, on the adherence of Disney’s suppliers in China to Disney’s corporate code of conduct, to the provisions of the Chinese government’s
Labor Law, and to the core conventions of the International Labor Organization (ILO). This report should be prepared at reasonable expense and contain no proprietary information.”

**Proponent:** New York City Pension Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

5. **Company:** Hasbro Inc.

**Resolution:** “[T]he shareholders request that the company commit itself to the implementation of a code of corporate conduct based on the aforementioned ILO human rights standards and United Nations’ Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights, by its international suppliers and in its own international production facilities, and commit to a program of outside, independent monitoring of compliance with these standards.”

**Proponent:** New York City Pension Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

6. **Company:** Illinois Tool Works

**Resolution:** The proposal asked the company to adopt an 11-point code of conduct for its operations in China, meant to protect the environment and the rights of workers and to help ensure that the company’s technology is not used to further human or labor rights abuses. The company was also asked to make annual statements on its progress in implementing the code to a human rights working group.

**Proponent:** Jill Ratner, affiliated with Harrington Investments.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

7. **Company:** International Business Machines

**Resolution:** The proposal asked the company to adopt an 11-point code of conduct for its operations in China, meant to protect the environment and the rights of workers and to help ensure that the company’s technology is not used to further human or labor rights abuses. The company was also asked to make annual statements on its progress in implementing the code to a human rights working group.

**Proponent:** Harrington Investments.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.
8. **Company:** Lear Corporation

**Resolution:** “[T]he shareholders request that the company commit itself to the implementation of a code of conduct based on the aforementioned ILO human rights standards and United Nations’ Norms on the Responsibilities of Transnational Corporations with Regard to Human Rights, by its international suppliers and in its own international production facilities, and commit to a program of outside, independent monitoring of compliance with these standards.”

**Proponent:** New York City Pension Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

9. **Company:** Time Warner Inc.

**Resolution:** “Shareholders request the Board of Directors to:

1. Develop a code vendor of conduct.
2. Establish a code implementation plan for auditing supply chain facilities.
3. Release periodic reports on adherence to the code.”

**Proponent:** As You Sow Foundation.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

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**XII. HUMAN RIGHTS**

1. **Company:** Boeing Company

**Resolution:** “[S]hareholders request the Board to develop and adopt a comprehensive human rights policy to include an explicit commitment to support and uphold the principles and values contained in the Universal Declaration of Human Rights. We suggest the Board adopt such a policy at the earliest possible time and that it issue a report on the progress made in this regard, especially in places like China which have consistently been listed as in violation of basic human rights, no later than November 5, 2006.”

**Proponent:** Capuchin Province of St. Joseph (200 shares) and the Congregation of Sisters of St. Agnes—both affiliated with the Interfaith Center on Corporate Responsibility.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

2. Company: Chevron Corporation

Resolution: “Shareholders request the Board to adopt a comprehensive, transparent, verifiable human rights policy and report to shareholders on the plan for implementation by October, 2006. This report to be prepared at reasonable expense, omitting proprietary information.”
Proponent: Society of Jesus, Wisconsin Province and 21 cofilers affiliated with the Interfaith Center on Corporate Responsibility.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: Coca-Cola Company

Resolution: “[T]he shareholders request that the Board of Directors establish a special committee of independent directors, with authority to retain independent experts as needed, to oversee the Company’s sponsorship of an independent delegation of inquiry to Colombia to examine the charges of collusion in anti-union violence that have been made against officials of Coca-Cola’s bottling plants in that country; and that the delegation includes representatives from U.S. and Colombian human rights organizations and be charged with preparing and presenting to the special committee and the Board a report on its findings, which will be made available to the shareholders by the next annual meeting of the Company.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

4. Company: Freeport McMoRan C & G

Resolution: “[S]hareholders urge management to review its policy concerning payments to the Indonesian military and security forces, with a particular reference to potential financial and reputational risks incurred by the company by these payments, and to report to shareholders by September 2005 on the findings of this review.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

5. Company: Halliburton Company

Resolution: “Shareholders request management to review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and to report its findings, omitting propriety information and prepared at reasonable expense, by December 2006.”

