DARTMOUTH COLLEGE
ADVISORY COMMITTEE ON INVESTOR RESPONSIBILITY

ANNUAL REPORT TO THE DARTMOUTH COMMUNITY
2007

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I. EXECUTIVE SUMMARY

1. Overview

The Dartmouth College Advisory Committee on Investor Responsibility (“ACIR”) completed its fourth full year of operation in 2007 since it was convened by President James E. Wright in 2003. The principal mission of ACIR is to review proxy resolutions relating to important social issues and to make recommendations to Dartmouth – through the College’s 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 2006 and early 2007 to prepare for the 2007 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, 2007 and ending in late May, ACIR met on a weekly basis to review proxy resolutions.

During the 2007 proxy season, ACIR continued to employ several voting policies. ACIR continued its previous policy of recommending that the College vote in favor of all proxy resolutions requesting companies to issue reports to shareholders on their web sites detailing political contributions. On the other hand, ACIR agreed that it would recommend that Dartmouth vote to oppose all proxy resolutions requesting companies to publish in newspapers information regarding political contributions, which marked a reversal from its previous practice of recommending abstention on such resolutions. Pursuant to these
policies, ACIR made recommendations on 26 proxy resolutions. ACIR also adopted voting policies that resulted in its recommending that the College vote in favor of all sustainability reporting resolutions that met certain conditions and in favor of all resolutions requesting charitable contributions transparency with the exception of one unusual proxy resolution. The voting policy regarding charitable contributions resolutions also marked a change in ACIR’s historical approach to such resolutions. Pursuant to these policies, ACIR made recommendations on 10 sustainability reporting proxy resolutions and 6 charitable contributions proxy resolutions.

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.

In 2007, ACIR made recommendations to the Dartmouth College Investment Office on the voting of 110 proxy resolutions. These proxy resolutions dealt with the following social issues subject areas: affirming political non-partisanship and prior government service, animal welfare, banking issues, bio-engineering, charitable contributions, defense contracting, miscellaneous environmental issues, equal employment opportunity and fair employment in Northern Ireland, global climate change, global labor standards, health and pharmaceutical company issues, human rights, linking executive compensation to social criteria, political contributions, sustainability reporting, tobacco sales and advertisement, and several resolutions that are best characterized as miscellaneous. 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 2007.

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<th>Issues</th>
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Section II 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. These recommendations included adding 8 companies to the list of publicly traded companies that the College would refrain from owning shares in and removing 2 companies from the existing screened list due to changed circumstances. The companies that ACIR recommended the College to add to the list of those companies it would not directly own were: 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. The companies that ACIR recommended the College to remove from the list of screened companies were ABB Ltd. and Greater Nile Petroleum Operating Company Ltd.

In November, 2006, ACIR was informed that its latest recommendations had been accepted. Currently there are 12 companies with significant oil extraction or oil extraction infrastructure support activities in Sudan that the College will not directly own shares in. The ACIR subcommittee charged with periodically reviewing the status of companies operating in Sudan plans to make additional recommendations to ACIR in early 2008 that will propose the removal of several companies from the College’s screened list and the addition of several companies to this list.

4. Public Forum

On May 9, 2007, ACIR hosted its fourth 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 global climate change, various environmental management and reporting issues, animal welfare and human rights. In addition, ACIR provided an update on the College’s responses to
ACIR’s various recommendations on divestment issues. Unfortunately, ACIR’s 2007 public forum was not well attended by the Dartmouth community, as was the case in 2006.

ACIR continues to believe that input from and interaction with the Dartmouth community will assist it in remaining true to its mission. Despite low turnout, ACIR will continue to seek ways of engaging the Dartmouth community.

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 RiskMetrics Group, 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 foundations, unions, religious organizations, pension funds, and educational institutions across the country. ACIR believes that it accomplished much in 2007, both with regard to the 110 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 2008, and it looks forward to the coming year.
II. Membership 2007

There were twelve voting members of ACIR for the 2007 year. All ACIR members are appointed by President James E. Wright. In 2007, ACIR members came from the College’s faculty, administration, undergraduate and graduate schools, and alumni.

In 2007, Lindsay J. Whaley, Associate Dean for International and Interdisciplinary Studies and Professor of Linguistics and Cognitive Science, served as Chair of ACIR for the second year. ACIR’s other members included: Errik Anderson, Tuck ’07; Courtney R. Banghart, Dartmouth ’00 and Assistant Coach for Women’s Basketball; Nancy Block, Tuck ’07; John M. Carey, Professor of Government and Wentworth Professor in the Social Sciences, Department of Government; Daniel R. Lynch, MacLean Professor of Engineering Science, Thayer School of Engineering; Kevin D. O’Leary, Associate General Counsel; John E. Shellito, Dartmouth ’07; Charles R. Sherman, Dartmouth ’66; Niral T. Shah, Dartmouth ’08; Beth B. White, Investment Analyst, Dartmouth College Office of Investments; Lora G. Wise, Executive Assistant to the Executive Vice President for Finance and Administration. Finally, for the fourth year 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 2007 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. In 2006 and 2007, ACIR reaffirmed its commitment to its abstention policy. ACIR’s Abstention Policy is posted on ACIR’s web site at http://www.dartmouth.edu/~finance/committees/acir-disclosure.html. In 2007, ACIR recommended that Dartmouth vote to abstain on five proxy resolutions pursuant to this policy.

2. Political Contributions Transparency Policy

The second set of voting policies ACIR adopted related to its recommendations on proxy resolutions which requested disclosure of political contributions. These policies were consistent with similar policies adopted by ACIR in 2006.

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. There were three distinctly different resolutions that requested political contributions transparency. With a new type of resolution, a number of new members, and the availability of more information about the acceptance and efficacy of the shareholder movement for political contributions transparency,1 ACIR revisited its political contributions transparency policy. As a result, in 2006 ACIR agreed to recommend that the College vote in favor of two of the three different forms of the political contributions transparency resolutions and to recommend that the College vote to abstain on the third type of political contributions transparency resolutions. The different types of resolutions are described more thoroughly below.

In 2007, ACIR again revisited the policies it had adopted regarding recommendations for the voting of political contributions transparency resolutions. As in 2006, there were three different types of resolutions dealing with political contributions transparency proposed in 2007.

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.2 In 2007, proponents of this

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1 The Investor Research Responsibility Center Background Report on Political Contributions and Related Issues, dated February 14, 2007, 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, according to the Center for Political Accountability, thirty-three major companies now report their political contributions on their web sites, in large part due to the shareholder campaign for transparency of such contributions. Corporate Governance Newsletter (January 14, 2008). The Wall Street Journal, p. R4. See also ISS Corporate Social Issues Report, May 2007, page 11.
political contributions transparency resolution, which will be referred to as Resolution Type I, included pension funds, asset management firms, and unions. This type of resolution stated:

“\text{The shareholders 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."

\textbf{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 trade associations. Proponents included pension funds and unions. This resolution, which will be referred to as Resolution Type II, was first proposed in 2006. Resolution Type II stated:

“\text{The shareholders 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."

C. Resolution Type III

The third type of proxy resolution dealing with political contributions was proposed by Evelyn Y. Davis, an individual investor with a longtime interest in this area, to shareholders of Lehman Brothers Holdings Inc. and Merck & Co. This resolution, which will be referred to as 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

During its December 7, 2006 meeting, ACIR discussed the pros and cons of recommending support for all three types of resolutions. Concerns that had been raised in the past were revisited, including the potential burden being imposed on companies asked to track funds used by trade associations, requesting public disclosure of the identities of individuals with decision-making authority regarding political contributions, and whether the Resolution Type III 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 much more sensible and cost-effective approach. Regardless of the concerns raised about each of the types of political contributions resolution, there was consensus in ACIR 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 and the current 2008 election cycle.

Based on its discussions, ACIR voted unanimously to recommend that Dartmouth vote to support Resolution Types I and II during 2007. Although ACIR noted its prior support of the Resolution Type III in 2005 and its decision to recommend abstention on all such resolutions in 2006, ACIR agreed that it would recommend that Dartmouth vote to oppose all such Resolution Type III resolutions during 2007. Pursuant to this policy, ACIR recommended that Dartmouth vote in favor of 24 resolutions and to oppose 2 resolutions in 2007.

3. Charitable Contributions Resolutions Policy

In 2007, ACIR also decided to consider adopting a policy on recommending uniform voting on resolutions requesting disclosure of a company’s charitable contributions. As of March 2007, when ACIR discussed adopting such a policy, Dartmouth College held shares in 7 companies where such resolutions were pending. Six of these companies had resolutions pending that were proposed by the National Legal and Policy Center. ACIR discussed
whether the real intent of the proponent was to prevent the making of contributions to certain organizations, and whether this was important. Alternatively, the committee discussed whether the plain language of the resolution should be the primary focus. The committee discussed the various issues surrounding the making of charitable contributions by public companies, including the lack of any legal requirement of disclosure, transparency, business risks associated with disclosure, whether companies should be required to provide the rationale for each gift, benefits accruing to public companies from making such gifts, and others. Despite ACIR’s history of recommending opposition to charitable contributions transparency resolutions, a majority to the committee agreed that it was not unreasonable to ask public companies to provide the rationale for making charitable contributions. Therefore, ACIR recommended that the College vote in favor of all resolutions requesting charitable contributions transparency in 2007.

It should be noted that there was one charitable contributions transparency resolution in 2007 that ACIR did not recommend support for. This was a resolution proposed by National Legal and Policy Center to shareholders of The Goldman Sachs Group. The plain language of the resolution was similar to the language in the resolutions ACIR recommended support for. However, further research indicated that the motives of the proponent appeared to be distinguishable from the motives of the other charitable contributions transparency resolutions. Specifically, ACIR believed that the proponent had objected to Goldman Sachs’ purchase and subsequent gift of a vast tract of land in Chile to the Wildlife Conservation Society. Because ACIR agreed that the proponent was primarily seeking to embarrass Goldman Sachs by requesting this disclosure, ACIR recommended that the College vote to oppose the resolution.

4. Sustainability Reporting Resolutions Policy

In 2007, ACIR also decided to adopt a policy regarding the making of recommendations on resolutions requesting sustainability reporting. ACIR noted that it had always recommended support for such resolutions except in one special case several years prior. ACIR discussed the Global Reporting Initiative (“GRI”) guidelines, which were identified and recommended to companies to use in a majority of the ten resolutions before the committee. ACIR discussed the short and long-term benefits of sustainability reporting. ACIR also noted the benefits of using the standard methodology proposed by the
GRI as a tool for comparison and to reduce compliance costs. ACIR agreed that there were some shortcomings in the GRI guidelines, but was overall supportive of the use of the GRI guidelines. ACIR noted that Dartmouth College could probably not report using the GRI format given its complexity, but it also noted that Dartmouth College is rated – and rated highly - by organizations using different sustainability measures. ACIR discussed the so-called triple bottom line that sustainability sought to achieve: an accurate measure of economic, environmental and social impacts. ACIR also discussed whether it was more prudent to review these resolutions on a case-by-case basis. Ultimately, ACIR was unanimous in recommending that the College vote in favor of all sustainability reporting resolutions absent unusual circumstances to be identified by ACIR’s Executive Administrator.

On the other hand, the committee did identify one resolution that it agreed should be treated differently. This was a resolution proposed by Free Enterprise Action Fund to shareholders of The Goldman Sachs Group requesting a sustainability report. The proponent indicated in its supporting statement that it believed that Goldman Sachs should rethink its environmental policy and focus on making money for its shareholders. ACIR discussed efforts made by Goldman Sachs to take measures aimed at achieving sustainability and reporting to its shareholders and the public on those efforts, including a $1.5B investment in “clean energy” in 2006. Based on what ACIR agreed amounted to a good faith effort by Goldman Sachs to report on its sustainability measures and goals, ACIR recommended that Dartmouth College vote to abstain on the resolution. ACIR did not recommend opposition to the resolution because it continued to believe that the great majority of sustainability reporting resolutions were productive.

IV. 2007 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 and Report on Prior Government Service

ACIR reviewed one proxy resolution pending at The Home Depot Company in which the proponent, Evelyn Y. Davis, an individual shareholder, requested that Home Depot 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 that the College vote in favor of the identical resolution proposed to shareholders of The Home Depot Company in 2005 and 2006 and to shareholders of ExxonMobil Corporation in 2004 and 2005. While ACIR again noted that it was questionable that some of the alleged activities were actually occurring, ACIR agreed that, regardless of whether they were occurring or not, Home Depot should publicly agree that the activities described in the resolution were explicitly prohibited. Since the U.S. is currently in the midst of the 2008 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.

The resolution received shareholder support of 10.5%, down from 12% in 2005. The proponent has refiled the resolution for 2008.
ACIR reviewed another resolution proposed by Evelyn Y. Davis to shareholders of Citigroup Inc. in which the company was asked to annually provide its shareholders with lists of employees who had previously worked in a variety of governmental and regulatory positions. ACIR discussed the purposes of the resolution and questioned whether Citigroup was really an appropriate target for the resolution. ACIR felt that this resolution might be more appropriately filed with, for example, a defense contractor or a pharmaceutical company. ACIR also noted the existence of federal laws regulating the movement of employees from the public to the private sector, and it noted that there were regulations addressing movement of public officials to the banking sector. ACIR also noted, however, that the resolution sought transparency and reporting, concepts that it has generally been supportive of. Although the committee was unable to reach consensus regarding the resolution, a majority of the committee voted to recommend opposition to the resolution.

The resolution garnered shareholder support of 5.7%. Ms. Davis has also resubmitted this resolution for 2008.

2. Animal Welfare

ACIR reviewed eight animal welfare-related resolutions in 2007, down from twelve resolutions in both 2005 and 2006. Each of these resolutions was brought by People for Ethical Treatment of Animals (PETA), an animal rights organization. ACIR reviewed three different proxy resolutions that PETA proposed to six companies that employ animal testing for various purposes.

The first PETA resolution ACIR reviewed was proposed to shareholders of Pfizer Inc., Eli Lilly & Co. and Wyeth Corp. This resolution asked the companies to report on the feasibility of amending their Animal Care and Use Policies to ensure that these policies: i) extend to all contract laboratories and are reviewed regularly, and ii) “address animals’ social and behavioral needs.” In addition, the resolution requested that the companies report on adherence by in-house and contract laboratories to the companies’ Animal Care and Use Policies and on “the implementation of enrichment measures.”

