



# C O R P O R A T E S O C I A L I S S U E S R E P O R T E R

Impartial Research on Companies and Shareholders Worldwide

January 2007

## Shareholder Advocates Announce Their Plans for 2007

Shareholders concerned with how companies manage environmental and social issues have filed more than 320 proposals so far for U.S. companies' annual meetings in 2007. As a barometer of the times, one out of every 10 of these proposals deals with how companies should best respond to the challenges posed by **global warming**. Climate-related proposals, along with proposals on reducing use of **toxic chemicals** or seeking action on other environmental issues, account altogether for more than 70 of the proposals filed for this year's meetings. The second leading category of proposals, with more than 50 filed, asks companies to disclose and better monitor their **political contributions**, including, in many cases, their political activities through trade associations. In addition, 38 proposals have been filed this year asking companies to issue **sustainability reports**, nearly double the 20 filed last year. Proposals abound as well as on expanding **equal employment** protections to employees regardless of sexual orientation, improving **animal welfare**, upholding internationally recognized **labor standards** and protecting **human rights**.

Several brand new proposals have surfaced this year, but not all are likely to survive to the voting

*The Sisters of St. Dominic, a leader on climate change since the issue first came before shareholders, have a new proposal asking several companies to set goals for reducing total greenhouse gas emissions from their products and operations.*

stage. A proposal asking several large employers to review the implications of rising health care expenses has already been omitted at one of the

companies where it was filed, and other targets are challenging it as well. A new resolution that has survived challenge is at Dominion Resources, which questions the advisability of the utility taking advantage of a fast-track regulatory process to proceed with building electric lines over community opposition. A nearly identical proposal has been filed at Allegheny Energy. Another new environmental proposal questions Yum Brands on how sustainable its suppliers' fishing practices are.

Several new proposals this year raise human rights issues. As You Sow Foundation is taking AT&T and Verizon to task for turning over customer records to the National Security Agency without challenge. Socially responsible investment firm Boston Common Asset Management has filed a resolution asking two hotel chains to adopt a policy to ensure that their hotels are not used as venues for child prostitution; it filed, and withdrew, a similar resolution last year at Marriott. An individual investor, clearly motivated by concerns over genocidal policies in Sudan, has filed a resolution at Berkshire Hathaway asking it not to invest in non-U.S. companies that operate in  
*(continued on p. 3)*

**7** Women and Minority Directors Make No Gains in 2006

**12** Equality Principles Proposal Passes at Micron

**21** Checklist of 2007 Social Issues Shareholder Proposals

## In This Issue

### Proxy Season

**Shareholder Advocates Announce Their Plans for 2007** – Shareholders concerned with how companies manage environmental and social issues have filed more than 320 proposals so far for U.S. companies' annual meetings in 2007. As a barometer of the times, one out of every 10 of these proposals deals with how companies should best respond to the challenges posed by global warming.

• <b>Animal Welfare</b>	<b>1</b>
• <b>Banking</b>	<b>3</b>
• <b>Board Diversity</b>	<b>4</b>
• <b>Charitable Contributions</b>	<b>5</b>
• <b>Environment</b>	<b>5</b>
• <b>Equal Employment</b>	<b>6</b>
• <b>Executive Pay and Social Issues</b>	<b>12</b>
• <b>Global Labor Standards</b>	<b>13</b>
• <b>Health Issues</b>	<b>14</b>
• <b>Human Rights</b>	<b>14</b>
• <b>Military and Security Issues</b>	<b>15</b>
• <b>Northern Ireland</b>	<b>17</b>
• <b>Political Contributions and Related Issues</b>	<b>17</b>
• <b>Sustainability Reporting</b>	<b>18</b>
• <b>Tobacco</b>	<b>19</b>
• <b>Other Issues</b>	<b>19</b>
<b>Equality Principles Resolution Passes at Micron</b>	<b>20</b>
	<b>12</b>

### Governance

**Women and Minority Directors Make No Gains in 2006** – The percentage of both women and minority directors serving on U.S. corporate boards remained flat in 2006, dispelling hopes that their numbers would surge as board membership becomes more independent to meet new stock exchange rules.

### Environment

**Ceres, Calvert Fault U.S. Firms on Carbon Disclosure** - An analysis released this month faults U.S. firms for poor disclosure overall on climate change risk. The joint report by Ceres, a coalition of environmental groups and investors, and Calvert, a socially responsible investment management firm, examined the responses—or lack thereof—of the S&P 500 firms to the 2006 survey of the Carbon Disclosure Project, an initiative that is supported by investors with collective assets of \$31 trillion.

### Checklist

21

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(continued from p. 1)  
countries barred by U.S. sanctions to U.S. firms. Four new proposals are pending on Internet censorship as well.

Conservative advocates have also drafted new proposals—one asking companies to report on how they would be affected by regulatory, tax and tort reform, and one asking Citigroup whether its adherence to the Equator Principles has caused it to lose profitable business to competitors.