Proponent: CHRISTUS Health, Benedictine Sisters of Mount St. Scholastica, and Catholic Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.
XIII. LINK EXECUTIVE PAY TO SOCIAL CRITERIA

1. Company: Amgen Inc.

Resolution: Asked the board to conduct a special executive pay review and report to supplement information in the proxy statement. The review is to include: rationale for top executive pay packages, including whether a pay cap has been considered; how or if executive pay is compared to the average employee’s pay package and if the increasing wage gap is considered; how social and environmental performance criteria are used and whether employee downsizing or outsourcing is considered; evaluation of whether top pay packages “are excessive and should be modified;” and a summary description of stakeholder opposition to compensation packages.

Proponent: Harrington Investments.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

2. Company: AT & T Inc.

Resolution: Asked the board to conduct a special executive pay review and report to supplement information in the proxy statement. The review is to include: rationale for top executive pay packages, including whether a pay cap has been considered; how or if executive pay is compared to the average employee’s pay package and if the increasing wage gap is considered; how social and environmental performance criteria are used and whether employee downsizing or outsourcing is considered; evaluation of whether top pay packages “are excessive and should be modified”; and a summary description of stakeholder opposition to compensation packages.

Proponent: Harrington Investments and Benedictine Sisters of Mt. St. Scholastica.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: ExxonMobil Corporation

Resolution: Asked 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.”

Proponent: North Star Asset Management Inc.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

4. Company: ExxonMobil Corporation

Resolution: The shareholders requested the board’s compensation committee, when setting executive compensation, to include explicit and detailed social responsibility and environmental (as well as financial) criteria among the goals that executives must meet.

Proponent: School Sisters of Notre Dame.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

5. Company: Ford Motor Company

Resolution: Asked Ford’s board to conduct an executive compensation review and report with a view to linking a significant portion of senior executive compensation to progress in reducing lifetime product greenhouse gas emissions from the company’s new passenger vehicles.

Proponent: Russell Long.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

XIV. MACBRIDE PRINCIPLES

1. Company: Crane Company

Resolution: Asked the company to “make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride principles.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

2. Company: Yum! Brands Inc.

Resolution: Asked the company to urge its Northern Ireland franchisee to “make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles.”

Proponent: New York City Pension Funds.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

XV. MISCELLANEOUS

A. GLOBALIZATION RISKS

1. Company: International Business Machines

Resolution: “The stockholders request that the Board establish an independent committee to prepare a report evaluating the risk of damage to the Company’s brand name and reputation in the United States resulting from IBM’s offshoring initiative and make copies of the report available to shareholders of the Company upon request.”

Proponent: Michael L. Saville.

ACIR Recommendation: ACIR recommended that the College vote to oppose the above resolution.

B. PUBLIC POLICY ADVOCACY POLICIES

1. Company: J.P. Morgan Chase & Company

Resolution: “The shareholders request the Board of Directors, at reasonable cost and excluding confidential information, report to shareholders on the Company’s process for identifying and prioritizing legislative and regulatory public policy advocacy activities. The report should:

1. Describe the process by which the Company identifies, evaluates and prioritizes public policy issues of interest to the Company;
2. Identify and describe public policy issues of interest to the Company;
3. Prioritize the issues by importance to creating shareholder value; and
4. Explain the business rationale for prioritization.”

Proponent: Thomas Borelli, Action Fund Management, LLC.

ACIR Recommendation: ACIR recommended that the College vote to abstain on the above resolution.