ACIR noted its prior support of this resolution in 2006. ACIR discussed the differences between laboratories certified by Association for the Assessment and Accreditation of Laboratory Animal Care (“AAALAC”) and those not so certified. The great expense associated with AAALAC certification and compliance was noted. ACIR also compared the differences between AAALAC’s
Several members were uncomfortable with the language of the resolution. Specifically, some members found it difficult to support a resolution that asked the companies to “address animals’ social and behavioral needs” when those needs were undefined and, even if defined, were perhaps inconsistent with the purposes for which the animal testing was required. In addition, several members were uncomfortable with the use of the term “enrichment measures” when that was also undefined and very difficult to measure. Finally, a number of ACIR members felt that the resolution failed to seek to balance benefits against costs. For these reasons, a majority of ACIR voted to recommend that Dartmouth College oppose the resolution.

These resolutions at Pfizer Co., Eli Lilly & Co. and Wyeth Corp. received shareholder support of 7.3%, 4.2% and 6%, respectively.

The second type of PETA resolution ACIR reviewed dealt with the use of overseas laboratories for animal testing and was proposed to shareholders of Pfizer Co. and Eli Lilly & Co. ACIR noted that it is increasingly common for pharmaceutical companies to off-shore animal testing for a variety of reasons, both economic and other. PETA is concerned that the increasing use of animal testing facilities abroad will lead to animal abuse because it believes that many of the countries that host such facilities have poor animal welfare laws and regulations. ACIR noted that this resolution seemed to be aimed at the use or potential use by the companies of animal testing facilities in China. ACIR noted that facilities in Europe probably have animal welfare standards similar to those mandated by U.S. law, but the committee questioned China’s laws in this regard. One committee member objected to the proponent’s assumption that foreign countries would permit “substandard animal care,” again identifying problems with the wording of the resolution. ACIR was unable to reach a consensus. A majority of members voted to recommend that the College oppose the resolution.

These resolutions at Pfizer Co. and Eli Lilly & Co. received shareholder support of 8.5% and 3.8%, respectively.

Finally, ACIR reviewed a third type of animal welfare resolution proposed by PETA to shareholders of Altria Group Inc., Amgen Inc. and Chevron Corporation. This resolution requested that the companies adopt and post online Animal Welfare Policies online 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 who continue to be used for these purposes, both by the companies and third-party laboratories. The policies were to include provisions “to ensure that animals’ psychological, social and behavioral needs are met,” and the resolution also sought annual reports reporting on adherence to the Policies and an update on the “implementation of the psychological enrichment measures.”

ACIR noted that both Altria Group and Chevron appeared to lack animal welfare policies, which several members thought was unreasonable. On the other hand, ACIR noted that Amgen Inc. did indeed have an animal welfare policy and that its policy appeared to be appropriate and thorough. Several ACIR members were again uncomfortable with the wording used by PETA in the resolution. Other members did not object to the resolution despite language that all members agreed could be improved. Because ACIR could not reach an agreement on the Altria Group and Chevron Corp. resolutions, ACIR recommended that Dartmouth College vote to abstain. Although ACIR was not unanimous, ACIR recommended that the College vote to oppose the resolution at Amgen Inc., primarily because the company did in fact have an animal welfare policy in place.

The resolutions received the following shareholder support:

- Altria Group Inc. 4.0%
- Amgen Inc. 6.2%
- Chevron Corp. 7.3%

At the date of the writing of this report, PETA has refiled all three of the above types of animal welfare resolutions at several large companies. This ensures that ACIR will be addressing these animal welfare resolutions again in 2008.

3. Banking Issues

ACIR reviewed one resolution in 2007 that addressed banking issues. This resolution was proposed to shareholders of Wells Fargo & Co. by a public policy advocacy group and Northstar Asset Management Group, a socially responsible investment (“SRI”) fund. The resolution requested Wells Fargo to report on racial and ethnic disparities in the cost of loans provided by the company by and to respond to several specific questions regarding that issue.
ACIR discussed the nature of the issues implicated by the resolution, the history of ACIR’s voting on identical or similar resolutions, the breadth of the information requested by the resolution, whether the requests in the resolution were appropriate for a public bank, the importance of Home Mortgage Disclosure Act factual data, and ACIR’s issues with the language of the resolution. Although numerous members objected to the language in parts of the resolution, ACIR agreed that what was requested in part (1) of the resolution was appropriate. ACIR was unanimous in recommending that Dartmouth College vote in favor of this resolution.

The resolution received shareholder support of 8.3%. Northstar Asset Management has resubmitted the same resolution for 2008.

4. **Bio-Engineering**

ACIR reviewed four resolutions that addressed bio-engineering issues in 2007.

The first two bio-engineering resolutions reviewed by ACIR were identical and were brought by various religious orders associated with the Interfaith Center on Corporate Responsibility. The recipient companies were E.I. Du Pont DeMours and Dow Chemical. This first resolution asked the two companies to review and report to shareholders on the companies “internal controls related to potential adverse impacts associated with genetically engineered organisms, including: adequacy of current post-marketing monitoring systems; adequacy of plans for removing [genetically engineered seed from the ecosystem should circumstances so require; possible impact on [the companies’] seed product integrity; and effectiveness of established risk management processes for different environments and agricultural systems such as Mexico.”

ACIR discussed at length the issues raised by genetically modified (“GM”) crops and food. ACIR discussed the companies’ actions in complying with the resolutions’ requests. It noted that the E.I. Du Pont DeMours mostly sold seeds and that Dow Chemical was a much smaller manufacturer than Du Pont. ACIR also questioned the companies’ role in monitoring post-market sales of their products. ACIR discussed potential liability for contamination by cross-pollination. As it had in prior years, ACIR also discussed the conflicting
regulatory roles played by various federal agencies including the Food and Drug Administration (“FDA”), the United States Department of Agriculture (“USDA”), and the Environmental Protection Agency (“EPA”). ACIR also discussed its prior history of supporting and opposing bio-engineering resolutions. Ultimately a majority of ACIR members voted to recommend opposition to both resolutions.

Both of these bio-engineering resolutions received 7% shareholder support. It appears that the resolution has been resubmitted at Dow for another vote in 2008, but it has not been resubmitted at Du Pont.

The third and fourth bio-engineering resolutions reviewed by ACIR were also identical and were proposed by various religious orders and the Camilla Madden Trust to shareholders of McDonald’s Corporation and Safeway Inc. These resolutions asked McDonald’s and Safeway to adopt policies to “label all food products manufactured or sold under brand names or private labels that may contain genetically engineered ingredients or products of animal cloning.”

ACIR noted that it had never reviewed a resolution dealing with animal cloning, and it noted that this concern seemed to be a bit farfetched since food from cloned animals has not been approved for consumption in the U.S., although the FDA has been studying this issue since 2001.3 Several ACIR members felt that the labeling requirements sought by the proposals were unduly burdensome and expensive for the companies, and that such labeling might be construed by consumers as a warning, although there appears to be no evidence that GM-food products are in any way harmful to humans. ACIR also noted that McDonald’s was the first fast food company to voluntarily label the contents and nutritional values of its products, and it noted that, in this regard, McDonald’s was a leader in such disclosure and could potentially be a leader in the GM-food products realm. ACIR noted the proponents’ protests that the FDA is understaffed, but it queried whether the proponents’ complaints would be more appropriately directed at the FDA, the EPA and the USDA, those regulatory bodies charged with monitoring GM-food products. ACIR also discussed the fact that many companies, including McDonald’s and perhaps Safeway, manage to avoid using GM-food products in Europe and Japan, where opposition to GM-products remains strong. ACIR discussed whether this

3 Note, however, that on January 15, 2008, the FDA announced that it had concluded that meats and milk from cloned cattle, swine and goats, and from their offspring, was as safe to eat as conventionally bred animals. See http://www.fda.gov/cvm/cloning.htm.
opposition is borne of health or competitive concerns, or both. While ACIR could not reach consensus on its recommendation, a majority of members agreed that the resolutions’ requests would place the subject companies at an unfair competitive disadvantage. Therefore, ACIR recommended that Dartmouth College vote to oppose the resolutions.

The bio-engineering resolution at McDonald’s Corporation received 7% shareholder support, and the bio-engineering resolution at Safeway Inc. received 7.6% shareholder support. As of this date, neither of the resolutions was refiled in 2008.

5. **Charitable Contributions**

As noted on pages 14 to 15 above in this report, ACIR adopted a policy on recommending the voting of proxy resolutions seeking charitable contributions transparency. Pursuant to that policy, the committee recommended that the College vote in favor of six charitable contributions transparency resolutions pending at the following companies with the following results:

- Citigroup Inc. 9.0%
- General Electric Co. 8.2%
- PepsiCo Inc. 7.5%
- The Boeing Company 10.4%
- Verizon Communications 14.3%
- Wal-Mart Stores, Inc. 2.7%

ACIR did recommend that Dartmouth College vote to oppose a charitable contributions resolution pending at The Goldman Sachs Group. The reasons for this recommendation are described on page 15. The Goldman Sachs charitable contributions resolution received shareholder support of 7.2%.

6. **Defense Contracting**

ACIR reviewed two shareholder-initiated proxy resolutions dealing with military defense contracting issues.
The first resolution was proposed by The Sisters of Charity of the Blessed Virgin Mary to shareholders of General Electric Company. The resolution requested that the company’s Board:

“review and if necessary amend and amplify [the] Company’s code of conduct and statement 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.”

ACIR discussed the propriety of asking the company to amend and amplify its code of conduct if necessary. ACIR noted that this particular proponent had requested this action from all defense contractors. ACIR noted that General Electric is the 14th largest defense contractor in the U.S. with contracts worth $2.2B in 2006. ACIR questioned whether it was fair to make a distinction between components of weapons and the finished products. ACIR noted that all engines are built to specification and are not simply fungible goods. ACIR noted the difference in scale of size of the company’s defense contracts to that of Lockheed Martin and Boeing. Some ACIR members felt that asking for ethical considerations in a company’s policy was positive and could lead to beneficial results. It was pointed out that companies targeted for divestment because of their operations in Sudan quite possibly would not be facing divestment by shareholders if they had had in place codes of conduct with ethical considerations. ACIR noted that the U.S. government does regulate the sale of arms and arms components to foreign countries but acknowledged inherent imperfections in this regulation. A majority of the ACIR members felt that asking a company to have ethical guidelines when dealing with foreign countries was desirable. Therefore, ACIR recommended that the College vote in favor of the resolution.

This resolution garnered 7.9% shareholder support. Several religious orders have resubmitted the resolution for 2008.

The second military defense contracting resolution reviewed by ACIR in 2007 was one proposed by the Congregation of the Passion to shareholders of Northrop Grumman. This resolution requested the company to prepare a report for shareholders describing all of its foreign sales of weapons-related products and services.

ACIR noted that Northrop Grumman is required to provide the requested information to Congress, although not all of that information is made public.
ACIR discussed the federal government’s regulation of arms sales, and some members questioned whether such regulation was adequate. ACIR questioned whether this request is more appropriately leveled at Congress than Northrop Grumman. Several members felt that the resolution was reasonable and agreed that shareholders had the right to ask for this information. A majority of the committee voted to recommend support for the resolution.

The resolution received shareholder support of 6.2%. The Congregation of the Passion has also resubmitted this resolution for another vote in 2008.

7. Environment Issues: Miscellaneous

Every year ACIR reviews numerous shareholder-initiated proxy resolutions that address a variety of different environmental management and reporting issues. ACIR made recommendations on the voting of fourteen such resolutions in 2007.

A. Dow Chemical and Bhopal

ACIR reviewed a resolution proposed by Amnesty International and New York City Pension Funds to shareholders of The Dow Chemical Company asking the company to report “descriptions of any new initiatives instituted by management to address specific health, environmental and social concerns of Bhopal, India survivors.” In 1984, a pesticide plant in Bhopal, India, which was 50.9 percent owned by Union Carbide India Ltd. (UCIL), leaked 40 tons of toxic gas, killing more than 14,000 people and exposing 500,000 more. (At the time, Dow had no ties to the facility or companies linked to the incident. Union Carbide became a wholly owned subsidiary of Dow in 2001.) Religious proponents filed the same resolution at Dow in 2004 and received 6.1 percent support. The proponents tried filing a different resolution on Bhopal in 2005, only to have it omitted on ordinary business grounds. They returned to the 2004 resolution last year, and Dow unsuccessfully challenged it in 2005 and 2006 under a new interpretation of the shareholder proposal rule that allows companies to omit resolutions on environmental and health questions that raise the question of business risk.

ACIR noted that it had supported this resolution in 2004. ACIR discussed the complicated history of the Bhopal disaster, the 1989 $470M settlement
between Union Carbide and India, the 2001 acquisition of the facility by India in 1998, and Dow Chemical’s acquisition of Union Carbide in 2001. ACIR questioned whether the company should be held responsible for actions by Union Carbide more than 20 years ago. ACIR also noted the proponents’ reliance on recent communications between the company and India as evidence that the company still felt some responsibility and that liability lingered. ACIR members agreed that preparing a report would produce nothing but a firm denial of any responsibility or liability on the part of the company. A majority of ACIR members voted to recommend opposition to the resolution.

The resolution received shareholder support of 8.9%

B. Dow Chemical Company and Asthma Triggers

ACIR reviewed another resolution proposed to shareholders of Dow Chemical by Trillium Asset Management, an SRI fund, asking the company to “[analyze] the extent to which Dow product categories may cause or exacerbate asthma, and [describe] public policy initiatives, and Dow policies and activities, to phase out or restrict materials linked with such effects.” A similar proposal brought by the same proponent in 2006 garnered shareholder support of 5.8%.

ACIR agreed that this resolution was similar to others it has recommended opposition to because the resolution was essentially asking Dow to prepare a scientific report. Most ACIR members felt that the issue of what chemicals may trigger asthma is a regulatory issue, not a question for the company. ACIR agreed that the proponent should more appropriately seek government analysis of whether pesticides increase asthma rates. For these reasons, ACIR recommended that Dartmouth College vote to oppose the resolution.

This resolution received 6.8% shareholder support.

C. Dow Chemical and Remediation at Midland, Texas Site

ACIR reviewed a third resolution filed at Dow Chemical by Sisters of Mercy, a religious order, requesting the company to summarize the pace and efficacy of the environmental remediation process being undertaken by the company in the vicinity of and downstream from its Midland headquarters. Of particular concern to the proponent was the amount of dioxin found
downstream from the Midland plant and actually in the bodies of nearby residents. The proponent was also very concerned that delays in the remediation of dioxin in the environment would lead to “increased long term liabilities and reputational damage” for the company.