**Resources:** This issue of the *Reporter* provides a preliminary overview of the shareholder proposals that are pending in 2007; the names of companies where proposals are pending are highlighted in bold face. This list is bound to change as more resolutions are filed or come to light. Moreover, some proponents are likely to withdraw their resolutions if the companies agree to some or all of the proponents' requests, and other resolutions will be knocked out if the U.S. Securities and Exchange Commission staff finds them in violation of its shareholder proposal rule. (For a list of the shareholder proposals known so far to the Social Issues Service, in alphabetical order by company, please turn to p. 21.)

For subscribers to the Social Issues Service, the most current list of shareholder proposals on social issues can be found on the Governance Analytics platform at <https://ga.issproxy.com>. After signing in, click on the "Watchlists" tab, and then on the "Checklist" tab.

Beginning next month, the Social Issues Service will post more detailed background reports on the various social and environmental issues that are the focus of shareholder campaigns this year, and will send e-mail alerts to subscribers as these become available. The background reports will also be available on Governance Analytics. Click first on the "Resource

Center" tab, and then on the "Background Reports" tab.

### Animal Welfare

Undeterred

by generally low votes, People for the Ethical Treatment of Animals is heading into the third year of extensive and well-organized shareholder campaigns on animal welfare issues. PETA or PETA members have filed 21 resolutions for 2007; a new proponent, the Physicians Committee for Responsible Medicine, has filed one proposal.

As in 2006, most of the resolutions for 2007 fall into one of two categories. One batch of proposals is on "controlled atmosphere killing (CAK)," which PETA and some other groups consider more humane alternatives to current slaughter methods for chickens. A second group asks companies to review laboratory animal welfare standards with a particular eye to the performance of contract laboratories.

**The CAK resolutions:** PETA's CAK resolutions ask companies to study the feasibility of requiring suppliers to adopt CAK or to report on progress made toward encouraging suppliers to adopt the method. While current chicken slaughter methods were designed to be as humane as possible, the proponents of the resolutions point to studies by veterinary scientists and the U.S. Department of Agriculture showing that these methods sometimes do not work as intended and allow chickens to suffer, sometimes horrifically, before dying. In the controlled atmosphere killing method, advocated by the U.S. Humane Society, live birds are sealed in a chamber in which oxygen is gradually replaced with inert (not poisonous) gas, and then appear to

Shareholder Proposals Filed, Selected Topics, 2006 and 2007		
Proposals Filed on:	2006	2007*
?? Environment	72	79
?? Political Contributions	39	53
?? Sustainability Reporting	20	38
All Issues	359	322

\*Tallies for 2007 are preliminary, as of January 30, 2007

die peacefully.

PETA or PETA members have now filed 10 resolutions on the CAK issue, many of which are repeats. Resolutions to **Denny's**, Hormel (voted on this month) and **Safeway** ask for a report on the economic feasibility of phasing in CAK. The resolution came to a vote at Hormel last year; it was withdrawn at Denny's and Safeway but re-filed because "We haven't seen much concrete movement from them on the CAK issue this year," PETA told the Social Issues Service. **AFC Enterprises**, **Kroger** and **Supervalu** are asked to report "making transparent the progress made toward encouraging its suppliers to evaluate" CAK; the proposal is new at AFC and Supervalu. **Wendy's** and **OSI Restaurant Partners** are again asked to report on the feasibility of their suppliers adopting the method. Another repeat proposal asks Kentucky Fried Chicken parent **Yum Brands** for a feasibility study on adopting recommendations made in 2005 by members of KFC's own animal welfare committee.

Finally, **Tyson Foods** is asked for a report on "progress to 'research and evaluate and implement' CAK." Tyson, a closely held company, got a resolution on the issue in 2006 asking for a feasibility study on using the method, which received only 1.2 percent support, well below the 3 percent needed for resubmission of a first-year proposal. If it had chosen to appeal to the SEC, the company would have had a good shot at getting the new resolution thrown out

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## Proxy Season

on grounds that it is “substantially the same as last year’s proposal” (exemption i-12 under the SEC’s shareholder proposal rule). Rather than doing that, Tyson chose to print the proposal but oppose it as unnecessary while saying that “CAK and other emerging technologies are worthy of continued study and review....”

**Animal welfare standards:** For the second year, PETA proposals are asking a number of companies to post an animal welfare policy online that “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.” In proposing this resolution, PETA is especially concerned about companies’ use of contract laboratories. Many companies—even those that sometimes perform animal tests on-site—contract some animal research out to external laboratories, rather than conducting such research themselves. This resolution’s sponsor expresses concern in its proposal about alleged abuses of primates at Covance Inc., a contract laboratory whose president said has “worked with just about every major company around the world.”