XVI. POLITICAL CONTRIBUTIONS
A. DISCLOSE IN MEDIA POLITICAL CONTRIBUTIONS

1. **Company:** Bank of America Corporation

**Resolution:** “[T]he stockholders recommend that the Bank of America direct management that within five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago and Charlotte, San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and U.S.A. Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens’ initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders. And if no such disbursements were made, to have that fact publicized in the same manner.”

**Proponent:** Evelyn Y. Davis.

**ACIR Recommendation:** ACIR recommended that the College vote to abstain on the above resolution.

2. **Company:** Lucent Technologies Inc.

**Resolution:** “[T]he shareholders recommend that the Board direct management that within five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago, San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and U.S.A. Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens’ initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders.” “And if no such disbursements were made, to have that fact publicized in the same manner.”

**Proponent:** Evelyn Y. Davis.

**ACIR Recommendation:** ACIR recommended that the College vote to abstain on the above resolution.

3. **Company:** PepsiCo Inc.

**Resolution:** “[T]he stockholders recommend that the Board direct management that within five days after approval by the shareholders of this proposal, the management shall publish in newspapers of general circulation in the cities of New York, Washington, D.C., Detroit, Chicago,
San Francisco, Los Angeles, Dallas, Houston and Miami, and in the Wall Street Journal and USA Today, a detailed statement of each contribution made by the Company, either directly or indirectly, within the immediately preceding fiscal year, in respect of a political campaign, political party, referendum or citizens’ initiative, or attempts to influence legislation, specifying the date and amount of each such contribution, and the person or organization to whom the contribution was made. Subsequent to this initial disclosure, the management shall cause like data to be included in each succeeding report to shareholders. And if no such disbursements were made, to have that fact publicized in the same manner.”

**Proponent:** Evelyn Y. Davis.

**ACIR Recommendation:** ACIR recommended that the College vote to abstain on the above resolution.

### B. REPORT ON POLITICAL CONTRIBUTIONS

1. **Company:** Abbott Laboratories Inc.

**Resolution:** “[T]he shareholders of Abbott Laboratories ("Company") hereby request that our Company provide a report, updated semi-annually, disclosing our Company’s:

1. Policies and procedures for political contributions, both direct and indirect, made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of our Company’s funds contributed to any of the persons or organizations described above;

   b. Identification of the person or persons in our Company who participated in making the decisions to contribute.

   c. The internal guidelines or policies, if any, governing our Company's political contributions.

This report shall be presented to the Board of Directors' audit committee or other relevant oversight committee and posted on our Company’s website to reduce costs to shareholders.”

**Proponent:** Mercy Investment Program; Sisters of Charity of the Incarnate Word, Houston; Sisters of Mercy Regional Community of Detroit Charitable Trust; Ursuline Sisters of Tildonk, U.S. Province.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.
2. **Company:** Amgen Inc.

**Resolution:** “[T]he shareholders of Amgen (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:
   a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;
   b. Identification of the person or persons in the Company who participated in making the decisions to contribute.
   c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”

**Proponent:** Green Century Capital Management.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

3. **Company:** AT&T Inc.

**Resolution:** “The shareholders of SBC Communications (the "Company") [now AT&T] hereby request that the Company provide a report updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:
   a. An accounting of the Company’s funds contributed to any of the persons described above;
   b. The business rationale for the Company’s political contributions; and
   c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be posted on the company’s website to reduce costs to shareholders.”

**Proponent:** Domini Social Investments.
ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “The shareholders of BellSouth (the "Company") hereby request that the Company provide a report updated semi-annually, disclosing the Company’s:

Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the persons described above; and

b. The business rationale for the Company’s political contributions.

This report shall be posted on the Company's website to reduce costs to shareholders.”

Proponent: Domini Social Investments and Walden Asset Management.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

5. Company: Chevron Corporation

Resolution: “[T]he shareholders of Chevron (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

b. The business rationale for each of the Company’s political contributions; and

c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”
**Proponent:** New York City Pension Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

6. **Company:** Chubb Corporation.