ACIR agreed that this resolution was primarily intended to request regular reports from the company detailing its remediation efforts relating to dioxin contamination at its Midland facility. ACIR noted that the company makes a somewhat compelling case that it is currently working with the State of Michigan’s Department of Environmental Quality to construct a thorough remediation plan. However, a majority of ACIR members agreed that requesting the report was reasonable in light of the company’s culpability and that issuing the requested report would promote transparency. Therefore, ACIR recommended that Dartmouth College vote in favor of the resolution.

This resolution received shareholder support of 22.2%. As of this date, the resolution has not been resubmitted for 2008.

D. ConocoPhillips and the National Petroleum Reserve in Alaska

ACIR reviewed a proxy resolution filed by Green Century Asset Management, an SRI fund, to ConocoPhillips requesting it to report 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 Department of the Interior in 1998. Specifically, the proposal asked the company to prepare a report on the potential environmental damage that would result from drilling in 580,000 acres inside the National Petroleum Reserve-Alaska that the U.S. Department of Interior identified in 1998 as key habitat for caribou and wild geese. In January 2006, the Department of Interior repealed this protection, although a September 2006 federal court decision vacated the ruling. To address deficiencies identified by the court, the Bureau of Land Management is currently preparing a supplemental Environmental Impact Statement that could pave the way for lease sales in 2008. The proponent sought a report from ConocoPhillips on how development in the region might affect neighboring communities and species that inhabit this pristine environment.

ACIR discussed the complicated history of the protection of the National Petroleum Reserve-Alaska and the current state of limbo presented by the federal court’s ruling that the United States Bureau of Land Management must make a proper case for opening up the area for exploration and drilling. ACIR
questioned whether it was fair to ask ConocoPhillips to prepare the requested report in light of the state of uncertainty created by the legal issues yet unresolved. ACIR noted how important drilling in Alaska is to the company’s bottom line. ACIR also noted that more than 25% of shareholders had supported this same resolution in 2006. ACIR was unanimous in recommending that Dartmouth College vote in favor of this resolution.

The resolution garnered 16.7% shareholder support. It has been refiled by Green Century Asset Management for 2008.

E. Reporting on Community Hazards

ACIR reviewed two resolutions brought by several religious orders affiliated with the Interfaith Center on Corporate Responsibility to shareholders of ConocoPhillips and ExxonMobil Corporation. This resolution asked the companies to describe how they ensure for accountability for environmental impacts in all of the communities where they operate. Characterizing communities as the “forgotten stakeholders,” the proponents asked ConocoPhillips to provide communities with information on its emissions to land, water, and soil—both within its permits and in emergency situations. The requested report would also discuss how the companies integrate community environmental accountability into their codes of conduct, and the extent to which their activities have negative health effects on individuals living in low-income areas.

ACIR noted that it had recommended votes in favor of similar resolutions in 2006 in spite of concerns regarding the breadth of the request for reporting. For example, ConocoPhillips operates in 40 countries and ExxonMobil has ownership interests in 40 refineries in 20 countries around the world. In the United States alone, ExxonMobil has interests in seven refineries in five states. ACIR was concerned that the proponents were seeking reports for every single facility in each country where the companies operated, which ACIR agreed was an unduly burdensome request. ACIR also discussed the notion of microreporting, questioned whether too many shareholders were asking for reports, and debated whether supporting a request for a report was in fact an admonition. Some members felt that this provided an opportunity for shareholders to send a message to the companies that they expected it to behave ethically and with transparency at every location in which it operated. Finally, ACIR discussed whether the resolution was intended to shed light on the companies’ activities in areas where local residents were economically
disadvantaged. Despite the concerns identified by ACIR, ACIR unanimously recommended that the College vote to support the resolution.

The resolution at ConocoPhillips received shareholder support of 10%, and the one at ExxonMobil received shareholder support of 9.8%. Both resolutions have been resubmitted for votes in 2008.

F. National Interest Electric Transmission Corridor Reports

ACIR reviewed two resolution filed by the General Board of Pension and Health Benefits of the United Methodist Church at Allegheny Energy and Dominion Resources, two large energy companies, asking the companies to prepare reports evaluating the environmental, health and cultural impacts created by utilizing National Interest Electric Transmission Corridors (“NIETCs”), and how those impacts would differ if certain powerlines were constructed without such utilization.

This was a new resolution in 2007. The resolution was brought because Allegheny Energy’s distribution companies have proposed a new 180-mile overhead 500-kilovolt transmission line from southwestern Pennsylvania through West Virginia to Virginia, and Dominion Virginia Power has proposed a new 65-mile overhead 500-kilovolt transmission line in Northern Virginia. The companies both claimed that these new lines are critical to avoiding controlled rolling blackouts in parts of the Northeast as early as 2011.

ACIR discussed at great length the background of NIETCs and the manner in which this resolution pitted regulation by federal agency against state regulation and control. The committee noted that the RiskMetrics materials suggested that both federal and state reviews would require rigorous examination of environmental, health and cultural impacts created by the construction of the overhead transmission lines proposed by the companies. ACIR noted that the United States Department of Energy has not yet acted upon any requests for an NIETC. ACIR was uncomfortable with the resolutions’ request that the companies prepare reports evaluating how federal review of the projects would differ from state review of the projects given the fact that it is unclear which jurisdiction the projects will ultimately fall under. ACIR also discussed the positive and negative effects of federal versus state regulation, particularly with regard to environmental issues. Ultimately, a majority of ACIR agreed that the resolutions sought reports that were premature and would be
based upon conjecture. Therefore, ACIR recommended that the College vote to oppose both resolutions.

The resolution at Allegheny Energy received shareholder support of 8.2%, and the resolution at Dominion Resources received shareholder support of 6.4%. As of this date, the General Board of Pension and Health Benefits of the United Methodist Church has not refiled either resolution for 2008.

G. E.I. Du Pont DeMours and PFOAs

ACIR reviewed two resolutions put before shareholders of E.I. Du Pont DeMours dealing with a substance known as PFOA. The first resolution was brought by Amalgamated Bank LongView Collective Investment and requested Du Pont to report on the feasibility of phasing out its use of PFOA, a suspected carcinogen. The second proposal was filed by the United Steelworkers, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union and requested a report detailing Du Pont’s annual expenditures for each year from 1996 through 2006, on attorney’s fees, expert fees, lobbying, and public relations/media expenses, relating to the company’s environmental pollution with PFOA and related fluorocarbon compounds or by dioxins, as well as expenditures on actual remediation of contaminated sites.

ACIR reviewed the convoluted history of litigation and regulatory action in connection with Du Pont’s production and use of PFOA and dioxin. ACIR also discussed the biopersistence issue and the fact that PFOA is found in all people. ACIR noted the EPA’s recent pronouncement that PFOA is “likely to be carcinogenic” to humans.

With regard to the first resolution requesting a report on the feasibility of phasing out the use of PFOAs altogether, ACIR noted that the proponent had taken issue with Du Pont’s agreement to sign on to EPA’s 2010/1015 Initiative with regard to producing PFOA, but not with regard to producing PFOA as a byproduct. ACIR noted that Du Pont claimed it was already doing everything asked by the resolution, but ACIR members were not sure this was a fair statement given the byproduct issue. ACIR noted its prior support for this resolution and the shareholder support of 8.7% and the 28.9% support it received in 2005 and 2006, respectively. ACIR was unanimous in agreeing to recommend support for this resolution.
The resolution received shareholder support of 22.9%, and it is again pending for vote in 2008.

With regard to the other PFOA resolution, ACIR noted that it had historically recommended support for similar resolutions seeking accountings of litigation-related expenses in several different contexts at other companies. Some ACIR members were concerned that providing this information to the public would expose the company to potential additional litigation. (Du Pont is already facing almost 2000 dioxin-related lawsuits.) Some ACIR members questioned whether the proponent was bringing this resolution as a means to lay the groundwork for a lawsuit, but others felt that the proponent could get the information it was seeking by filing a lawsuit in any event. ACIR discussed whether shareholders had the right to know what kinds of liabilities the company faced. ACIR was unanimous in agreeing that the resolution was reasonable and that shareholders deserved to be provided with the information requested by the resolution. Thus, ACIR recommended that the College vote in favor of the resolution.

The resolution received shareholder support of 6.2%. The proponent has also resubmitted this resolution to Du Pont for 2008.

H. ExxonMobil and Renewable Energy

ACIR reviewed a resolution filed by Stephen Viederman, former President of the Jessie Smith Noyes Foundation, at ExxonMobil Corporation. This resolution asked the company to adopt policy of significantly increasing renewable energy sourcing globally, with recommended goals in the range of between 15%-25% of its energy sourcing by between 2015 and 2025.

ACIR discussed the importance of developing renewable energy sources in the coming years and how this should be a priority for the world’s largest energy companies. While several members objected to the specific ranges and timeframes proposed in the resolution, ACIR was overall supportive of the resolution and voted to recommend that the College vote in favor of it.

The resolution received shareholder support of 7.3%. It has been resubmitted by Mr. Viederman for vote in 2008.
I. The Coca Cola Company

Finally, two very interesting resolutions were filed at The Coca Cola Company in 2007. Alice de V. Perry, an individual shareholder, filed a resolution asking the company to publish a report on chemical and biological testing data for all of Coca-Cola’s beverage products. A second resolution, filed by Harrington Investments, asked Coca Cola to report on its water usage in India and to prepare a study that would lead to a report on the potential environmental and public health damage of each of its plants, affiliates and proposed ventures extracting water from areas of water scarcity in India.

Unfortunately, ACIR was unable to discuss these resolutions and, thus, recommended that the College vote to abstain on both of them.

The resolution relating to products testing received 7% shareholder support, and the resolution requesting a report on Coca Cola’s extraction of water in India received 6.7% shareholder support. It appears that both resolutions will go to a shareholder vote again in 2008.

   In Northern Ireland

ACIR reviewed five resolutions in 2007 that addressed issues of equal employment opportunity and discrimination. One of these actually addressed fairness in employment in Northern Ireland. ACIR’s recommendations were consistent with its prior recommendations.

A. The Home Depot

ACIR reviewed a resolution filed at Home Depot by Walden Asset Management and three co-filers asking the company to provide: 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.
ACIR discussed the history of litigation at Home Depot and agreed that the company has the requested data available. ACIR noted that the numbers in the RiskMetrics materials did not suggest that the company’s percentages of women and minorities in various positions differed in a statistically significant manner from those in the industry sector across the nation. ACIR agreed that if women and minorities were underrepresented in certain geographic areas or management positions, then shareholders should be concerned. Home Depot is a behemoth of an employer with full access to the U.S. workforce. ACIR recognized that the company has made considerable strides in improving its EEO/AA policies and practices. ACIR discussed the meaning of the term “qualified” in the resolution and agreed that Dartmouth uses the same term in its hiring and retention practices. ACIR also noted that while the College prepares a similar report due its status as a federal contractor, it does not release all of the information in that report to the public. ACIR unanimously recommended that the College vote in favor of the resolution.

This resolution received shareholder support of 25.6%. Another resolution requesting information on equal employment opportunity and discrimination is pending at Home Depot for 2008.

B. Wal-Mart Stores, Inc.

ACIR reviewed another resolution seeking statistical data from Wal-Mart Stores, Inc. This resolution was filed by Northstar Asset Management and requested that the company provide data relating to ownership of stock options by race and gender.

ACIR has generally supported resolutions that request reports providing statistical data in order to discern whether discrimination is occurring. ACIR noted that the proponent seemed to be predicting a wave of litigation regarding prohibited discriminatory practices at Wal-Mart. ACIR agreed that the report would provide for some transparency, and it noted that Dartmouth College releases a variety of information regarding race and gender, as well as compensation. ACIR unanimously recommended support for the resolution.

The resolution garnered 10.9% shareholder support. At this time, it appears that the resolution has not been resubmitted at Wal-Mart for 2008.
C. ExxonMobil and Microsoft

ACIR reviewed two resolutions that requested the opposite things at ExxonMobil Corporation and Microsoft Corporation. The resolution at ExxonMobil was filed by 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 and requested that ExxonMobil amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and to substantially implement that policy. The resolution at Microsoft was filed by an individual investor, Thomas Strobar, and specifically requested that the company remove the term sexual orientation from its non-discrimination policy.

ACIR discussed the history of both resolutions, ACIR’s prior support of the first resolution and opposition to the second, and the large number of Fortune 500 companies that prohibit discrimination on the basis of sexual orientation (at that time, 497 out of 500). ACIR also noted that Dartmouth College prohibits discrimination on the basis of sexual orientation and that this prohibition is statutory in New Hampshire, thirteen States and the District of Columbia. With respect to the first resolution, ACIR was not at all persuaded by ExxonMobil that it took sexual orientation discrimination seriously and unanimously agreed to recommend support for the resolution. And for all of the reasons above, ACIR recommended that the College vote to oppose to resolution pending at Microsoft Corporation.

The resolution at ExxonMobil Corporation garnered a remarkable 37.7% shareholder support. The resolution at Microsoft was ultimately omitted by the Securities and Exchange Commission ("SEC") because it had not received enough votes in 2006 to allow for its resubmission. This resolution has been refiled at ExxonMobil and at eight other large companies for 2008.

D. MacBride Principles and Manpower Inc.

ACIR only reviewed one resolution that addressed religious discrimination in Northern Ireland in 2007, down from two in 2006 and three in 2005. This resolution was proposed by New York City Pension Funds and
requested Manpower Inc. to make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles.

ACIR discussed the MacBride Principles, consisting of nine fair employment, affirmative action principles that are a corporate code of conduct for U.S. Companies doing business in Northern Ireland. The Principles do not call for quotas, reverse discrimination, divestment (the withdrawal of U.S. Companies from Northern Ireland) or disinvestment. ACIR noted its previous support of similar resolutions when there was evidence that either Protestants or Catholics were statistically underrepresented at companies operating in Northern Ireland. In this case, it appeared that Protestants were significantly underrepresented at the company’s Belfast facility. ACIR also noted that the MacBride principles essentially sought a prohibition on religious discrimination, and it agreed that Dartmouth’s policies are consistent with these principles in that regard. ACIR was unanimous in recommending support for this resolution.

The resolution received 13.8% shareholder support. New York City Pension Funds has resubmitted the resolution with Manpower Inc. for 2008.

9. Global Climate Change

ACIR reviewed eleven proxy resolutions that addressed issues relating to global climate change. This represented an increase from six resolutions in both 2005 and 2006. These resolutions were filed by unions, religious orders, pension funds, and advocacy groups. There were essentially six different kids of resolutions filed in 2007.

