

**DARTMOUTH COLLEGE
ADVISORY COMMITTEE ON INVESTOR RESPONSIBILITY**

**EXECUTIVE SUMMARY PREPARED FOR THE DARTMOUTH
COMMUNITY
FISCAL 2019**

Executive Summary

In fiscal 2019 the Advisory Committee on Investor Responsibility (ACIR) was able to build on its activities and voting record from 2018. With most members returning to the committee, proxy review and voting were more efficient, with nearly 60 votes recommended.

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

The Environmental, Social and Governance (ESG) proxy landscape has changed significantly since the formation of the ACIR. In the past, few to no ESG shareholder proposals would receive the needed majority support, while we are now seeing shareholder resolutions garnering the needed votes to be implemented by management. Within Dartmouth's portfolio, we had two proxy votes earn a shareholder majority in 2017, requesting reports on climate changes from energy producers, and one in 2019 requesting Travelers to prepare a diversity report available to investors.

Within this year's votes, three major themes emerged from Dartmouth's ESG proxy resolutions:

- Environmental concerns: including sustainable oversight, environmental management, and climate change.
- Political activity: focusing on election spending and lobbying transparency, and
- Diversity: covering fair treatment and pay for women and minorities and requesting reports on sexual harassment policies.

ACIR Recommendations on the Voting of Proxy Resolutions

As of January 31, 2019, there were 166 directly held publicly traded equities, 35 of which had environmental, social, or governance proxy votes. There were 58 total proxy recommendations made to the Investment Office in fiscal 2019.

The table below provides a summary of the recommendations by subject area in fiscal 2019:

Topic	Proxy Resolution Recommendations			Total Voted
	Support	Oppose	Abstain	
Board Diversity	1	4	1	6
Climate Change	5		5	6
Corporate Political Activity	15			15
Decent Work	8			8
Environmental Management	2	1		3
Ethical Finance			1	1
Health		1		1
Human Rights	3	1	3	7
Industrial Agriculture	1			1
Sustainability Oversight	1		6	7
Workplace diversity	3			3
Total	39	7	12	58

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

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

ACIR Membership

Seven voting members of ACIR during 2019 were recruited from the College's faculty, administration, undergraduate and graduate schools.

In 2019, James D. Feyrer, Associate Professor of Economics and Vice-Chair of the Economics Department, served as the Chair of ACIR. Other members included: Rosalie E. Kerr, '97 Sustainability, Tracy L. Dustin-Eichler, Sustainability, Robert M. Baum, Departments of Religion, AAAS, WGSS, John D. Trout, Department of Mathematics, Shrinivas R Potty, T'19 Tuck Student, and Alexander R. Miller Jr., '20 Dartmouth Undergraduate. Scott Frew, a non-voting member, served as ACIR's Executive Administrator.

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

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

The ACIR will continue to monitor the No Hold List to ensure the companies on the list continue to meet the criteria set forth above. The list should be reviewed each fiscal year as company operations and ownership can change over time. Appendix III has the current list of companies on Dartmouth's Sudan No Hold List.

Tobacco Holdings

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

Executive Summary Conclusion

The landscape, both in terms of the total number of ESG proxies, and the support these resolutions are garnering from shareholders, is changing. In fiscal 2019 alone, over 450 ESG shareholder resolutions were filed. Within those resolutions, eight had majority shareholder support, with 22 resolutions earning more than 40% support.¹ Dartmouth continues to play its role of being an engaged and responsible investor by actively reviewing, debating and voting its ESG proxies.

¹ Proxy counts and information from the Sustainable Investments Institute's Proxy Season Mid-Year Review: "Social, Environmental & Sustainable Governance Shareholder Proposals in 2019", dated August 13, 2019