**Resolution:** “[T]he shareholders of Chubb Corporation (“Company”) hereby request that our company provide a report, updated semi-annually, disclosing our Company’s:

1. Policies and procedures for political contributions, both direct and indirect, made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of our Company’s funds contributed to any of the persons or organizations described above;

   b. Identification of the person or persons in our Company who participated in making the decisions to contribute.

   c. The internal guidelines or policies, if any, governing our Company’s political contributions.

This report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee and posted on our Company’s website to reduce costs to shareholders.”

**Proponent:** Central Laborers’ Pension Fund.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

7. **Company:** Citigroup Inc.

**Resolution:** “[T]he shareholders of Citigroup (“Citigroup” or “the Company”) request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the
Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:

a. An accounting of the Company’s funds that are used for political contributions or expenditures as described above;

b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and

c. The internal guidelines or policies, if any, governing the Company’s political contributions and expenditures.

This report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.

**Proponent:** International Brotherhood of Teamsters.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

8. **Company:** Clear Channel Communications

**Resolution:** “[T]he shareholders of Clear Channel Communications, Inc. (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

   b. Identification of the person or persons in the Company who participated in making the decisions to contribute.

   c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”
**Proponent:** As You Sow Foundation, filing on behalf of the Educational Foundation of America.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

9. **Company:** Coca-Cola Company

**Resolution:** “[T]he shareholders of Amgen (‘Company’) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

   b. Identification of the person or persons in the Company who participated in making the decisions to contribute.

   c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”

**Proponent:** Green Century Capital Management.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

10. **Company:** ExxonMobil Corporation.

**Resolution:** “[T]he shareholders of ExxonMobil Corp. (‘Company’) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons or organizations described above.
b. Identification of the person or persons in the Company who participated in making the decisions to contribute.
c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company's website to reduce costs to shareholders.”

Proponent: Tracy Burt, filing on behalf of As You Sow Foundation.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[T]he shareholders of The Home Depot (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operated under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;
   b. Identification of the person or persons in the Company who participated in making the decisions to contribute.
   c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company's website to reduce costs to shareholders.”

Proponent: Green Century Capital Management.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

12. Company: International Business Machines

Resolution: “[T]he shareholders of IBM (“IBM” or “the Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code, including the following:

a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

b. Identification of the person or persons in the Company who participated in making the decisions to contribute; and,

c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”

**Proponent:** International Brotherhood of Teamsters.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

13. **Company:** J.P. Morgan Chase & Company

**Resolution:** “[T]he shareholders of JP Morgan Chase & Co. (‘JP Morgan’ or the ‘Company’) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the organizations described above;

b. Identification of the person or persons in the Company who participated in making the decisions to contribute;

c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the Board of Directors’ Audit Committee or other relevant oversight committee, and posted on the Company’s website.”

**Proponent:** AFL-CIO.
**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

14. **Company:** Monsanto Company

**Resolution:** “The shareholders of BellSouth (the "Company") hereby request that the Company provide a report updated semi-annually, disclosing the Company's:

Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the persons described above; and

b. The business rationale for the Company’s political contributions.

This report shall be posted on the Company’s website to reduce costs to shareholders.”

**Proponent:** Adrian Dominican Sisters.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

15. **Company:** Pfizer Inc.

**Resolution:** “[T]he shareholders of Pfizer (“Pfizer” or “the Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:

a. An accounting of the Company’s funds that are used for political contributions or expenditures as described above;

b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and

c. The internal guidelines or policies, if any, governing the Company’s political contributions and expenditures.
This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the Company’s Website to reduce costs to shareholders.”

Proponent: International Brotherhood of Teamsters.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

16. Company: Schwab (Charles) Corporation

Resolution: “[T]he shareholders of The Charles Schwab Corporation (“Charles Schwab,” “Schwab” or the “Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following;

   a. An accounting of the Company’s funds contributed to any of the organizations described above

   b. Identification of the person or persons in the Company who participated in making the decisions to contribute; and

   c. The internal guidelines or policies, if any, governing the Company’s political contributions

This report shall be presented to the Board of Directors’ Audit Committee or other relevant oversight committee, and posted on the Company’s website.”