All of the animal welfare standards proposals filed for 2007 are repeats from 2006. The targets, with the 2006 votes in parentheses, are: **Altria** (3.6 percent), **Amgen** (8.4 percent), **Bristol-Myers Squibb** (5 percent), **Chevron** (6.4 percent), **Eli Lilly** (3.9 percent), **Merck** (5 percent), **Pfizer** (6.4 percent) and **Wyeth** (25.4 percent). The unusually high vote at Wyeth appears to have occurred because the ISS benchmark service recommended a vote in favor of this proposal; it argued that Wyeth was not sufficiently forthcoming.

It is unclear how many of the

animal welfare standards proposals will actually show up in 2007 proxy statements. When the resolution was first proposed in 2006, PETA had substituted it for a 2005 resolution focused more narrowly on animal testing, which had gotten less than the 3 percent support needed for resubmission at most targets. All but two of the companies accepted the new proposal without challenge, but **Abbott Labs** and **Barr Pharmaceuticals** argued successfully at the SEC that they could exclude it because it was “substantially the same” as the proposal that had failed to receive enough support for resubmission the year before. So far this year, **Merck** has successfully challenged the proposal on these grounds, and when **Bristol-Myers Squibb** followed suit, PETA withdrew the proposal there.

**Other 2007 animal welfare proposals:** PETA members have also filed new proposals with **Eli Lilly** and **Pfizer** asking the companies to report “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.” The proposals ask that the report include information on the extent to which the companies require adherence to U.S. animal welfare standards at their facilities in foreign countries. The resolutions note that both companies have been shifting testing to China.

PETA also has a third resolution at **Pfizer** this year. This one, a resubmission from 2006, asks it to report to shareholders on the justification for affirmatively contributing to the advancement of animal-based testing while publicly promoting an animal care policy that affirmatively commits to the advancement of non-animal-based test methodologies. The proponents have been particularly concerned that **Pfizer** donated

£4 million to British universities “to promote medical research and training specifically using animals” in 2004. This resolution got 5.3 percent support at **Pfizer** in 2006.

The only animal-related proposal to **Abbott Laboratories** this year is a new resolution from a first-time filer, the Physicians’ Committee for Responsible Medicine. The resolution asks for a report to shareholders “on the feasibility of replacing the outdated and cruel animal ‘ascites’ method with available and scientifically sound in vitro non-animal methods and cell culture techniques.” The PCRMC is concerned that antibodies purchased or produced by **Abbott** for therapeutic or diagnostic uses may be produced by a painful method that involves growing tumor cells in the abdomens of mice. At this point, says PCRMC, more humane, non-animal techniques are readily available.

### Banking

Only a handful of banking resolutions appear to be pending for 2007.

**Capital flight:** The Missionary Oblates have filed a new resolution with **Bank of America**, **Citigroup** and **JP Morgan Chase** asking for a report on “policies that are in place to safeguard against the provision of any financial services for any corporate or individual clients that enables capital flight and results in tax avoidance.” The group is concerned about IRS estimates that the United States loses as much as \$100 billion a year through tax havens. (All three companies have challenged the proposal at the SEC.)

**Predatory lending:** The issue of predatory lending continues to appear periodically in shareholder resolutions. This year there is a new proposal from **Christian Brothers Investment Services** to **Cash America International**. The proposal asks a board committee to 1) “develop a standard of suitability

for our company's products;

- 2) "develop internal controls relevant to the implementation of the suitability standard; and
- 3) "create a public reporting standard that assesses the company's success in providing loans that meet the suitability standard."

**Remittance fees:** NorthStar Asset Management and Responsible Wealth have proposed a new resolution to **Western Union** on the cost of remittance services used by immigrant workers to send money back to their families in their home countries. The resolved clause asks for a review of the effect of the company's practices on the communities served and a report on the findings and any policy changes that result from the review. It asks that the review "compare Western Union's fees, exchange rates, and pricing structures with other companies in the industry and evaluate Western Union's community reinvestment and corporate giving practices relative to its competitors."

**Racial disparities in mortgage lending:** United for a Fair Economy and NorthStar are re-filing a resolution with **Wells Fargo** that asks the board to prepare a report that provides explanations of racial and ethnic disparities in the cost of loans provided by the company. It requests that the report discuss:

- racial and ethnic disparities pertaining to high cost mortgages revealed in Home Mortgage Disclosure Act data;
- whether such disparities affect home affordability or wealth-building benefits of homeownership for minority customers; and
- whether some of these disparities are explained by the racial wealth divide prevalent in the United States and, if so, what can be done to lessen this divide.

The resolution got 7.3 percent sup-

port in 2006.

**Equator principles:** The conservative group Action Fund Management has filed a new proposal with **Citigroup** requesting that the company prepare an "Equator Principles Right-to-Know Report" providing shareholders with an assessment of the costs and benefits of the company's voluntary adoption of the Equator Principles (EQ). The group says: "In its Citizenship Report 2005, the company disclosed it rejected 54 of the 74 project finance loans for developing countries because of its adherence to the EQ. Citigroup did not disclose, however, the potential revenue lost as well as the negative social impact of denying loans to the affected countries."