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

KEY: Rec: ACIR Voting Recommendation

F = Vote in favor of resolution

O = Vote to oppose resolution

A = Vote to abstain on resolution

Support: Total level of shareholder support

W: Resolution either withdrawn by proponent or noted voted upon for other reason

Company	Action	Rec.	Support
3M	Consider pay disparity in CEO compensation	F	10.0%
Amazon.com	Ban sales of facial recognition software	A	2.4%
Amazon.com	Report on board nominee ideological diversity	O	2.6%
Amazon.com	Report on climate-related transition plan	A	30.8%
Amazon.com	Report on executive pay links to ESG metrics	A	19.1%
Amazon.com	Report on facial recognition software	F	28.2%
Amazon.com	Report on food waste management	O	25.9%
Amazon.com	Report on gender/minority pay disparity	F	26.7%
Amazon.com	Report on sales of offensive products	O	27.1%
Amazon.com	Review/report on sexual harassment policy	F	33.3%
Analog Devices	Report on EEO and affirmative action	F	48.0%
Apple	Report on board nominee ideological diversity	O	1.7%
Bank of America	Report on gender/minority pay disparity	F	22.9%
BlackRock	Report on lobbying	F	21.7%
Chevron	Establish board committee on climate change	O	7.6%
Chevron	Report on human right to water	A	32.2%
Chevron	Report on lobbying	F	21.7%
Chevron	Report on Paris-compliant plan to cut carbon footprint	F	33.1%
CMS Energy	Review/report on election spending	F	34.3%
Coca-Cola	Report on sugary products and public health	O	4.8%
Comcast	Report on lobbying	F	18.0%
CVS Health	Include drug legal costs in executive pay metrics	A	W
DowDupont	Report on climate-related extreme weather impacts	F	7.0%
DowDupont	Report on plastics pollution	F	6.7%
DTE Energy	Review/report on election spending	F	33.5%
Eli Lilly	Report on benefits of lobbying	F	26.4%
Exxon Mobil	Establish board committee on climate change	O	7.3%
Exxon Mobil	Report on board diversity matrix	F	29.8%
Exxon Mobil	Report on climate-related extreme weather impacts	F	24.9%
Exxon Mobil	Report on lobbying	F	37.3%

Exxon Mobil	Review/report on election spending	F	26.1%
Gilead Sciences	Report on tax cut windfall	A	2.2%
Home Depot	Report on EEO and affirmative action	F	33.0%
Home Depot	Report on prison labor and supply chain	F	30.2%
Honeywell International	Report on lobbying	F	42.4%
Illinois Tool Works	Adopt GHG reduction targets	F	21.3%
Johnson & Johnson	Report on executive pay links to ESG metrics	A	29.2%
Kraft Heinz	Report on human rights risk assessment	F	W
Merck	Report on executive pay links to ESG metrics	A	29.0%
Mondelez International	Consider pay disparity in CEO compensation	F	7.5%
Mondelez International	Report on supply chain deforestation impacts	F	11.3%
NextEra Energy	Review/report on election spending	F	48.7%
Northern Trust	Review/report on election spending	F	25.5%
PepsiCo	Report on pesticide monitoring	F	10.7%
Pfizer	Report on benefits of lobbying	F	29.7%
Pfizer	Report on executive pay links to ESG metrics	A	28.6%
Republic Services	Review/report on election spending	F	23.2%
Simon Property Group	Review/report on election spending	F	37.0%
Starbucks	Report on board nominee ideological diversity	A	1.7%
Starbucks	report on packaging	F	44.4%
Travelers	Report on EEO and affirmative action	F	50.9%
Verizon	Report on child sexual exploitation and products/services	A	33.9%
Verizon	Report on executive pay links to ESG metrics	A	12.4%
Walmart	Report on discrimination and leave policy	F	O
Walmart	Review/report on sexual harassment policy	F	10.8%
Wells Fargo	Report on compensation links to risky practices	F	21.5%
Wells Fargo	Report on gender/minority pay disparity	F	22.6%
Wyndham	Review/report on election spending	F	35.6%

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

KEY: Rec: ACIR Voting Recommendation

F = Vote in favor of resolution

O = Vote to oppose resolution

A = Vote to abstain on resolution

Support: Total Level of shareholder support

W: Resolution either withdrawn by proponent or noted voted upon for other reason

Board Diversity

Company	Action	Rec.	Support
Amazon.com	Report on board nominee ideological diversity	O	2.6%
Apple	Report on board nominee ideological diversity	O	1.7%
Chevron	Establish board committee on climate change	O	7.6%
Exxon Mobil	Establish board committee on climate change	O	7.3%
Exxon Mobil	Report on board diversity matrix	F	29.8%
Starbucks	Report on board nominee ideological diversity	A	1.7%