The first type of resolution was filed by New York City Pension Funds with Allegheny Energy and Dominion Resources, two large energy sector companies. The Nathan Cummings Foundation filed the same resolution with The Kroger Company. This resolution asked the companies to report on how they are responding to rising regulatory, competitive, public pressure to significantly reduce carbon dioxide and other emissions from their current and proposed power plant operations.

ACIR discussed the recently softened positions on climate change by Allegheny and Dominion in the last year. However, ACIR was not impressed or persuaded with the companies’ stated goals of reducing units of GHG emissions
while also increasing emissions overall. ACIR noted the companies’ extremely low score as rated by the RiskMetrics-Ceres corporate governance check list. In addition, the RiskMetrics materials reviewed by ACIR suggested that both Allegheny and Dominion lagged behind their peers in responding to the public pressure and adapting to minimize their financial and competitive risks. ACIR also noted that it has consistently supported similar resolutions in the past and that given recent developments and consensus in the scientific community, the action requested by the resolutions was reasonable. ACIR was unanimous in recommending that the College support the two resolutions. Although ACIR did not have an opportunity to review the RiskMetrics Proxy Report for Kroger due to the late date of its annual meeting, ACIR recommended that the College vote in favor of that resolution as well.

The second type of global climate change resolution in 2007 was proposed by numerous religious orders to shareholders of Chevron Corporation, ExxonMobil Corporation and General Motors Company. This resolution asked the subject companies to publicly adopt quantitative goals, based on current and emerging technologies, for reducing total greenhouse gas emissions from the company’s products and operations and to also adopt plans to achieve these goals.

ACIR has reviewed this type of resolution in the past and has consistently recommended support for it. Given that the recipient companies were two of the world’s largest oil companies and the world’s largest full line vehicle manufacturer, ACIR felt that they were very apt targets for global climate change resolutions. However, some members felt that holding a company responsible for greenhouse gas emissions of its products down the stream of commerce was a questionable standard to hold a company to. Notwithstanding that concern, however, a majority of ACIR members voted to recommend support for these three resolutions.

The third type of resolution was proposed by Action Management Fund and Carl Olsen of State Department Watch to shareholders of E.I. Du Pont DeMours, General Electric Company and Occidental Petroleum Company. These resolutions asked the companies to prepare reports explaining the science of global warming. The resolutions proposed at Du Pont and General Electric requested that the companies prepare Global Warming Right-to-Know Reports, which would, among other things, include specific scientific and economic data and studies relied upon to formulate the companies’ climate policies and the
extent to which the companies believe human and company activity would significantly alter global climate, whether such climate change is necessarily undesirable and whether a cost-effective strategy for mitigating any undesirable change is practical. The resolution to Occidental asked the company to annually prepare 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.

ACIR noted that DuPont and General Electric have been industry leaders in the movement by corporations to take actions to measure and mitigate GHG emissions. ACIR was not impressed with the proponents’ apparent disbelief that global climate change was occurring due to GHG emissions and did not agree that companies should act only to improve profit margins. There was general recognition that corporations could and should be responsible actors. ACIR also noted that there was international consensus that global climate change was occurring as a direct result of human activity. Finally, ACIR was very concerned that the proponents were requesting scientific reports, which ACIR felt were inappropriate requests. A solid majority of the committee objected to these resolutions and ACIR recommended that the College vote to oppose all three.

ACIR reviewed a fourth type of global climate change resolution that was filed by Mario Lalanne, an individual investor, at ExxonMobil Corporation. This resolution requested ExxonMobil to inform its customers about the carbon dioxide emissions generated by the gasoline or the diesel fuel they buy. The quantitative information would be provided at the pump and based on average well-to-wheels figures, i.e. encompassing all phases from extraction up to and including consumption.

ACIR recommended that the College vote in favor of this resolution in part due to ExxonMobil’s status as the world’s largest energy company and one of the most ardent skeptics of human-induced climate change. While some ACIR members queried whether the request was more appropriately directed at government regulatory agencies, ACIR was generally supportive of sending a message to ExxonMobil that it needed to sit up and take notice of all issues relating to global climate change.
Finally, ACIR also reviewed and recommended support for a resolution filed by the Service Employees International Union, the State of Connecticut Treasurers Office, the Camilla Madden Charitable Trust and five other co-filers at Wells Fargo & Company. This resolution asked the company, which in the past would not have been an obvious target for a global climate change resolution, to formulate comprehensive emission reduction goals relating to (a) the company’s own operations and (b) the activities of its corporate borrowers, advisory and project finance clients, and the companies whose securities Wells Fargo underwrites. Due to fruitful negotiations between the proponents and Wells Fargo, the proponents withdrew the resolution before the company’s annual meeting.

The global climate change resolutions filed at the companies discussed above received the following support:

<table>
<thead>
<tr>
<th>Company</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny Energy</td>
<td>39.5%</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>8.5%</td>
</tr>
<tr>
<td>Dominion Resources</td>
<td>21.7%</td>
</tr>
<tr>
<td>E.I Du Pont NeMours &amp; Co.</td>
<td>5.0%</td>
</tr>
<tr>
<td>ExxonMobil Corporation (disclose emissions)</td>
<td>7.1%</td>
</tr>
<tr>
<td>ExxonMobil Corporation (set GHG reductions)</td>
<td>31.1%</td>
</tr>
<tr>
<td>General Electric Co.</td>
<td>6.4%</td>
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<tr>
<td>General Motors Co.</td>
<td>29.1%</td>
</tr>
<tr>
<td>Occidental Petroleum Co.</td>
<td>6.2%</td>
</tr>
<tr>
<td>The Kroger Co.</td>
<td>37.4%</td>
</tr>
</tbody>
</table>

The global climate change area continues to be a very active for shareholder-initiated proposals. Many of the above resolutions have been resubmitted for shareholder votes in 2008, and several new companies have been targeted for this campaign. Moving forward, ACIR may consider adopting a voting policy to address certain types of global climate change resolutions given the consistency of its recommendations.

10. **Global Labor Standards**

ACIR reviewed and made recommendations on only three resolutions that directly addressed global labor standards in 2007.
The first labor standards resolution ACIR reviewed in 2007 was filed by the AFL-CIO Reserve Fund, the Adrian Dominican Sisters and the Sisters of Charity of the Blessed Virgin Mary at McDonald’s Corp. This resolution asked McDonald’s to adopt a code of conduct ensuring various rights to employees at all of the company’s facilities. One of the rights requested by the proponents was the right for all workers to receive overtime pay after working for more than eight hours per day.

This resolution provoked a prolonged and lively discussion by ACIR. ACIR discussed the background of this resolution, which originally stemmed from labor disagreements between the company and various farm workers in Florida. ACIR noted that McDonald’s had reached agreement with groups representing tomato pickers in Florida and that this agreement had resulted in increased compensation to these workers. The company objected to the resolution’s requests for specific reforms to its labor practices in all of the venues in which the company operates, and the committee agreed that McDonald’s operates in just about every country in the world, all of which have different labor standards and rules. The main contentions of the proponents were the company’s failure to codify the right for all employees to associate freely (collectively bargain) and to the company’s lack of a policy requiring mandatory overtime (“OT”) pay to exceed regular hourly pay after an 8 hour shift. An ACIR member pointed out that Dartmouth College, among many other U.S. employers do not permit for OT pay after an 8 hour shift and, instead, require OT to apply after a 40 hour week. It was also pointed out that many companies only allow for OT pay after a full 40 hour week or after a 10- hour shift. ACIR was generally uncomfortable with asking the company to impose more onerous OT allowances when the College, among many other U.S. employers, imposes less onerous OT pay allowances. ACIR noted that the resolution also sought to guarantee the freedom of association – a basic tenet of U.S. law – and suggested that it would be difficult to oppose a resolution that did not allow what many consider to be a basic right. ACIR members were conflicted by the issues raised by this resolution: while most objected to the OT Pay provision, all agreed on the importance of allowing employees to collectively bargain and to enjoy what many have come to consider what constitutes a basic employee right. ACIR was ultimately unable to reach consensus on the resolution. Therefore, ACIR recommended that the College vote to abstain on the resolution.

The resolution received 9.4% shareholder support, and it has not been resubmitted as of this date.
ACIR reviewed a labor standards resolution by New York City Pension Funds to Lear Corporation. This resolution asked Lear to adopt and implement a code of conduct based on the aforementioned International Labor Organization ("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.

ACIR has consistently supported resolutions requesting companies to adopt codes of conduct and to make sure that the code of conduct applies to third-party suppliers. ACIR recommended support for this resolution.

The resolution received shareholder support of 17.4%. The resolution has not been refiled for 2008.

Last, ACIR reviewed a resolution filed at Wal-Mart Stores Inc. by New York City Employees Retirement System asking the company to prepare a report addressing the negative social and reputational impacts of reported and known cases of management non-compliance with ILO conventions and standards on workers’ rights and the company’s legal and regulatory controls.

ACIR discussed Wal-Mart’s publicity and litigation woes and agreed that the company has a horrendous reputation regarding workers’ rights. However, many ACIR members objected to the precise language of the resolution. Some members did not feel that the ILO conventions and standards should be forced on all of the company’s operations. Others objected to the term “reported” or were confused about whether the resolution was asking for a report on the impact of non-compliance or about non-compliance generally. The objections ACIR members had to the language of the resolution outweighed their support for the resolution. Therefore, ACIR recommended that the College vote to abstain on the resolution.

The resolution received shareholder support of 9.8%. The resolution and several resolutions dealing with safety issues have been submitted to Wal-Mart for votes in 2008.
11. Health and Pharmaceutical Company Issues

ACIR reviewed two resolutions that dealt with health care and pharmaceutical company issues. In 2006, ACIR only reviewed one similar resolution, down from six such resolutions in 2005.

The first resolution ACIR reviewed was proposed to shareholders of Wyeth Inc. by the Minnesota State Board of Investment (MSBI). The resolution asked the company to prepare a report addressing the effects on the long-term economic stability of the company and on the risks of liability to legal claims that arise from the company’s policy of limiting the availability of the company’s products to Canadian wholesalers or pharmacies that allow purchase of its products by U.S. residents. MSBI had proposed this resolution in 2005 to shareholders of three companies, and ACIR had recommended support for those resolutions.

ACIR discussed the underlying bases for this resolution: that drugs are much more expensive in the U.S. than in Canada and whether the company was justified in charging higher rates in the U.S. because it could. The committee discussed the reimportation movement and the legality of reimporting drugs or cutting off the sale of drugs to Canadian companies suspected of reimporting. One ACIR member reported extensively on the practices of pharmaceutical companies in giving free samples to doctors, why they did so, how research and development at large pharmaceutical companies is supported, why some physicians refuse to write scripts for certain medications, etc. ACIR noted that Wyeth admitted that the more expensive sales in countries like the U.S. supported its enormous research and development costs, and that that was the primary justification for the price differential. ACIR noted the Wyeth’s position that adulterated drugs might be substituted for the genuine article if they were shipped back and forth across the border. Several ACIR members pointed out that the resolution was asking for a risk assessment and posited that Wyeth would not actually find any significant risks if it undertook the actions requested by the resolution. A majority of the members present did not feel that the company would be exposed to any liability if Canadian sellers reimported its pharmaceuticals. However, because ACIR did not feel it had reached a true consensus, the committee voted to recommend that the College vote to abstain on the resolution.
This resolution received shareholder support of 29.3%. The proponent has refiled the resolution at Eli Lilly & Co., Merck & Co., Pfizer Co., and Wyeth Corp. for the 2008 year.

The other health care related resolution ACIR reviewed was one filed by the Basilian Fathers of Toronto at Wal-Mart Stores, Inc. The resolution asked Wal-Mart to prepare a report addressing the implications of rising health care expenses and how it is positioning itself to address this public policy issue without compromising the health and productivity of its workforce.

ACIR discussed the fact that Wal-Mart has long been criticized by various stakeholder groups for what they say are inadequate employee health care policies that fall far below industry standards. Under such pressure, Wal-Mart recently teamed up with a couple of major labor unions and other industry leaders on a “Better Health Care Together” campaign, which aims to achieve universal health care in the United States by 2012. ACIR noted that health care expenses are rising faster than inflation, and the cost of providing health insurance to employees and their dependents has becoming increasingly burdensome for U.S. employers. Due to the importance of the issues raised and the negative publicity the subject company has received in recent years, ACIR members agreed that the resolution was reasonable and supportable. Thus, ACIR recommended that the College vote in favor of the resolution.

The resolution received shareholder support of only 2.6%. Since the resolution did not meet the minimum of 3% shareholder support required by the SEC, the proponent will be unable to refile the resolution in 2008.

12. Human Rights

ACIR reviewed seven resolutions that raised human rights issues in 2007. The actions requested in these resolutions ranged from asking companies to adopt basic human rights policies to reporting on laws protecting human rights in foreign countries and reporting on specific circumstances that implicated human rights abuses.

The first human rights related resolution ACIR reviewed in 2007 was proposed to shareholders of Chevron Corporation by the Jesuit Conference USA and Christus Health. The resolution asked the company to adopt a comprehensive, transparent, verifiable human rights policy.
There was very little for ACIR to discuss regarding this resolution. ACIR unanimously agreed that this request was reasonable, particularly in light of the countries within which the company maintains operations. ACIR also noted its historical support for resolutions requesting the adoption of human rights and labor-related policies. ACIR unanimously recommended that the College vote in favor of this resolution.

The resolution received impressive shareholder support of 26.9%. The proponents have resubmitted the resolution for 2008.

ACIR reviewed two resolutions filed by two different SRI funds, New York City Pension Funds and Amnesty International at Chevron and at ConocoPhillips asking the companies to examine their human rights policies abroad. While the resolutions were slightly different, both raised issues regarding the companies’ practices in protecting human rights in countries where human rights abuses are common and laws and regulations do not provide the same protections to people or, in the case of Chevron Corp., the environment.

With regard to the Chevron resolution, ACIR discussed Chevron’s operations in Nigeria, Burma and Angola and the recent controversies surrounding environmental and human rights issues in those and other countries. ACIR also discussed ACIR’s potentially enormous liabilities in connection with environmental damage in Ecuador as a result of Texpet’s operations there decades ago. Several ACIR members questioned whether the resolution was requesting Chevron to perform a risk assessment relating to the particular countries in which it operated. Several members were uncomfortable with the language of the resolution. On the other hand, there was consensus that ACIR disagreed with the company’s position that regulating harm to the environment and human rights abuses was the responsibility of the host country. ACIR agreed that shareholders had a right to know if Chevron was operating in countries that shared their beliefs as to regulating environmental damage and human rights. A majority of ACIR members voted to recommend support for the resolution.