### Board Diversity

Religious investors and Calvert Asset Management are continuing to ask portfolio companies to increase efforts to ensure that women and minorities are among the candidates considered to fill vacancies on their boards.

Calvert, which has a history of negotiating withdrawal of these proposals, has resolutions at four new targets so far this year. The companies are **Lincare Holdings, Markel, Plains Exploration & Production** and **Roper Industries**.

The General Board of Pension and Health Benefits of the United Methodist Church has filed a new proposal at **Six Flags**. The two other pending church-sponsored proposals are repeats—a resolution from Catholic Healthcare West to **Bed, Bath & Beyond** that got 12.2 percent support last year and a third-year proposal from Christus Health to **Torchmark** that has scored in the 10-11 percent range.

### Charitable Contributions

The Social Issues Service has found only a handful of proposals on chari-

table contributions so far this year, but more are certainly possible. These types of resolutions tend to come in over the transom from individual stockholders and to come to light only when challenged at the SEC or when they turn up in proxy statements.

Shareholders associated with a group called Human Life International have re-filed a resolution with **Johnson & Johnson**, and filed first-time resolutions with **Pfizer** and **Wells Fargo**, asking each company "to implement a policy listing all charitable contributions on the company website." The supporting statement asserts, "People did not invest in this company so a portion of their investment could be given to someone else's favorite charity. In fact, some money has gone to Planned Parenthood, a group responsible for almost two thousand abortions per year." Until 2004, the SEC staff routinely allowed companies to omit resolutions such as these whose resolved clauses were "facially neutral," but whose supporting statements made clear that the proponents were mainly concerned with preventing corporate contributions to a few types or classes of organizations. However, the SEC has since allowed disclosure proposals from proponents who make clear their proposals are motivated by anti-abortion sentiments.

The National Legal and Policy Center has filed a resolution to **Verizon** asking it to report semiannually on its:

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 contributions;
3. Rationale for each of the charitable

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## Proxy Season

contributions.

The proponent argues that the company's current level of disclosure is "insufficient" to allow its board and shareholders "to fully evaluate the charitable use of corporate assets, especially for controversial causes." It notes, though, that the company was listed as a major sponsor in a 2006 program of the Rainbow/PUSH Wall Street Project.

### Environment

As in the last several years, the environment category is the biggest and most diverse, with proposals on issues ranging from global warming, to use of renewables, to disclosure on toxics, to environmental controversies overseas. The resolutions come from all of the major actors in the proponent community.

**Global warming and related issues:** Global warming continues to be a major concern of proponents of environmental resolutions, in proposals focused directly on greenhouse emissions as well as indirectly in proposals on renewable energy. In addition, as discussed in the section on Political Contributions, below, resolutions to energy companies that ask for a reporting of contributions to trade associations are motivated in part by concerns that companies that purport to be taking a lead on global warming are continuing to contribute to trade groups that dismiss the importance of the issue.

The Sisters of St. Dominic, a leader on climate change since the issue first came before shareholders, have a new proposal to **Chevron, ExxonMobil, Ford and General Motors** asking the companies "to adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the company's products and operations." The proposal asks for a report by September 2007. The Benedictine Sisters have filed a reso-

lution along the same lines to **TXU**, one of three greenhouse-related proposals filed there this year, as shareholders protest the company's plan to build 11 new pulverized coal-burning power plants. It asks the company to "publicly adopt quantitative goals, based on current and emerging technologies, for reducing total greenhouse gas emissions from the company's products and operations below 2004 levels." Trillium has withdrawn the same resolution at Anadarko. As Trillium's Shelley Alpern explained, Anadarko's "baseline GHG calculations were up-ended by acquisitions last year," so the company agreed to re-establish its baseline, set an "intensity reduction goal" for the first time and grant Trillium an audience with its chief strategist. (Trillium had filed and withdrawn climate change resolutions at Anadarko in 2005 and 2006 as well.)

Another proposal at **TXU** comes from the New York City pension funds and is one that has been proposed to, and often withdrawn at, other companies over the last three years. The proposal asks "that a committee of independent directors of the board assess how the company is responding to rising regulatory, competitive and public pressure to significantly reduce greenhouse gas emissions and report to shareholders...by Nov. 1, 2007." New York City has also re-filed this proposal at **Dominion Resources**, where it received 22.6 percent support last year. Other new filings of this proposal by New York City funds are at **Allegheny Energy, Consol Energy and Sempra Energy**. (New York also filed at Sempra in 2006, but the proposal was omitted when the city failed to show proof of beneficial ownership of its shares.) New York has already withdrawn the proposal at Ameren, which agreed to do the report. Domini Social Invest-

ments has filed the same resolution with **EOG**.