Climate Change

Company	Action	Rec.	Support
Amazon.com	Report on climate-related transition plan	A	30.8%
Chevron	Report on Paris-compliant plan to cut carbon	F	33.1%
DowDupont	Report on climate-related extreme weather	F	7.0%
Exxon Mobil	Report on climate-related extreme weather	F	24.9%
Illinois Tool Works	Adopt GHG reduction targets	F	21.3%
Mondelez Inter.	Report on supply chain deforestation impacts	F	11.3%

Corporate Political Action

Company	Action	Rec.	Support
BlackRock	Report on lobbying	F	21.7%
Chevron	Report on lobbying	F	21.7%
CMS Energy	Review/report on election spending	F	34.3%
Comcast	Report on lobbying	F	18.0%
DTE Energy	Review/report on election spending	F	33.5%
Eli Lilly	Report on benefits of lobbying	F	26.4%

Exxon Mobil	Report on lobbying	F	37.3%
Exxon Mobil	Review/report on election spending	F	26.1%
Honeywell Inter.	Report on lobbying	F	42.4%
NextEra Energy	Review/report on election spending	F	48.7%
Northern Trust	Review/report on election spending	F	25.5%
Pfizer	Report on benefits of lobbying	F	29.7%
Republic Services	Review/report on election spending	F	23.2%
Simon Property	Review/report on election spending	F	37.0%
Wyndham Dest.	Review/report on election spending	F	35.6%

Decent Work

Company	Action	Rec.	Support
3M	Consider pay disparity in CEO compensation	F	10.0%
Amazon.com	Report on gender/minority pay disparity	F	26.7%
Amazon.com	Review/report on sexual harassment policy	F	33.3%
Bank of America	Report on gender/minority pay disparity	F	22.9%
Mondelez Inter.	Consider pay disparity in CEO compensation	F	7.5%
Walmart	Report on discrimination and leave policy	F	omitted
Walmart	Review/report on sexual harassment policy	F	10.8%
Wells Fargo	Report on gender/minority pay disparity	F	22.6%

Environmental Management

Company	Action	Rec.	Support
Amazon.com	Report on food waste management	O	0.259
DowDupont	Report on plastics pollution	F	6.7%
Starbucks	report on packaging	F	44.4%

Ethical Finance

Company	Action	Rec.	Support
Gilead Sciences	Report on tax cut windfall	A	2.2%

Health

Company	Action	Rec.	Support
Coca-Cola	Report on sugary products and public health	O	4.8%

Human Rights

Company	Action	Rec.	Support
Amazon.com	Ban sales of facial recognition software	A	2.4%
Amazon.com	Report on facial recognition software	F	28.2%
Amazon.com	Report on sales of offensive products	O	27.1%
Chevron	Report on human right to water	A	32.2%
Home Depot	Report on prison labor and supply chain	F	30.2%
Kraft Heinz	Report on human rights risk assessment	F	W
Verizon	Report on child sexual exploitation and products/services	A	33.9%

Industrial Agriculture

Company	Action	Rec.	Support
PepsiCo	Report on pesticide monitoring	F	10.7%

Sustainability Oversight

Company	Action	Rec.	Support
Amazon.com	Report on executive pay links to ESG metrics	A	19.1%
CVS Health	Include drug legal costs in executive pay metrics	A	W
Johnson & Johnson	Report on executive pay links to ESG metrics	A	29.2%
Merck	Report on executive pay links to ESG metrics	A	29.0%
Pfizer	Report on executive pay links to ESG metrics	A	28.6%
Verizon	Report on executive pay links to ESG metrics	A	12.4%
Wells Fargo	Report on compensation links to risky practices	F	21.5%

Workplace Diversity

Company	Action	Rec.	Support
Analog Devices	Report on EEO and affirmative action	F	48.0%
Home Depot	Report on EEO and affirmative action	F	33.0%
Travelers	Report on EEO and affirmative action	F	50.9%

APPENDIX III – SUDAN NO HOLD LIST

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

APPENDIX IV – TOBACCO NO HOLD LIST

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