The resolution at Chevron garnered shareholder support of 8.6%. This resolution has been resubmitted for 2008.
ACIR engaged in a lengthy and lively discussion regarding the human rights resolution filed at ConocoPhillips. ACIR agreed that while the resolution suggests that it seeks a report relating to liabilities inherited from its acquisition by ConocoPhillips of Burlington Resources, the resolution raised many other issues. ACIR recognized that there is very little formal government or governance in Ecuador, where ConocoPhillips has significant interests, and ACIR questioned whether the proponent was targeting ConocoPhillips for human rights violations because it couldn’t target the government of Ecuador. ACIR recognized the powerlessness of many indigenous peoples in the regions implicated. Some ACIR members were uncomfortable with the language of the resolution, which seemed to ask for actions that could not be appropriately measured. Despite some concerns, the vast majority of ACIR members felt that asking ConocoPhillips to evaluate the propriety of doing business in countries where human rights are not respected was completely appropriate. ACIR recommended that the College vote in favor of the resolution.

The resolution at ConocoPhillips received 10% shareholder support. It has been resubmitted for 2008.

For the third year, ACIR reviewed a resolution filed at ExxonMobil Corp. by New York City Pension Funds requesting a report on the corporation’s security arrangements with the Indonesian government and private security forces, including support, both monetary and in kind, to the Indonesian government and military.

ACIR has consistently supported this resolution. Research conducted by ACIR suggested that ExxonMobil has indeed paid Indonesian military forces for protection and possibly to discourage harassment by the military. In addition, research conducted by ACIR suggested that ExxonMobil tended to look the other way when human rights abuses occurred on or near its facilities in Indonesia. For these reasons, ACIR recommended that the College vote in favor of the resolution.

Due to productive negotiations between the proponent and the company, New York City Pension Funds withdrew the resolution before the annual meeting in April 2007. It appears that the proponent has not resubmitted the resolution for 2008.
ACIR reviewed a new type of human rights resolution in 2007 that was proposed to shareholders of J.P. Morgan Chase & Co. by National Legal and Policy Center. This resolution asked the company to prepare a report describing initiatives by the company to address its alleged links to slavery and other human rights abuses.

ACIR’s review of the RiskMetrics proxy report on this resolution suggested that the objective of the proponent was to get the company to stop supporting minorities through its $5M scholarship program and to stop behaving in a “politically correct” manner. ACIR questioned whether it should be discouraging initiatives as that undertaken by the company. ACIR also compared the company’s actions to charitable contributions, and agreed that both were often intended to purchase goodwill. ACIR questioned whether supporting this resolution would amount to second guessing a management decision. Finally, several members objected to the use of the term “alleged” in the resolution since the company has admitted to the existence of extensive connections of its predecessor bank to slavery. ACIR unanimously recommended that the College vote to the resolution.

The resolution received a mere 2.9% shareholder support and, thus, cannot be resubmitted in 2008.

Finally, two resolutions were filed by SRI funds at Cisco Systems that addressed human rights issues. One of the resolutions asked Cisco to amend its by-laws to create a standing committee to review on an ongoing basis the company’s human rights policies in all countries where Cisco has operations. The second resolution asked Cisco to prepare a report listing and assessing concrete steps the company could reasonably take to reduce the likelihood that its business practices might enable or encourage the violation of human rights, including freedom of expression and privacy, or otherwise encourage or enable fragmentation of the Internet.

Because the Cisco annual meeting was not held until mid-November in 2007, ACIR did not have an opportunity to review and make informed recommendations on the voting of these resolutions. Therefore, ACIR recommended that the College vote to abstain on both resolutions.

At the time of the writing of this report, the votes for the two Cisco resolution had not been fully tallied so the amount of shareholder support they
received is not known. Neither of the resolutions has been resubmitted for 2008 as of yet.

13. Linking Executive Pay to Social Criteria

In 2007, ACIR reviewed only one resolution requesting that executive compensation be linked to social criteria compared to 5 such resolutions in 2006 and 8 in 2005. This resolution was proposed by Northstar Asset Management to shareholders of ExxonMobil Corporation. The resolution asked the company’s board to conduct an executive pay review and report. The review was 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.

ACIR noted its prior support for most similar resolutions in 2005 and 2006, but it also noted prior concerns of ACIR members regarding the propriety of it reviewing resolutions that arguably addressed corporate governance issues when ACIR’s mission restricts its purview to social issues resolutions. ACIR discussed the ever increasing wage gap in the U.S., and it noted that some – though very few – companies have created not to exceed pay ratios for executives. A large majority of ACIR’s members voted to recommend support for this resolution.

This resolution received shareholder support of 11.6%. Northstar Asset Management has resubmitted the resolution for a shareholder vote in 2008, which is, to date, the only such resolution that has been filed for 2008.

14. Miscellaneous

Every year ACIR reviews at least a few resolutions that are best categorized as miscellaneous. In 2007, ACIR reviewed four such resolutions.
A. E.I. Du Pont DeMours and Plant Closings

ACIR reviewed a resolution filed by the International Brotherhood of Du Pont Workers at Du Pont asking the company to create a committee, with members drawn from the employee work force of DuPont, the union leadership of DuPont, the management of DuPont, and any necessary independent consultants, to report to the Board of Directors regarding (1) the impact to communities as a result of DuPont’s action in laying off mass numbers of employees, selling its plants to other employers, and closing its plants and (2) alternatives that can be developed to help mitigate the impact of such actions in the future.

ACIR agreed that the issue at hand was really the company’s obligation to its former employees and to the communities in which it had operated. People in many of the communities where DuPont operated sometimes expect lifetime employment, and when a plant was shut down, the ramifications to the community can be devastating to employees and to the local economy. ACIR noted the proponent’s claim that abandoned plants were not easily converted for uses by other companies. ACIR also noted the company’s provision of severance pay, retraining and grants to terminated employees. Several members questioned whether the resolution raised social issues or ordinary business considerations. ACIR was unanimous in agreeing to recommend opposition to the resolution.

The resolution received 4.2% shareholder support. It has not been resubmitted for 2008.

B. IBM and Globalization Strategy

Michael B. Saville, an individual investor, filed a resolution at International Business Machines Corporation requesting the company to establish an independent committee to prepare a report on the potential damage to the Company’s brand name and reputation in the United States that could result from IBM’s offshoring efforts and make copies of the report available to shareholders of the Company upon request. Mr. Saville filed this proposal in 2006, and it received 7.6% shareholder support.

ACIR noted that it had recommended abstention on this resolution in 2006 on the basis that IBM had apparently made a business decision to outsource a
quantity of its operations and that to spend resources explaining this business decision was a waste of the company’s time. ACIR discussed whether the actions requested by the resolution might improve employee relations, and it took note of the past and present litigation over pensions, healthcare and age discrimination at IBM. ACIR noted that IBM’s workforce in the U.S. appears to be holding steady at 38% of all employees. It also noted that IBM spends roughly 43% ($260 million) of its training budget of $600 million in the U.S and 75% of its research and development budget in the U.S. ACIR did not feel that the request was reasonable given the IBM’s apparent commitment to its U.S. workers and the ordinary business nature of the resolution. Therefore, ACIR recommended that the College vote to oppose the resolution.

The 2007 resolution received 7.9% shareholder support. The proponent has not refiled the resolution for 2008.

C. Wal-Mart and Regulatory, Tort and Tax Reform

ACIR reviewed a resolution filed by the Free Enterprise Action Fund at Wal-Mart Stores Inc. asking the company to prepare a Business Social Responsibility Report describing its activity and plans with respect to improving the business environment. The report was to include information on: “reducing the adverse impact on the Company of unmeritorious litigation, unnecessarily burdensome laws and regulations, and taxes; promoting key pro-free enterprise principles and public policies that expand business opportunities and increase shareholder value, including private property rights, trade liberalization, and deregulation; and promoting the social benefits of business and the virtues of capitalism through support of pro-free enterprise nonprofit groups, public relations and participation in effective business trade organizations.” The proponent’s supporting materials indicated that it believed there are many forces in society working against Wal-Mart and its shareholders’ best interests. The proponent pointed to what it stated were “unmeritorious” lawsuits, unfair regulations—including Maryland’s Wal-Mart law on healthcare and Sarbanes Oxley—a burdensome tax code and a general lack of appreciation of the social benefits that companies provide in a free market economy. Free Enterprise Action Fund argued that, in its shareholders’ best interests and to win in the court of public opinion, Wal-Mart should be supporting pro-free enterprise nonprofit groups, public relations campaigns and lobbying through business organizations.
This was the first year this resolution was filed at Wal-Mart. ACIR did not feel that the proponent’s request was reasonable or would result in any real benefit for the company. Further, ACIR did not agree with the principles extolled by the proponent. ACIR members voted to recommend opposition to this resolution.

The resolution garnered a mere 1.8% of shareholder support. Due to the low level of support received by the resolution, it cannot be resubmitted in 2008.

D. Microsoft and Censorship

New York City Pension Funds proposed a resolution at Microsoft Corporation requesting the company to:

“institute policies to help protect freedom of access to the Internet which would include the following minimum standards:
1. Data that can identify individual users should not be hosted in Internet restricting countries, where political speech can be treated as a crime by the legal system.
2. The company will not engage in pro-active censorship.
3. The company will use all legal means to resist government demands for censorship. The company will only comply with such demands if required to do so through legally binding procedures.
4. Users will be clearly informed when the company has acceded to legally binding government requests to filter or otherwise censor content that the user is trying to access.
5. Users should be informed about the company’s data retention practices, and the ways in which their data is shared with third parties.
6. The company will refrain from supplying government agencies in Internet restricting countries with equipment or training designed to facilitate the censorship of Internet communications.
7. The company will document all cases where legally-binding censorship requests have been complied with, and that information will be publicly available.”

Because ACIR did not have an opportunity to review this resolution due to the late date of Microsoft’s annual meeting, ACIR recommended abstention pursuant to its policy.
As of the writing of this report, shareholder votes on this resolution have yet to be tallied.

15. Political Contributions

As noted on pages 10 to 14 above in this report, ACIR adopted a policy on recommending the voting of proxy resolutions seeking political contributions transparency. Pursuant to that policy, the committee recommended that the College vote in favor of political contributions transparency resolutions pending at the following companies with the following results:

<table>
<thead>
<tr>
<th>Company</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power</td>
<td>10.0%</td>
</tr>
<tr>
<td>Bank of America Corp.</td>
<td>omitted</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>Citigroup Inc.</td>
<td>30.4%</td>
</tr>
<tr>
<td>Comcast Corp.</td>
<td>5.5%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>11.9%</td>
</tr>
<tr>
<td>Dominion Resources</td>
<td>withdrawn</td>
</tr>
<tr>
<td>Entergy Corp.</td>
<td>34.2%</td>
</tr>
<tr>
<td>ExxonMobil Corporation</td>
<td>25.4%</td>
</tr>
<tr>
<td>First Energy Corp.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>General Electric Co.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>General Motors Co.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>Hewlett Packard</td>
<td>withdrawn</td>
</tr>
<tr>
<td>J.P. Morgan Chase &amp; Co.</td>
<td>12.0%</td>
</tr>
<tr>
<td>Lehman Brothers</td>
<td>omitted</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>withdrawn</td>
</tr>
<tr>
<td>Target Corp.</td>
<td>26.1%</td>
</tr>
<tr>
<td>The Boeing Company</td>
<td>28.1%</td>
</tr>
<tr>
<td>The Charles Schwab Co.</td>
<td>28.8%</td>
</tr>
<tr>
<td>The Chubb Corporation</td>
<td>29.7%</td>
</tr>
<tr>
<td>TXU Corp.</td>
<td>omitted</td>
</tr>
<tr>
<td>Wachovia Corp.</td>
<td>12.5%</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>11.0%</td>
</tr>
<tr>
<td>Wellpoint Corp.</td>
<td>omitted</td>
</tr>
<tr>
<td>Wyeth Corp.</td>
<td>32.3%</td>
</tr>
</tbody>
</table>
It should be noted that when a proponent withdraws its resolution, this usually means that the target company’s management has taken actions or made assurances to the proponent that have convinced the proponent that the resolution is no longer necessary.

Pursuant to the last component of ACIR’s political contributions transparency resolutions voting policy, the committee recommended that Dartmouth College vote to oppose resolutions pending at the following companies with the following results:

Lehman Brothers Holdings  4.8%
Merck & Company         omitted

The shareholder movement requesting disclosure of political contributions will continue to be very active in 2008. As of the third week of January 2008, 47 such resolutions had already been filed, and there is no doubt that more will follow.

16. Sustainability Reporting

As noted on pages 15 to 16 above in this report, ACIR adopted a policy on recommending the voting of proxy resolutions seeking sustainability reporting. Pursuant to that policy, the committee recommended that the College vote in favor of sustainability resolutions pending at the following companies with the following results:

Amgen Inc.            11.4%
Comcast Corp.         14.8%
Comerica Inc.         45.0%
CVS Corp.             39.1%
Hasbro Corporation    44.8%
Kellogg Company       5.8%
Safeway Incorporated  40.0%
Texas Instruments, Inc. 37.1%
The Kroger Co.        omitted

The average amount of shareholder support received by the resolutions that ACIR recommended support for was an astonishing 29%. Clearly, shareholders have become extremely interested and active in this area. As of the
third week of January 2008, nearly forty sustainability reporting resolutions have been submitted for shareholder votes.

The only sustainability reporting resolution that ACIR did not recommend support for, one proposed to shareholders of The Goldman Sachs Group, received shareholder support of 7.7%.

17. Tobacco

ACIR reviewed four resolutions dealing with tobacco sales and advertising. Three of these resolutions were filed at Altria Group Inc. and one was filed at Viacom Inc.

The first resolution ACIR was proposed to shareholders of Altria Group Inc. by the Province of Saint Joseph of the Capuchin Order and four co-filers. The resolution asked the company to request that Altria and its tobacco entities make available on their websites and in all venues where they sell or promote their cigarettes, their own clear statements as well as material detailing the health hazards of [secondhand smoke], including legal options available to minors to ensure their environments will be smoke-free.

ACIR questioned whether asking Altria to publicize legal rights of minors with regard to second hand smoke (“SHS”) was a reasonable request. ACIR members questioned whether the resolution was intended to expand the general population’s consciousness about SHS or to provide minors with information. There was general agreement that the resolution sought a ratcheting up of labeling requirements, although no one objected to such an increase. ACIR also noted that the College has not divested from tobacco companies, and it discussed whether this should be a consideration for the committee. ACIR could not reach a consensus regarding this resolution. Therefore, ACIR recommended that the College vote to abstain on the resolution.