Calvert Asset Management proposed resolutions to five new targets asking for reports by July 1, 2007, on the companies' assessments of the effects of climate change on their operations, addressing topics such as the science of climate change, public policy and legislation. In addition to proposals at **Teradyne** and at Bemis, where it has since been withdrawn, Calvert is approaching three companies in the insurance business—**Ace, Hartford Financial and Prudential**. The American Federation of State, County and Municipal Employees has proposed the same resolution to another insurance company, **Chubb**. In the past, insurance companies have been able to get greenhouse-related shareholder resolutions dismissed at the SEC with the argument that greenhouse effects are an ordinary business issue for that one industry.

The Service Employees International Union has filed a new resolution with **Wells Fargo** requesting that the "Board of Directors formulate comprehensive emissions 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" and report to shareholders by October 2007.

The Sierra Club has filed a climate-related resolution to **Great Plains Energy**, which asks the company to prepare a financial analysis of the impact over the next 10 years of a \$15 tax per ton of carbon dioxide emitted on projected Great Plains financial results.

A new resolution from the Unitarian Universalists to **Starwood Hotel & Resorts Worldwide** asks for a report within six months of the annual meeting "on the feasibility of our company developing policies that

## Women and Minority Directors Make No Gains in 2006

The percentage of both women and minority directors serving on U.S. corporate boards remained flat in 2006, dispelling hopes that their numbers would surge as board membership becomes more independent to meet new stock exchange rules. Moreover, the percentage of minority directorships has seen no increase for the last four years, and women have made only slight gains during this same period. Women occupied 12 percent of board seats in the S&P Super 1500 in 2006, according to the newly released 2007 edition of ISS's *Board Practices/Board Pay* report. Members of racial minorities held around 10 percent of the directorships in the S&P 1500 for which information on ethnic status was available, roughly the same since 2003.

Not only have the hoped-for gains in women and minority directors failed to materialize, the growth in women and minority directors has not even kept pace with increases seen before the independence requirements came into effect in 2004 and 2005. The percentage of women directors among the S&P 1500 had been on a slow, but steady, upward climb, increasing from 9 percent in 1999 to 10 percent in 2001 to 11 percent in 2003. Similarly, the percentage of minority directors had grown from 7 percent in 1999 to 8 percent in 2001 to 10 percent in 2003.

### New Independence Requirements

Boards have been taking steps to become more independent in recent years, spurred by both investor expectations and revised standards at major stock exchanges approved by the Securities and Exchange Commission in November 2003. The rules require a majority of independent directors at companies listed on the New York Stock Exchange and Nasdaq Stock Market in most circumstances. NYSE firms also must have nominating, compensation and audit committees comprised solely of independent directors; Nasdaq companies must have either an independent nominating committee or a majority of independent directors nominate board candidates.

The focus on independence led many to reason that women and minority directors would be sought out to meet the new requirements as they tend to be more independent than their counterparts; in 2006, 89 percent of women directors and 88 percent of minority directors

were independent, compared to 72 percent of directorships overall, according to *Board Practices/Board Pay*. Yet while 91 percent of the female directors who first joined their boards in the last two years are independent, they represent only 14 percent of all the new directors during that period. Moreover, only 7 percent of directors new to the board in the past two years have been members of racial minority groups.

### Boardroom Composition

The boardroom remains primarily the domain of white males. The numbers of women and members of racial minorities sitting on corporate boards remain low in comparison with their representation in the nation's overall work force or in management positions.

One bright spot is that despite the lack of overall gains, the percentage of members of racial minorities holding board seats rose slightly in two of three S&P groupings between 2004 and 2006. ISS's review of the S&P MidCap companies found that blacks, Asians or Hispanics occupied 9 percent of those board seats in 2006, up from 8 percent in 2004. Minority representation among board seats of the S&P SmallCap companies also rose, from 6 percent in 2004 to 8 percent. The proportion of minority directors among the S&P 500 has remained flat, however, at 12 percent since 2003.

Women increased their representation on the board only among the S&P MidCap companies between 2004 and 2006, according to ISS's review of the three S&P groupings. Women occupied 12 percent of the board seats at S&P MidCap companies in 2006, up from 11 percent in 2004. The percentage of women holding board seats among S&P 500 companies remained flat at 15 percent between 2004 and 2006, while the proportion of women directors at S&P SmallCap companies remained flat at 8 percent.

	Percent Women	Percent Racial Minorities
Nationwide Work Force	48	30
Officials & Managers	35	15.5
S&P Super 1500 Boards	12	10

Source: 2003 nationwide work force and officials and manager category data provided by the U.S. Equal Employment Opportunity Commission. 2006 board data provided by ISS.

will minimize our company's impacts upon climate change, with a focus on greenhouse gas emissions and the

economic benefits that could be brought to our company."