Proponent: International Brotherhood of Teamsters.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

17. Company: Target Corporation

Resolution: “[T]he shareholders of Target Corporation (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

(1) Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
(2). Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(l)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(l)(B) of the Internal Revenue Code. The report shall include the following:

a. An accounting of the Company’s funds that are used for political contributions or expenditures as described above;

b. The general business rationale for the Company’s political contributions and expenditures; and

c. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”

Proponent: Firefighters’ Pension System of the City of Kansas City, Missouri.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

18. Company: Union Pacific Corporation

Resolution: “[T]he shareholders of Union Pacific hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

a. An accounting of the Company’s funds contributed to any of the persons or organizations described above;

b. Identification of the person or persons in the Company who participated in making the decisions to contribute.

c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the board of directors’ audit committee or other relevant oversight committee, and posted on the company’s website to reduce costs to shareholders.”
Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

19. Company: Verizon Communications

Resolution: “The shareholders of Verizon Communications, Inc. (the Company) hereby request that the Company provide a report updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:

   a. An accounting of the Company’s funds contributed to any of the persons described above;

   b. The business rationale for the Company’s political contributions; and

   c. Identification of the person or persons in the Company who participated in making the decisions to contribute.

This report shall be posted on the company’s website to reduce costs to shareholders.”

Proponent: Domini Social Investments.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

20. Company: Wachovia Corporation

Resolution: “[T]he shareholders of Wachovia (“Wachovia” or the “Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:

1. Policies and procedures for political contributions (both direct and indirect) made with corporate funds.

2. Monetary and non-monetary contributions to political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code including the following:
a. An accounting of the Company’s funds contributed to any of the organizations described above;

b. Identification of the person or persons in the Company who participated in making the decisions to contribute;

c. The internal guidelines or policies, if any, governing the Company’s political contributions.

This report shall be presented to the Board of Directors’ Audit Committee or other relevant oversight committee, and posted on the Company’s website.

Proponent: AFL-CIO.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[T]he shareholders of Wal-Mart Stores, Inc. ("Wal-Mart" or "the Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:
1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:
   a. An accounting of the Company’s funds that are used for political contributions or expenditures as described above;
   b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and,
   c. The internal guidelines or policies, if any, governing the Company’s political contributions and expenditures.

This report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee, and posted on the Company’s website to reduce costs to shareholders.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.
22. **Company:** Washington Mutual Inc.

**Resolution:** “[T]he shareholders of Wal-Mart Stores, Inc. ("Wal-Mart" or "the Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:
1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary political contributions and expenditures not deductible under section 162 (e)(1)(B) of the Internal Revenue Code, including but not limited to contributions to or expenditures on behalf of political candidates, political parties, political committees and other political entities organized and operating under 26 USC Sec. 527 of the Internal Revenue Code and any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution if made directly by the corporation would not be deductible under section 162 (e)(1)(B) of the Internal Revenue Code. The report shall include the following:
   a. An accounting of the Company’s funds that are used for political contributions or expenditures as described above;
   b. Identification of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure; and,
   c. The internal guidelines or policies, if any, governing the Company’s political contributions and expenditures

This report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee, and posted on the Company’s website to reduce costs to shareholders.”

**Proponent:** Harrington Investments with co-filers Progressive and Nancy Cleminshaw.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

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**XVII. SUSTAINABILITY REPORTING**

1. **Company:** Dean Foods Company

**Resolution:** “Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by September 1, 2006.”

**Proponent:** New York City Pension Funds.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

2. **Company:** Kellogg Company
Resolution: “Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by September 1, 2006.”