The second resolution filed at Altria Group was brought by the Sisters of Mercy of the Americas and two co-filers. This resolution asked the company “to stop within one week of the 2007 annual meeting all Company-sponsored ‘campaigns’ allegedly oriented to prevent youth from smoking unless management can produce facts refuting such findings as those above that show such campaigns do not reduce teen smoking. Shareholders also request the
Board to grant annually the monies otherwise spent on these campaigns to those campaigns that have been demonstrated to reduce teen smoking.”

ACIR agreed that the timeframe for action requested by the resolution – one week from the annual meeting – was unreasonable. ACIR discussed the proponents’ claim that the Altria’s anti-smoking campaign was ineffective and whether the campaign actually sought to enhance its public relations image. There was general agreement among ACIR members that Altria was justified in objecting to handing over its $100 million budget to a third party to conduct any advertising campaign. Several members were generally supportive of the resolution, but continued to object to the timeframe requested. ACIR could not reach a consensus. ACIR recommended that the College vote to abstain on the resolution.

The third resolution filed at Altria was proposed by the Sinsinawa Dominicans and two co-filers. This resolution asked Altria to initiate steps to sell or phase out all production, promotion and marketing of its health-hazardous and addictive tobacco products by 2010 since the company has acknowledged that tobacco products cause disease and death.

ACIR was in general agreement that this resolution requested the company to make business decisions that were not necessarily appropriate, both from the perspective of shareholders or from ACIR’s role as a social issues monitor. ACIR was conflicted over whether it should support the resolution because Altria was in fact manufacturing products that, when used as directed, caused death or serious health issues, or whether this resolution was directed at ordinary business operations. ACIR questioned why the SEC had allowed this resolution to be included in the proxy statement. ACIR recommended abstention again.

Finally, ACIR reviewed a resolution proposed to shareholders of Viacom Inc. asking the company to begin the process of divesting (via sale or other extraordinary transaction) Paramount Pictures from Viacom Inc. The proponent for this resolution was the As You Sow Foundation.

ACIR noted the unique nature of this resolution and registered its surprise that the SEC had permitted this resolution to be included in the company’s proxy statement given its goal. ACIR has not reviewed any resolution that has sought divestiture of a subsidiary by a company. ACIR
discussed the underlying purpose of the resolution: to reduce the amount of smoking in films produced by Paramount Pictures. ACIR noted the proponent’s desire for Viacom to try to reduce the frequency of the appearance of smoking in Paramount films, and it also noted with some discomfort the company’s deferral to the Motion Picture Association (“MPA”) in this regard when peer production companies such as Disney and Time Warner had taken action to monitor the appearance of smoking in their films. ACIR noted that the MPA had very recently agreed to consider smoking as a factor in a film’s rating, thus potentially rendering this portion of the proponent’s proposal moot. While ACIR noted that the College and ACIR had in fact supported divestment in certain cases, many members questioned whether the action sought by the proposal was appropriately reviewed by ACIR because it appeared to be primarily a business decision. If Viacom took the action sought by the resolution, it would lose approximately 37% of its revenue. From a shareholder’s earnings perspective, this action would clearly be detrimental to the company. Overall, ACIR did not feel that this resolution should be supported. ACIR recommended that the College vote to oppose the resolution.

The tobacco-related resolutions discussed above received the following shareholder support:

- Altria Group Inc. Literature on SHS and Minors 3.7%
- Altria Group Inc. Review Advertising Campaign 3.3%
- Altria Group Inc. Phase out Tobacco Products 1.1%
- Viacom Inc. Sell Tobacco Unit 0.3%

Due to the relatively low levels of shareholder support enjoyed by these resolutions, several of them may not be resubmitted in 2008. Altria Group, however, will continue to be targeted for shareholder resolutions by religious groups and possibly others in 2008.

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. ACIR then convened a subcommittee to conduct a review of nearly 140 companies operating in Sudan.

On October 11, 2006, the subcommittee submitted additional recommendations to ACIR. 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 two companies that were 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. ACIR recommended that Greater Nile Petroleum Operating Company be removed because it is actually a consortium rather than a company directly involved in the oil industry in Sudan. ACIR also recommended that ABB Ltd. be removed from the No Hold List because the subcommittee’s research indicated that ABB had substantially if not totally ceased operating in Sudan.
ACIR formally made the above recommendations to add eight companies to the No Hold List and to remove two companies from the No Hold List to the Dartmouth College Investment Office. The Investment Office accepted ACIR’s recommendations in early 2007.

ACIR continues to review the operations of companies involved directly in the oil and gas sector in Sudan. Using information provided by the Sudan Divestment Task Force and from other sources, ACIR’s standing subcommittee again reviewed the operations of all publicly owned companies in Sudan in the fall of 2007. Pending a final meeting of the subcommittee in January 2008, it is likely that the subcommittee will recommend that the College remove two companies from the No Hold List and add between four and seven additional companies to that list.

ACIR remains painfully aware that little has changed in Sudan since 2005. 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, less than 10,000 peacekeeping forces are active in Sudan at this time. Humanitarian conditions 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 2008.

VI. Conclusion

The 2007 year proved to be another very productive year for ACIR. ACIR made recommendations to Dartmouth as to how it should vote on 110 different proxy resolutions for companies in which Dartmouth directly held shares. The issues raised by these resolutions spanned roughly eighteen extraordinarily complicated and discrete social issues subject areas. For the fourth 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.

ACIR continued to reach out to the community to seek input and involvement in 2007. ACIR considered hosting a public forum to discuss issues
relating to Dartmouth College’s ownership of tobacco shares. For a variety of reasons, ACIR did not host this forum. However, ACIR will continue to try to engage the Dartmouth community as it moves into 2008. 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 2008 ACIR will continue to monitor the activities of companies operating in Sudan. Given 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 is responsible for monitoring the operations of various companies active in Sudan, including those companies currently on Dartmouth’s No Hold List, as well as every publicly traded company ACIR can identify as operating in Sudan. As a result of an ACIR subcommittee’s work, ACIR expects to submit additional recommendations to Dartmouth College regarding additions to and removal from the No Hold List in the near future.

As always, 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: Courtney R. Banghart, Nancy Block, John E. Shellito, Charles R. Sherman and Beth B. White. Finally, having served as Chair for two years, Professor Lindsay J. Whaley stepped down from that position at the end of 2007. ACIR wishes to thank Professor Whaley for the countless hours he spent furthering ACIR’s mission.
APPENDIX I

INDEX TO ACIR RECOMMENDATIONS ON 2007 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
       W= Withdrawn by proponent
       P = Vote still pending
       AT = Awaiting tally
       * = omitted, or not presented at annual meeting after ACIR recommendation made
       ** = College didn’t own shares at time of meeting although ACIR previously issued recommendation.

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<thead>
<tr>
<th>Company</th>
<th>Subject Area</th>
<th>Rec. Support</th>
</tr>
</thead>
<tbody>
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<td>A 4.0%</td>
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<tr>
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<td>Tobacco (literature on SHS and minors)</td>
<td>A 3.7%</td>
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<td>Tobacco (review advertising campaign)</td>
<td>A 3.3%</td>
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<tr>
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<td>Tobacco (phase out tobacco products)</td>
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<td>Environment (report on India operations)</td>
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APPENDIX II

INDEX TO ACIR RECOMMENDATIONS ON 2007 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
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       P = Vote still pending
       AT = Awaiting tally
       * = omitted, or not presented at annual meeting after ACIR recommendation made
       ** = College didn’t own shares at time of meeting although ACIR previously issued recommendation.

Subject Area

**AFFIRM POLITICAL NON-PARTISANSHIP AND PRIOR GOVERNMENT SERVICE**

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<td>Home Depot Incorporated</td>
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**ANIMAL WELFARE**

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<tr>
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<td>O 6.2%</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>Animal Welfare</td>
<td>A 7.3%</td>
</tr>
<tr>
<td>Eli Lilly &amp; Co.</td>
<td>Review Standards</td>
<td>O 4.2%</td>
</tr>
<tr>
<td>Eli Lilly &amp; Co.</td>
<td>Overseas Testing</td>
<td>O 3.8%</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>Review Standards</td>
<td>O 7.3%</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>Overseas Testing</td>
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</tr>
<tr>
<td>Wyeth Corp.</td>
<td>Review Standards</td>
<td>O 6.0%</td>
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**BANKING ISSUES**

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<td>Report on Fair Housing Lending</td>
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## BIO-ENGINEERING

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<td>O</td>
<td>7.0%</td>
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<td>McDonald's Corp.</td>
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<td>7.0%</td>
</tr>
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<td>Safeway Inc.</td>
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<td>7.6%</td>
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## CHARITABLE CONTRIBUTIONS

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<td>PepsiCo Inc.</td>
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<td>The Boeing Company</td>
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<tbody>
<tr>
<td>General Electric Co.</td>
<td>F</td>
<td>7.9%</td>
</tr>
<tr>
<td>Northrop Grumman</td>
<td>F</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

## ENVIRONMENTAL ISSUES

<table>
<thead>
<tr>
<th>Company</th>
<th>Environment (description)</th>
<th>O or F</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegheny Energy</td>
<td>Environment (NIETC report)</td>
<td>O</td>
<td>8.2%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>Environment (community hazards)</td>
<td>F</td>
<td>10.0%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>Environment (National Petroleum Reserve)</td>
<td>F</td>
<td>16.7%</td>
</tr>
<tr>
<td>Dominion Resources</td>
<td>Environment (NIETC report)</td>
<td>O</td>
<td>6.4%</td>
</tr>
<tr>
<td>Dow Chemical Co.</td>
<td>Environment (asthma triggers in pesticides)</td>
<td>O</td>
<td>6.8%</td>
</tr>
<tr>
<td>Dow Chemical Co.</td>
<td>Environment (report on Bhopal)</td>
<td>O</td>
<td>8.9%</td>
</tr>
<tr>
<td>Dow Chemical Co.</td>
<td>Environment (remediation in Midland)</td>
<td>F</td>
<td>22.2%</td>
</tr>
<tr>
<td>E.I. Du Pont NeMours &amp; Co.</td>
<td>Environment (phase out PFOAs)</td>
<td>F</td>
<td>22.9%</td>
</tr>
<tr>
<td>E.I. Du Pont NeMours &amp; Co.</td>
<td>Environment (report on PFOA costs)</td>
<td>F</td>
<td>6.2%</td>
</tr>
<tr>
<td>E.I. Du Pont NeMours &amp; Co.</td>
<td>Environment (siting considerations)</td>
<td>F</td>
<td>6.7%</td>
</tr>
<tr>
<td>ExxonMobil Corporation</td>
<td>Environment (community hazards)</td>
<td>F</td>
<td>9.8%</td>
</tr>
<tr>
<td>ExxonMobil Corporation</td>
<td>Environment (develop renewable energy)</td>
<td>F</td>
<td>7.3%</td>
</tr>
<tr>
<td>The Coca-Cola Company</td>
<td>Environment (products testing)</td>
<td>A</td>
<td>7.0%</td>
</tr>
<tr>
<td>The Coca-Cola Company</td>
<td>Environment (report on India operations)</td>
<td>A</td>
<td>6.7%</td>
</tr>
</tbody>
</table>
EQUAL EMPLOYMENT OPPORTUNITY

Exxon Mobil Corp. F 37.7%
Home Depot Incorporated F 25.6%
Manpower Inc. F 13.8%
Microsoft Corp. O *
Wal-Mart Stores, Inc. F 10.9%

GLOBAL CLIMATE CHANGE

Allegheny Energy F 39.5%
Chevron Corp. F 8.5%
Dominion Resources F 21.7%
E.I Du Pont NeMours & Co. O 5.0%
ExxonMobil Corporation Disclose Emissions F 7.1%
ExxonMobil Corporation Set GHG Reductions F 31.1%
General Electric Co. O 6.4%
General Motors Co. F 29.1%
Occidental Petroleum Co. O 6.2%
The Kroger Co. F 37.4%
Wells Fargo & Company F *

GLOBAL LABOR STANDARDS

Lear Corp. F 17.4%
McDonald’s Corp. A 9.8%
Wal-Mart Stores, Inc. A 4.2%

HEALTH AND PHARMACEUTICAL COMPANY ISSUES

Wal-Mart Stores, Inc. F 2.6%
Wyeth Corp. A 29.3%

HUMAN RIGHTS

Chevron Corp. F 8.6%
Chevron Corp. F 26.9%
Cisco Systems A AT
Cisco Systems A AT
ConocoPhillips F 10.0%
<table>
<thead>
<tr>
<th>Company</th>
<th>Pay to Social Criteria</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exxon Mobil Corp.</td>
<td>F</td>
<td>11.6%</td>
</tr>
</tbody>
</table>

**LINK EXECUTIVE PAY TO SOCIAL CRITERIA**

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Company</th>
<th>Create Plant Closings Committee</th>
<th>4.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM Corporation</td>
<td>Report on Globalization Strategy</td>
<td>7.9%</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>Miscellaneous (issue report)</td>
<td>1.8%</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>Censorship</td>
<td></td>
</tr>
</tbody>
</table>

**POLITICAL CONTRIBUTIONS**

<table>
<thead>
<tr>
<th>Company</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Electric Power</td>
<td>F W</td>
</tr>
<tr>
<td>Bank of America Corp.</td>
<td>F *</td>
</tr>
<tr>
<td>Chevron Corp.</td>
<td>F W</td>
</tr>
<tr>
<td>Citigroup Inc.</td>
<td>F 30.4%</td>
</tr>
<tr>
<td>ConocoPhillips</td>
<td>F 11.9%</td>
</tr>
<tr>
<td>Dominion Resources</td>
<td>F W</td>
</tr>
<tr>
<td>Entergy Corp.</td>
<td>F 34.2%</td>
</tr>
<tr>
<td>ExxonMobil Corporation</td>
<td>F 25.4%</td>
</tr>
<tr>
<td>First Energy Corp.</td>
<td>F **, W</td>
</tr>
<tr>
<td>General Electric Co.</td>
<td>F W</td>
</tr>
<tr>
<td>General Motors Co.</td>
<td>F W</td>
</tr>
<tr>
<td>Hewlett Packard</td>
<td>F W</td>
</tr>
<tr>
<td>J.P. Morgan Chase &amp; Co.</td>
<td>F 12.0%</td>
</tr>
<tr>
<td>Lehman Brothers</td>
<td>O 4.8%</td>
</tr>
<tr>
<td>Merck &amp; Company</td>
<td>O *</td>
</tr>
<tr>
<td>Pfizer Inc.</td>
<td>F W</td>
</tr>
<tr>
<td>Target Corp.</td>
<td>F 26.1%</td>
</tr>
<tr>
<td>The Boeing Company</td>
<td>F 28.1%</td>
</tr>
<tr>
<td>The Charles Schwab Co.</td>
<td>F 28.8%</td>
</tr>
<tr>
<td>The Chubb Corporation</td>
<td>F 29.7%</td>
</tr>
<tr>
<td>TXU Corp.</td>
<td>F *</td>
</tr>
<tr>
<td>Wachovia Corp.</td>
<td>F 12.5%</td>
</tr>
<tr>
<td>Wal-Mart Stores, Inc.</td>
<td>F 11.0%</td>
</tr>
<tr>
<td>Wellpoint Corp.</td>
<td>F *</td>
</tr>
<tr>
<td>Wyeth Corp.</td>
<td>F 32.3%</td>
</tr>
</tbody>
</table>
SUSTAINABILITY REPORTING

Amgen Inc. F 11.4%
Comcast Corp. F 14.8%
Comerica Inc. F 45.0%
CVS Corp. F 39.1%
Hasbro Corporation F 44.8%
Kellogg Company F 5.8%
Safeway Incorporated F 40.0%
Texas Instruments, Inc. F 37.1%
The Goldman Sachs Group A 7.7%
The Kroger Co. F *

TOBACCO

Altria Group Inc. Literature on SHS and Minors A 3.7%
Altria Group Inc. Review Advertising Campaign A 3.3%
Altria Group Inc. Phase out Tobacco Products A 1.1%
Viacom Inc. Sell Tobacco Unit O 0.3%
APPENDIX III

TEXT OF 2007 RESOLUTIONS

1. Altria Group Inc.

Resolution: “[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) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.”