In addition to the resolution from

the Sisters of St. Dominic, described above, **ExxonMobil** has two other climate change proposals and two

## Proxy Season

related proposals on renewables. An ExxonMobil representative told the Social Issues Service that one of the resolutions on climate change is from an individual, Kirk Miller. The Social Issues Service has not yet received a copy of the proposal, which the representative described as asking the company “to show more leadership in combating climate change.”

Another climate change proposal at **ExxonMobil** comes from a group of Stanford alumni and focuses on California law AB32, which mandates a 25 percent reduction in state emissions by 2020. Among other things, it asks for a report by Oct. 1, 2007, on whether the company plans to respond to the legislation, what emissions targets it will set to meet the resolution targets, operations that will be reduced and opportunities that will be created.

Many activists consider adoption of policies to encourage renewable energy to be an important part of the climate change debate. **ExxonMobil** also has two of these. A proposal from Steve Viederman asks the company to “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.” A resolution from the Capuchins asks **ExxonMobil** to report by Sept. 1, 2007, on its response to pressures to develop renewable energy.

The last of the three environment-related proposals at **TXU** this year is a proposal from the state of Connecticut asking for a study and report describing “the impact that significant improvements in energy efficiency would have on TXU, and what role TXU can play to increase revenue by helping customers reduce demand for electricity.”

Trillium Asset Management has a new proposal for **ConocoPhillips** like the Capuchins resolution at ExxonMobil asking for a report by Sept.

1, 2007, “explaining how the company will respond to rising regulatory, competitive and public pressure to significantly develop renewable energy sources.” The Nathan Cummings Foundation is continuing to file this proposal with property development companies and retailers. It has re-filed at **Standard Pacific**, where the resolution got 39.3 percent support, one of the biggest votes of 2006 and a record for proposals related to climate change. The New England Friends are re-filing the same proposal at **Whole Foods**, where the resolution got 8.9 percent in 2006. A mix of proponents is filing the proposal for the first time at **Boston Properties**, **CVS** and **Pulte Homes**. It has already been withdrawn after an agreement at Toll Brothers. In 2006, the SEC agreed that this proposal could be omitted at Ryland Group on grounds that it dealt with “ordinary business” issues. The other 2006 recipients of the proposal did not challenge it.

**Climate proposals from contrarians:** A handful of the resolutions filed this year on climate issues come from individuals and organizations who question the scientific consensus on climate change or the feasibility of solar and wind power. Carl Olson has re-filed resolutions with **Ford** and **Occidental Petroleum** asking for a detailed scientific report on how the company measures “global warming/cooling.” The SEC staff had allowed companies to omit the resolution in 2004 and 2005, but did an about-face, without explanation, last year. The proposal got 4.3 percent support at Ford and 7.3 percent support at Occidental.

Also coming from the conservative side of the shareholder spectrum is a re-filing from Action Fund Management of a resolution to **General Electric** asking for a report on:

1) “Specific scientific data and studies relied on to formulate GE’s cli-

mate change policy.

2) “Extent to which GE believes human activity will significantly alter global climate, whether such change is necessarily undesirable and whether a cost-effective strategy for mitigating any undesirable change is practical.

3) “Estimates of costs and benefits to GE of its climate change policy.”

The proponent maintains that, “Company policy should be based on sound scientific and economic analyses and not appeasement of external activist groups.” The resolution got 6.9 percent support at GE last year.

Action Fund Management also filed a climate-related proposal at Hewlett-Packard that the company was able to omit. It requested the Board of Directors “to report on the development of HPQ’s policy concerning greenhouse gas (GHG) emissions, omitting proprietary information and at reasonable cost. The report should discuss the:

1. Scientific, economic and other relevant information, and internal corporate procedure involved in formulating HPQ’s GHG policy.

2. Costs and benefits to HPQ of its GHG policy.”

The supporting statement had contended that HP, by voluntarily disclosing its annual GHG emissions to the Carbon Disclosure Project, was putting itself at risk of being sued by the state of California, which “sued automobile manufacturers charging that their GHG emission caused billions of dollars of damage and seeking tens or hundreds of millions of dollars from the companies.” The SEC staff agreed with the company’s argument that the proposal, because it asked for an evaluation of risk, could be omitted on ordinary business grounds. (For more on the SEC’s policy on omitting proposals based on risk evaluation, see discussion under the “Health” section.)

Finally, an individual share-

holder is asking **PG&E** “to cease immediately its current advertising campaign promoting solar or wind as desirable sources of energy for conversion to electricity. The company shall instead conduct a vigorous advertising campaign to show its customers and the general public how greenhouse gas emissions from power plants can be reduced more extensively and at lower cost by using an energy source more reliable than solar or wind.” The company has challenged the proposal on ordinary business grounds, where it appears vulnerable.