Proponent: New York City Pension Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

3. Company: Kroger Company

Resolution: “[S]hareholders request the Board of Directors prepare, at reasonable expense and omitting proprietary information, a Sustainability Report. A summary of the report should be provided to shareholders by December 2006.”

Proponent: General Board of Pension and Health Benefits of the United Methodist Church.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “[Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by September 1, 2006.”

Proponent: New York City Pension Funds and Connecticut Retirement Plans and Trust Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.


Resolution: “Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by December 2006.”

Proponent: General Board of Pension and Health Benefits of the United Methodist Church, and Connecticut Retirement and Trust Funds.

ACIR Recommendation: ACIR recommended that the College vote in favor of the above resolution.

XVIII. TOBACCO
1. **Company:** Altria Group Inc.

**Resolution:** Asked that “within six months of this annual meeting, this company shall voluntarily undertake a campaign aimed at African Americans apprising them of the unique health hazards to them associated with smoking menthol cigarettes, including data showing the industry descriptors such as ‘light’ and ‘ultralight’ do not mean those who smoke such brands will any less likely to incur diseases than those who smoke regular brands.”

**Proponent:** Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

2. **Company:** Altria Group Inc.

**Resolution:** Asked “that the board commit the Company within six months of the annual meeting to voluntarily establish New York’s cigarette fire safety regulatory criteria as the standard for all the cigarettes that are produced for sale in the United States, Puerto Rico and all U.S. protectorates.”

**Proponent:** Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote in favor of the above resolution.

3. **Company:** Altria Group Inc.

**Resolution:** Asked “that, since a combination of laws against smoking in public places as well as tax increases have been shown to demonstrably reduce smoking, especially among young people, the Company make as public policy a commitment to support legislation at all levels of local, regional, state and federal government which is geared to that end. Furthermore, the Company shall also support all efforts to repeal existing preemption laws limiting local smokefree air ordinances.”

**Proponent:** Sinsinawa Dominican and Catholic Health Care Initiatives, affiliated with the Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote to abstain on the above resolution.

4. **Company:** Altria Group Inc.

**Resolution:** Asked “that having now acknowledged hazards due to [secondhand smoke - SHS] until the present Code is changed, that Altria/Philip Morris refrain from any action that would maintain the existing law (expected to have expired March 31, 2006), and voluntarily make on its
website and to all requesting physicians, nurses, dentists and other medical personnel, questionnaires for their patients that include their past and present exposure to SHS.”

**Proponent:** Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote **to abstain on** the above resolution.

5. **Company:** Loews Corporation

**Resolution:** Asked “that, since a combination of laws against smoking in public places as well as tax increases has been shown to demonstrably reduce smoking, especially among young people, the Company make as public policy a commitment to support legislation at all levels of local, regional, state and federal government that is geared toward that end. Furthermore, the Company shall also support all efforts to repeal existing preemption laws limiting local smoke-free air ordinances.”

**Proponent:** Sinsinawa Dominican and Catholic Health Care Initiatives, affiliated with the Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote **to abstain on** the above resolution.

6. **Company:** Reynolds American

**Resolution:** Asked “ACIR recommended that the College vote **to abstain on** the above resolution.

**Proponent:** Sinsinawa Dominican and Catholic Health Care Initiatives, affiliated with the Interfaith Center on Corporate Responsibility.

**ACIR Recommendation:** ACIR recommended that the College vote **to abstain on** the above resolution.

7. **Company:** Reynolds American

**Resolution:** Asked that “the outside Directors of Reynolds American Tobacco Company, within six months of the annual meeting, initiate and oversee an independent analysis of those who begin smoking its flavored brands, to be completed within a year. If more than 20 percent of the new initiates are youth, they shall ask the Company to cease immediately all testing, development and marketing of flavored cigarettes.”

**Proponent:** Province of St. Joseph of Capuchin Order.

**ACIR Recommendation:** ACIR recommended that the College vote **in favor of** the above resolution.