Proponent: People for the Ethical Treatment of Animals

Resolution: “[T]he shareholders request that Altria and its tobacco entities make available on their websites and in all venues where they sell or promote their cigarettes, their own clear statements as well as material detailing the health hazards of [secondhand smoke], including legal options available to minors to ensure their environments will be smokefree.”

Proponent: Province of Saint Joseph of the Capuchin Order and four co-filers.

Resolution: “Shareholders request the Board to stop within one week of the 2007 annual meeting all Company-sponsored ‘campaigns’ allegedly oriented to prevent youth from smoking unless management can produce facts refuting such findings as those above that show such campaigns do not reduce teen smoking. Shareholders also request the Board to grant annually the monies otherwise spent on these campaigns to those campaigns that have been demonstrated to reduce teen smoking.”

Proponent: Sisters of Mercy of the Americas and two other co-filers.

Resolution: “[Shareholders request] that, since it acknowledges the science showing its tobacco products create disease and death, shareholders request the Board of Directors initiate steps to sell or phase out all production, promotion and marketing of its health-hazardous and addictive tobacco products by 2010.”

Proponent: Sinsinawa Dominicans and two other co-filers.

2. Allegheny Energy

Resolution: “Shareholders request that the Board prepare before November 2007 (at reasonable cost and omitting proprietary information) a report evaluating the environmental,

___________

4 If the resolution was omitted or withdrawn during 2007, the language is not listed in this appendix.
health and cultural impacts created by utilizing NIETC, and how those impacts would differ if a powerline were constructed without such utilization.”

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

**Resolution:** “Shareholders request a report [reviewed by a board committee of independent directors] on how the company is responding to rising regulatory, competitive, public pressure to significantly reduce carbon dioxide and other emissions from the company’s current and proposed power plant operations.”

**Proponent:** New York City Employees’ Retirement System

3. **Amgen Inc.**

**Resolution:** “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) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.”

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

**Resolution:** “[S]hareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by October 31, 2007.”

**Proponent:** Calvert Asset Management Company

4. **Chevron Corp.**

**Resolution:** “[The 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) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.”

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

**Resolution:** “The shareholders request that the Board prepare a report by November 2007, prepared at reasonable cost and omitting proprietary information, on the policies and procedures that guide Chevron’s assessment of the adequacy of host country laws and regulations with respect to their adequacy to protect human health, the environment and our company’s reputation.”
Proponent: Trillium Asset management, Amnesty International USA, New York City Pension Funds

Resolution: “Shareholders request that the Board of Directors publicly adopt quantitative goals, based on current and emerging technologies, for reducing total greenhouse gas emissions from the company’s products and operations below 1990 levels; and that the company report to shareholders by Sept. 30, 2007, on its plans to achieve these goals. Such a report will omit proprietary information and be prepared at reasonable cost.”

Proponent: Sisters of St. Dominic, Caldwell, N.J. and Catholic Healthcare West

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, 2007.”

Proponent: Society of Jesus - Wisconsin Province and 21 cofilers affiliated with the Interfaith Center on Corporate Responsibility.

5. Cisco Systems

Resolution: “[Shareholders request that the Board of Directors] amend the corporate Bylaws, by inserting the following new Article 5.08:

Article 5.08 Board Committee on Human Rights
a. There is established a Board Committee on Human Rights, which is created and authorized to monitor the ongoing implications of company policies, above and beyond matters of legal compliance, for the human rights of individuals in the US and worldwide.
b. The Board of Directors is authorized in its discretion consistent with these Bylaws and applicable law to (1) select the members of the Board Committee on Human Rights, (2) provide said committee with funds for operating expenses, (3) adopt regulations or guidelines to govern said Committee’s operations, (4) empower said Committee to solicit public input and (5) any other measures within the Board’s discretion consistent with these Bylaws and applicable law.
c. Nothing herein shall restrict the power of the Board of Directors to manage the business and affairs of the company. The Board Committee on Human Rights shall not incur any costs to the company except as authorized by the Board of Directors.”

Proponent: Harrington Investments

Resolution: “Shareholders request the Board to publish a report to shareholders within six months, at reasonable expense and omitting proprietary information, providing a summarized listing and assessment of concrete steps the company could reasonably take to reduce the likelihood that its business practices might enable or encourage the violation of human rights, including freedom of expression and privacy, or otherwise encourage or enable fragmentation of the Internet.”

Proponent: Boston Common Asset Management

6. Citigroup Inc.
Resolution: “The shareholders request that the Company provide a report updated semi-annually, 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) Rationale for each of the charitable contributions. To the extent reasonable and permissible, the report may include the type of information requested above for the Citigroup Foundation. Citigroup and Citigroup Foundation have made charitable contributions exceeding $560 million since 1998, according to the 2005 Citigroup Citizenship Report. This report may be posted on the company’s website to reduce costs to shareholders.”

Proponent: National Legal and Policy Center

Resolution: “[T]he stockholders of Citigroup assembled in Annual Meeting in person and by proxy hereby request the Board of Directors to have the Company furnish the stockholders each year with a list of people employed by the Corporation with the rank of Vice President or above, or as a consultant, or as a lobbyist, or as legal counsel or investment banker or director, who, in the previous five years have served in any governmental capacity, whether Federal, City or State, or as a staff member of any CONGRESSIONAL COMMITTEE or regulatory agency, and to disclose to the stockholders whether such person was engaged in any matter which had a bearing on the business of the Corporation and/or its subsidiaries, provided that information directly affecting the competitive position of the Corporation may be omitted.”

Proponent: Evelyn Y. Davis

Resolution: “[T]he shareholders of 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

7. Comcast Corp.

Resolution: “[T]he shareholders of Comcast Corporation (“Comcast” 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 section 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 Comcast 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 Comcast’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 Comcast website to reduce costs to shareholders.”

Proponent: Longview Collective Investment Fund

Resolution: “[S]hareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by December 31, 2007.”

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

8. Comerica Inc.

Resolution: “Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by September 1, 2007.”

Proponent: Walden Asset Management

9. ConocoPhillips
Resolution: “[T]he shareholders of ConocoPhillips ("Conoco") hereby request that the Company provide a report, updated semi-annually, disclosing Conoco’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 Conoco’s funds that are used for political contributions or expenditures as described above;
   b. Identification of the person or persons in Conoco who participated in making the decisions to make the political contribution or expenditure; and
   c. The internal guidelines or policies, if any, governing Conoco’s political contributions and expenditures.

The 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: Nathan Cummings Foundation

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.”

Proponent: School Sisters of Notre Dame, St. Louis

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 2008 annual meeting.”

Proponent: Green Century Capital Management

Resolution: “Shareholders request that the Board prepare a report by November, 2007, at reasonable cost and omitting proprietary information, on ConocoPhillips’ policies and procedures regarding:

1. Host country laws and regulations with respect to their adequacy to protect indigenous rights.
2. Process and practice for obtaining consent of indigenous peoples affected by our operations, through their recognized and official governance structures.”

Proponent: Boston Common Asset Management
10. CVS Corp.

Resolution: “[S]hareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by November 1, 2007.”

Proponent: F & C Asset Management

11. Dominion Resources

Resolution: “Shareholders request a report [reviewed by a board committee of independent directors] on how the company is responding to rising regulatory, competitive, public pressure to significantly reduce carbon dioxide and other emissions from the company’s current and proposed power plant operations. The report should be provided by September 1, 2007 at a reasonable cost and omit proprietary information.”

Proponent: New York City Pension Funds

12. The Dow Chemical Company

Resolution: “[S]hareholders request the board of directors to review and report to shareholders by November 2007, on the company’s internal controls related to potential adverse impacts associated with genetically engineered organisms, including:
• adequacy of current post-marketing monitoring systems;
• adequacy of plans for removing GE seed from the ecosystem should circumstances so require;
• possible impact on all Dow seed product integrity;
• effectiveness of established risk management processes for different environments and agricultural systems such as Mexico.”

Proponent: Adrian Dominican Sisters

Resolution: Shareholders ask the company to publish a report by May 2008 “analyzing the extent to which Dow product categories may cause or exacerbate asthma, and describing public policy initiatives, and Dow policies and activities, to phase out or restrict materials linked with such effects.”

Proponent: Trillium Asset Management

Resolution: “Shareholders request Dow Chemical management to report to shareholders by October 2007, at reasonable cost and excluding confidential information, descriptions of any new
initiatives instituted by management to address specific health, environmental and social concerns of Bhopal, India survivors.”

**Proponent:** New York City Pension Funds and Amnesty International

**Resolution:** “Shareholders request that the Board of Directors issue a report to shareholders by April 2008, at reasonable cost and excluding confidential information, summarizing the pace and effectiveness of the environmental remediation process being undertaken by Dow in the vicinity of and downstream from its Midland headquarters.”

**Proponent:** Sisters of Mercy

13. **E.I. Du Pont NeMours & Co.**

**Resolution:** “[S]hareholders request the board of directors to review and report to shareholders by November 2007, on the company’s internal controls related to potential adverse impacts associated with genetically engineered organisms, including:

- adequacy of current post-marketing monitoring systems;
- adequacy of plans for removing GE seed from the ecosystem should circumstances so require;
- possible impact on all DuPont seed product integrity;
- effectiveness of established risk management processes for different environments and agricultural systems such as Mexico.”

**Proponent:** Christian Brothers Investment Services and 8 co-filers.

**Resolution:** [Shareholders ask the company] “to issue a report on PFOA compounds used in DuPont products by the 2008 annual meeting, at reasonable cost and excluding confidential information, evaluating the feasibility of an expeditious phaseout of the use of PFOA in the production of all DuPont products, including materials that may degrade to PFOA in use or in the environment, and the development and adoption of safer substitutes.”

**Proponent:** Amalgamated Bank LongView Investment

**Resolution:** Requests that Du Pont “report by the 2008 shareholder meeting, at reasonable cost and excluding confidential information, its annual expenditures for each year from 1996 through 2006, on attorney’s fees, expert fees, lobbying, and public relations/media expenses, relating to DuPont’s environmental pollution with PFOA and related fluorocarbon compounds or by dioxins, as well as expenditures on actual remediation of contaminated sites.”

**Proponent:** United Steelworkers, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union
**Resolution:** “[T]he stockholders of E. I. du Pont de Nemours and Company, assembled in annual meeting and by proxy, hereby request that the Board of Directors consider the following nonbinding proposal: That it create a committee, with members drawn from the employee work force of DuPont, the union leadership of DuPont, the management of DuPont, and any necessary independent consultants, to report to the Board of Directors regarding (1) the impact to communities as a result of DuPont’s action in laying off mass numbers of employees, selling its plants to other employers, and closing its plants and (2) alternatives that can be developed to help mitigate the impact of such actions in the future.”

**Proponent:** International Brotherhood of Teamsters

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

**Proponent:** International Brotherhood of Du Pont Workers

**Resolution:** “The shareholders request that the Board of Directors prepare by October 2007, at reasonable expense and omitting proprietary information, a Global Warming Right-to-Know Report. The report may discuss the:

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

**Proponent:** Action Fund Management LLC

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

**Proponent:** Green Century Capital Management

**14. Eli Lilly & Co.**
Resolution: [Shareholders request] that the Board issue a report to shareholders on the feasibility of amending the Company’s Animal Care and Use Policy to ensure that: i) it extends to all contract laboratories and is reviewed with such outside laboratories on a regular basis, and ii) it addresses animals’ social and behavioral needs. Further, the shareholders request that the report include information on the extent to which in-house and contract laboratories are adhering to the Policy, including the implementation of enrichment measures.”

Proponent: People for the Ethical Treatment of Animals

Resolution: [Shareholders request] that the Board report to shareholders on the rationale for increasingly exporting the Company’s animal experimentation to countries which have either non-existent or substandard animal welfare regulations and little or no enforcement. Further, the shareholders request that the report include information on the extent to which Lilly requires – at a minimum – adherence to U.S. animal welfare standards at its facilities in foreign countries.”

Proponent: People for the Ethical Treatment of Animals

15. Entergy Corp.

Resolution: “[T]he shareholders of Entergy Corporation (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

16. Exxon Mobil 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.”


Resolution: Shareholders ask 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: Nortstar Asset Management

Resolution: “[T]he shareholders request the Board of Directors to report to shareholders… 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: Episcopal Church

Resolution: “The shareholders request that [the] Board adopt a policy of significantly increasing renewable energy sourcing globally, with recommended goals in the range of between 15%-25% of its energy sourcing by between 2015-2025.”

Proponent: Steve Viederman

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

Proponent: Mario Lalanne
Resolution: “Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company’s products and operations; and that the Company report to shareholders by Sept. 30, 2007, on its plans to achieve these goals.”

Proponent: Sisters of St. Dominic of Caldwell, N.J., was the lead filer of this resolution. More than 40 shareholders owning more than 1.1 million shares of ExxonMobil stock co-filed this resolution.