**Toxic substances:** Members of the Investor Environmental Health Network, formed in 2006, are continuing to file resolutions specifically on product toxicity, though the number is down somewhat because of successful negotiations with companies.

Two of these are to **DuPont** and both deal with the controversy over its use of PFOA [perfluoro-octanoic acid] in the production of Teflon and other products. One is LongView’s resubmission of its high-scoring proposal (28.9 percent support) asking for an evaluation of an expeditious phaseout of PFOA and the development of safer substitutes. The other, which was filed by the United Steelworkers, is similar to a 2005 proposal that asked **DuPont** for a report on legal, lobbying, public relations and remediation expenditures related to PFOA or dioxins. That resolution got 8.7 percent support.

For the first time, the issue of PFOA is coming up at a company besides DuPont. The General Board of Pensions of the United Methodist Church is asking **Mohawk Industries** to issue a report by the 2008 annual meeting “discussing the feasibility of an expeditious phaseout of the use of PFOA and PVC [polyvinyl chloride] in the production of all Mohawk products, including mate-

## Ceres, Calvert Fault U.S. Firms on Climate Disclosure

An analysis released this month faults U.S. firms for poor disclosure overall on climate change risk. The joint report by Ceres, a coalition of environmental groups and investors, and Calvert, a socially responsible investment management firm, examined the responses—or lack thereof—of the S&P 500 firms to the 2006 survey of the Carbon Disclosure Project, an initiative that is supported by investors with collective assets of \$31 trillion. The Calvert-Ceres study found that fewer than half (47 percent) of the S&P 500 companies responded to the CDP survey. Of the 228 firms that did respond, 30 percent declined to publicly release their responses, calling them “confidential.” Moreover, while 182 of the responders acknowledged the need to reduce greenhouse gas emissions, only 59 disclosed quantitative emissions reduction targets and specific time frames for reductions. Poor survey responses were particularly prevalent among retailers, banks and insurers, the study found.

The Carbon Disclosure Project enables investors—who can collectively sign a single global request—to obtain information on major companies’ greenhouse gas emissions. Today, the CDP’s website is the largest registry of corporate greenhouse gas emissions in the world. The 2006 CDP survey, the fourth since the CDP’s launch, was sent to 2180 companies, and more than 940 answered the questions, the CDP reports on its website. In contrast to the S&P 500 sample, 91 percent of the FT500 sample responded, and 72 percent answered the questionnaire in full.

Mindy S. Lubber, president of Ceres, said in a press release announcing the findings that companies that fail to take prudent action are putting themselves and shareholders at risk. “More extreme weather events, regulatory changes and growing global demand for climate-friendly technologies are just a few of the ways that climate change will ripple across all sectors of the economy.” Lubber said that all companies should disclose their risks using SEC filings, the CDP and sustainability reports based on the Global Reporting Initiative.

rials that may degrade to PFOA in use or in the environment, and the deployment of safer substitutes.”

IEHN member Trillium has filed a new proposal at **Apple Computer**. The proposal asks for a report within six months of the 2007 annual meeting “on the feasibility of adopting a policy of becoming a leader in the use of safe materials, by eliminating persistent and bioaccumulative toxic chemicals, and all types of brominated flame retardants (BFRs) and polyvinyl chloride (PVC) plastics, in all Apple products, including an ex-

peditious timetable to end the use of all BFRs and PVC.” Also part of the IEHN campaign was a new resolution from Boston Common Asset Management to Scotts Miracle-Gro on lobbying, which is discussed below, under political contributions.

Concern over the toxic components inside computers is part of the motivation for a second resolution at **Apple Computer**. As You Sow asking it to report on “ways to improve its computer recycling programs.” In the supporting statement, As You Sow says the report should:

## Proxy Season

- “include a commitment to set public take-back goals for end-of-life equipment,”
- “study the feasibility of using Apple stores as take-back centers, take-back partnerships with resellers, and other measures to stimulate recycling,” and
- “discuss measures taken to prevent improper export of hazardous waste, the environmental impact of its recycling processes, and explain its lobbying position on take-back legislation.”

Green Century has re-filed its 2006 resolution to **ServiceMaster** that deals with its use of pesticides. It asks for a report one year from the annual meeting “on the feasibility and implications of a policy to discontinue the use of synthetic pesticides at TruGreen Chemlawn, instead substituting natural and non-toxic lawn care services. The report shall discuss the impact of such a policy on our customers, our employees, and the employees of companies providing services to us.” The resolution got 8 percent support last year. Boston Common Asset Management has submitted a revised version of its 2006 proposal to **CVS** on cosmetic safety. This year’s version asks for a report on cosmetics safety by December 2007. It says, “The report should summarize which, if any, product lines or categories sold in CVS stores may be affected by the new cosmetics safety legislation and consumer trends...and any new initiatives or actions the management is taking to respond to this public policy challenge.” Last year’s version got 9.9 percent support.