Resolution: “[T]he shareholders of ExxonMobil hereby request that the Company provide a report, updated semi-annually, disclosing ExxonMobil’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 ExxonMobil’s funds that are used for political contributions or expenditures as described above;
   b. Identification of the person or persons in our company who participated in 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.

The 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.”

17. General Electric Co.

Resolution: “The shareholders request that the Company provide a report updated semi-annually, 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. Rationale for each of the charitable contributions.”

Proponent: National Legal and Policy Center
Resolution:  “[T]he shareholders request the Board to review and if necessary amend and amplify our Company’s code of conduct and statement 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:  Sisters of Charity of the Blessed Virgin Mary

Resolution:  “The shareholders request that the Board of directors prepare by October 2007, at reasonable expense and omitting proprietary information, a global warming report. The report may discuss (1) Specific scientific data and studies relied on to formulate GE’s climate policy; (2) Extent to which GE believes human activity will significantly alter global climate, whether such change is necessarily undesirable and whether a cost-effective strategy for mitigating any undesirable change is practical. (3) Estimate of costs and benefits to GE of its climate policy.”

Proponent:  Free Enterprise Action Fund

18. General Motors Company

Resolution:  “[S]hareholders request that the Board of Directors publicly adopt quantitative goals, based on current and emerging technologies, for reducing total greenhouse gas emissions from the company’s products and operations; and that the company report to shareholders by Sept. 30, 2007, on its plans to achieve these goals.”

Proponent:  Sisters of St. Dominic, Caldwell, NJ

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 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

19. Hasbro Corporation

Resolution:  “[S]hareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by December 31, 2007.”

Proponent:  Camilla Madden Charitable Trust
20. Home Depot Incorporated

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

Proponent: Evelyn Y. Davis

Resolution: Asks 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 and three dozen co-filers.

21. IBM Corporation

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

Proponent: Michael L. Saville

22. J.P. Morgan Chase & Co.

Resolution: “Shareholders request JPMorgan Chase & Co. management to report to shareholders by October 1, 2007, at a reasonable cost and excluding confidential information, descriptions of initiatives instituted by management to address the Company’s alleged links to slavery and other abuses of human rights.”

Proponent: National Legal and Policy Center

Resolution: “[T]he shareholders of JPMorgan Chase & Co. (“JPMorgan” 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 web site to reduce costs to shareholders.”

Proponent: AFL-CIO

23. Kellogg Company

Resolution: “Shareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by December 31, 2007.”

Proponent: New York City Pension Funds

24. Lear Corp.

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

25. Lehman Brothers

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 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
26. Manpower Inc.

Resolution: Asks 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

27. McDonald’s Corp.

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 or products of animal cloning.”

Proponent: Camilla Madden Charitable Trust

Resolution: “[T]he shareholders urge the Board of Directors to adopt, implement, and enforce a revised company-wide Code of Conduct, inclusive of suppliers and sub-contractors, based on the International Labor Organization’s (“ILO”) Declaration of Fundamental Principles and Rights at Work and the following other relevant ILO conventions:

- “Employment shall be freely chosen. There shall be no use of forced labor, including bonded or voluntary prison labor (ILO Conventions 29 and 105);

- “Workers are entitled to overtime pay when working more than 8 hours per day (ILO Convention 1);

- “All workers have the right to form and join trade unions and to bargain collectively. (ILO Conventions 11, 87, 98, 110);

- “Worker representatives shall not be the subject of discrimination and shall have access to all workplaces necessary to enable them to carry out their representation functions (ILO Convention 135).

“The Board should also prepare a report at reasonable cost to shareholders and the public concerning the implementation and enforcement of this policy.”

Proponent: The AFL-CIO Reserve Fund, the Adrian Dominican Sisters and the Sisters of Charity of the Blessed Virgin Mary

28. Merck & Company

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 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

28. Microsoft Corp.

Resolution: “[S]hareholders request that management institute policies to help protect freedom of access to the Internet which would include the following minimum standards:
1. Data that can identify individual users should not be hosted in Internet restricting countries, where political speech can be treated as a crime by the legal system.
2. The company will not engage in pro-active censorship.
3. The company will use all legal means to resist government demands for censorship. The company will only comply with such demands if required to do so through legally binding procedures.
4. Users will be clearly informed when the company has acceded to legally binding government requests to filter or otherwise censor content that the user is trying to access.
5. Users should be informed about the company’s data retention practices, and the ways in which their data is shared with third parties.
6. The company will refrain from supplying government agencies in Internet restricting countries with equipment or training designed to facilitate the censorship of Internet communications.
7. The company will document all cases where legally-binding censorship requests have been complied with, and that information will be publicly available.

Proponent: New York City Pension Funds

Resolution: “[Shareholders ask the Board to] amend the corporate Bylaws, by inserting the following new Article VII:
Article VII — Board Committee on Human Rights
7.1 There is established a Board Committee on Human Rights, which is created and authorized to review the implications of company policies, above and beyond matters of legal compliance, for the human rights of individuals in the US and worldwide.
7.2 The Board of Directors is authorized in its discretion consistent with these Bylaws, the Articles of Incorporation and applicable law to (1) select the members of the Board Committee on Human Rights, (2) provide said committee with funds for operating expenses, (3) adopt regulations or guidelines to govern said Committee’s operations, (4) empower said Committee to solicit public input and to issue periodic reports to shareholders and the public, at reasonable expense and excluding confidential information, including but not limited to an annual report on the implications of company policies, above and beyond matters of legal compliance, for the human rights of individuals in the US and worldwide, and (5) any other measures within the Board’s discretion consistent with these Bylaws and applicable law.

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7.3 Nothing herein shall restrict the power of the Board of Directors to manage the business and affairs of the company. The Board Committee on Human Rights shall not incur any costs to the company except as authorized by the Board of Directors.”

Proponent: Harrington Investments

30. Northrop Grumman

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 Northrop Grumman’s foreign sales of weapons-related products and services.”

Proponent: Congregation of the Passion

31. Occidental Petroleum Co.

Resolution: Asks the board to publish annually a “Scientific Report on Global Warming/Cooling” that would include global temperature measurements, atmospheric gases thought to be greenhouse gases, effect of the sun’s radiation, sources of carbon dioxide and the “greenhouse effect” occurring from atmospheric concentrations of carbon dioxide.

Proponent: Carl Olson, State Department Watch

32. PepsiCo Inc.

Resolution: “The shareholders request that PepsiCo provide a report updated semi-annually, 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) Rationale for each of the charitable contributions. This report may be posted on the company’s website to reduce costs to shareholders.”

Proponent: National Legal and Policy Center

33. Pfizer Inc.

Resolution: [Shareholders request] that the Board report to shareholders on the rationale for increasingly exporting the Company’s animal experimentation to countries which have either non-existent or substandard animal welfare regulations and little or no enforcement. Further, the shareholders request that the report include information on the extent to which Pfizer requires—at a minimum—adherence to U.S. animal welfare standards at its facilities in foreign countries.”

Proponent: People for the Ethical Treatment of Animals
Resolution: [Shareholders request] that the Board issue a report to shareholders on the feasibility of amending the Company’s Guidelines and Policy on Laboratory Animal Care to ensure that: i) it extends to all contract laboratories and is reviewed with such outside laboratories on regular basis, and ii) it addresses animals’ social and behavioral needs. Further, the shareholders request that the report include information on the extent to which in-house and contract laboratories are adhering to the Policy, including the implementation of enrichment measures.”

Proponent: People for the Ethical Treatment of Animals

34. 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 or products of animal cloning.”

Proponent: Adrian Dominican Sisters and 6 other co-filers.

Resolution: “[S]hareholders request that the Board of Directors issue a sustainability report to shareholders, at reasonable cost, and omitting proprietary information, by December 31, 2007.”

Proponent: New York City Pension Funds

35. Target Corp.

Resolution: “[T]he shareholders of Target Corp. (“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. 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: Firefighters’ Pension System of Kansas City, Missouri

36. Texas Instruments, Inc.

Resolution: “[T]he stockholders of Texas Industries, Inc. (‘TXI’) request the Board of Directors to prepare a public sustainability report, at reasonable expense and omitting proprietary information, by February 1, 2008.”

Proponent: Charles T. Woodward and Robert M. Boothby

37. The Boeing Company

Resolution: “The shareholders request that Boeing provide a report updated semi-annually, 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) Rationale for each of the charitable contributions. This report may be posted on the company’s website to reduce costs to shareholders.”

Proponent: National Legal and Policy Center

Resolution: “[T]he shareholders of the Boeing Company ("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.
The 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: Newground Social Investment

38. The Charles Schwab Co.
Resolution:  “[T]he shareholders of Charles Schwab 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

39. The Chubb Corporation

Resolution:  “[T]he shareholders of the Chubb Corporation (“Company”) hereby request that the company provide a report, updated semi-annually, disclosing our Company’s:
1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary contributions and expenditures not deductible under section 162(e)(1)(B) of the Internal Revenue Code, including but not limited to contributions 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 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 our Company’s funds that are used for political contributions or expenditures as described above;
   b. Identification of the person or persons in our 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:  Laborers International Union of North America

40. The Coca-Cola Company

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

Proponent: Northstar Asset Management

Resolution: “[S]hareholders request that the independent directors of the Board of The Coca-Cola Company commission—at reasonable cost and omitting proprietary information—a study that would lead to a report on the potential environmental and public health damage of each of its plants, affiliates and proposed ventures extracting water from areas of water scarcity in India. The report should consider the implications of a policy of refraining from extracting ground and surface water in India and should be available to investors by the 2008 annual meeting. The study and the report should be commissioned to an independent, third party organization which has no past or present relationship with the Coca-Cola Company or the campaign against the Coca-Cola Company.”

Proponent: Alice de V. Perry

41. The Goldman Sachs Group

Resolution: “The shareholders request that the Company provide a report updated semi-annually, 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. “Rationale for each of the charitable contributions.

“To the extent reasonable and permissible, the report may include the type of information requested above for charities and foundations controlled or managed by the Company, such as the Goldman Sachs Charitable Fund, Goldman Sachs Foundation and Goldman Sachs Philanthropy Fund.

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

Proponent: National Legal and Policy Center

Resolution: “The shareholders request that the Board of Directors prepare by October 2007, at reasonable expense and omitting proprietary information, a Sustainability Report. The report may include:

1. “Goldman’s operating definition of sustainability;
2. “A review of current Goldman policies, practices and projects related to social, environmental and economic sustainability; and
3. “A summary of long-term plans to integrate sustainability objectives with Goldman’s operations.”

Proponent: Free Enterprise Action Fund

42. The Kroger Co.

Resolution: “The shareholders request that a committee of independent directors of the Board assess how the company is responding to rising regulatory, competitive, and public pressure to address climate change and report to shareholders (at reasonable cost and omitting proprietary information) by December 1, 2007.”

Proponent: Nathan Cummings Foundation

43. Verizon Communications

Resolution: “The shareholders request that Verizon provide a report updated semi-annually, 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) Rationale for each of the charitable contributions. This report may be posted on the company’s website to reduce costs to shareholders.”

Proponent: National Legal and Policy Center

44. Viacom Inc.

Resolution: “[S]hareholders request the Viacom Board of Directors to begin the process of divesting (via sale or other extraordinary transaction) Paramount Pictures from Viacom, Inc. to be realized by Dec. 28, 2007.”

Proponent: As You Sow Foundation

45. Wachovia Corp.

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 Reserve Fund

### 46. Wal-Mart Stores, Inc.

**Resolution:** “The shareholders request that Wal-Mart 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) Rationale for each of the charitable contributions. To the extent reasonable and permissible, the report may include the type of information requested above for the Wal-Mart Foundation and other charities and foundations controlled or managed by the Company. This report may be posted on the company’s website to reduce costs to shareholders.”

**Proponent:** National Legal and Policy Center

**Resolution:** Asks 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:** Northstar Asset Management

**Resolution:** “[T]he shareholders of Wal-Mart Inc., (“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.

The 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

Resolution: “The shareholders request the Board of Directors to issue a report to the shareholders, by September of 2007, on the negative social and reputational impacts of reported and known cases of management non-compliance with International Labor Organization (ILO) conventions and standards on workers’ rights and the company’s legal and regulatory controls. The report should include the Board’s recommendations and actions taken to improve compliance.”

Proponent: New York City Employees’ Retirement System

Resolution: “Shareholders request that the company report (at reasonable cost and omitting proprietary information) on the implications of rising health care expenses and how it is positioning itself to address this public policy issue without compromising the health and productivity of its workforce. The report should be completed by June 30, 2007 and need not address specific benefit offerings.”

Proponent: Basilian Fathers of Toronto

Resolution: “The shareholders request that the Board of Directors prepare by November 2007, at reasonable expense and omitting proprietary information, a Business Social Responsibility Report. The report may describe Company activity and plans with respect to improving the business environment, such as:

1. “Reducing the adverse impact on the Company of unmeritorious litigation, unnecessarily burdensome laws and regulations, and taxes;

2. “Promoting key pro-free enterprise principles and public policies that expand business opportunities and increase shareholder value, including private property rights, trade liberalization, and deregulation; and

3. “Promoting the social benefits of business and the virtues of capitalism through support of pro-free enterprise nonprofit groups, public relations and participation in effective business trade organizations.”

Proponent: Free Enterprise Action Fund
47. Wells Fargo & Company

Resolution: “Shareholders request that the Board of Directors prepare a special report, providing explanations of racial and ethnic disparities in the cost of loans provided by the company. The report shall discuss the following questions:

- How does Wells Fargo explain the racial and ethnic disparities pertaining to high-cost mortgages revealed in the company’s Home Mortgage Disclosure Act data?
- Does Wells Fargo believe that the company’s racial and ethnic disparities in high-cost loans affect the home affordability or wealth-building benefits of home ownership for their minority customers?
- Does Wells Fargo believe some of these disparities are explained by the racial wealth divide prevalent in the United States? If so, what does Wells Fargo believe can be done to lessen this divide?

This report, prepared at reasonable cost and omitting proprietary information, shall be available to all shareholders, upon written request, no later than September 30, 2007.”

Proponent: Northstar Asset Management and several co-filers

48. Wyeth Corp.

Resolution: [Shareholders ask] 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) providing for the social and behavioral needs of those animals used in such research and testing, both by the Company itself and by all independently retained laboratories. Further, the shareholders request that the Board issue a report to shareholders on the extent to which in-house and contract laboratories are adhering to this policy, including the implementation of enrichment measures.”

Proponent: People for the Ethical Treatment of Animals

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

Proponent: Minnesota State Board of Investment

Resolution: “[T]he shareholders of Wyeth 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

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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:** Camilla Madden Charitable Trust and one other co-filer