A different type of toxics resolution at **Dow Chemical** is new from the Sisters of Mercy, Regional Community of Detroit. It asks for a report by April 2008 “summarizing the pace and effectiveness of the environmental remediation process being undertaken by Dow in the vicinity of and

downstream from its Midland headquarters.”

Several other resolutions relate to community hazards. Green Century Funds is again asking that **DuPont**’s board 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 company facilities through such steps as reducing the use and storage of extremely hazardous substances, reengineering processes, and locating facilities outside high-population areas.” The resolution got 7.7 percent support in 2006.

Church groups have re-filed the 2006 proposal asking **ExxonMobil** and **ConocoPhillips** to report on how each “ensures that it is accountable for its environmental impacts in all of the communities where it operates.” It says the report should describe

- 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.”

The proposals got around 10 percent support at the 2006 annual meetings.

**Asthma triggers:** Trillium has resubmitted its 2006 resolution to **Dow Chemical** on asthma triggers. It asks for an independent panel to publish a report “analyzing the extent to which Dow product catego-

ries 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.” It got 5.8 percent support last year.

**Water use:** A coalition of church groups has re-filed Harrington Investments’ 2006 resolution asking **Coca-Cola** to commission a study to report on the potential and environmental health damage from its ventures that extract ground and surface water from areas of water scarcity in India. The proposal got 6.9 percent support last year.

**Environmental issues overseas:** A new resolution to **Chevron** from Trillium asks that the company report “on the policies and regulations 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.” Trillium has been particularly concerned about allegations of environmental contamination in Ecuador by a former Texaco subsidiary. The resolution also cites problems in Angola, Burma and the Niger Delta.

New York City has re-filed the 2006 resolution raising the issue of **Dow Chemical**’s continuing responsibility for the infamous accident at Union Carbide’s Bhopal, India, plant now that Dow has acquired Carbide. The resolution asks Dow to report on any new initiatives to address specific health, environmental and social concerns of survivors of the Bhopal disaster. It got 6.3 percent support last year.

New York City continues to be concerned about **Freeport McMoRan**’s operations in Indonesia. This year it is switching from a concentration on the company’s relationship with Indonesian security forces to ask for a review (and report by September 2007) of the “company’s envi-

ronmental policies and practices in Indonesia with a particular reference to environmental damage that may be caused by these operations.” The city has also proposed the same resolution to **Newmont Mining**. The SEC staff allowed Newmont to omit a similar proposal in 2006 under a policy articulated in its June 2005 ruling that resolutions can be excluded as “ordinary business” issues not appropriate for shareholder scrutiny if they involve “an internal assessment of the risks or liabilities that the company faces as a result of its operations that may adversely affect the environment or the public’s health.” The city has substituted the word “damage” for the word “risk” in the resolved clause in hopes of getting around this problem.

**National Petroleum Reserve:** Green Century has re-filed its high-scoring 2007 proposal (25.5 percent support) on the National Petroleum Reserve in Alaska, asking **ConocoPhillips** for a report by the 2007 annual meeting “on the potential environmental damage that would result from drilling for oil and gas in the area inside the National Petroleum Reserve originally protected in the 1998 Record of Decision.”

**Sustainable forestry:** Domini has re-filed its 2006 proposal asking **Kimberly-Clark** to report on the feasibility of phasing out within 10 years the use of fiber that has not been certified by the Forest Stewardship Council. The resolution got 8.2 percent support in 2006. Domini has also resubmitted a proposal asking **Lowe’s** to report on progress in its policy to phase out wood from endangered forests and give preference to forests meeting FSC certification standards.

In addition, periodic proponent Bart Naylor has told the Social Issues Service that he has proposed a resolution on sustainable forestry to **Weyerhaeuser**, but the service does

not yet have a copy of the proposal.

**Sustainable fishing:** A new proposal from church groups asks **Yum Brands** to report by September 2007 on its “policies and procurement practices to ensure that all our fish and seafood are caught and/or raised in a manner that is certified to be environmentally sound and sustainable.” The resolution notes that Yum’s Long John Silver chain is the world’s most popular quick-service seafood chain and that scientific studies are warning of a “dangerous depletion of global fish stocks.”

**Report on hydroelectric dams:** Somewhat related concerns are raised in a new proposal to **Avista**, formerly Washington Water Power. An individual shareholder is asking the company to report “on the impact of certain dams, and that this study should expressly include an evaluation of the company’s assets that affect Spokane Falls.” The proponent says that Avista’s hydroelectric dams “aggravate problems facing the Spokane River,” including “worsening...risk of fish kills and algae blooms” and “blocking the return of salmon.”

**Recycling:** Walden Asset Management continues to take the lead on bottle recycling issues. It has again filed resolutions with **Coca-Cola** and **PepsiCo** asking the companies to report “on a recycling strategy that includes a publicly stated, quantitative goal for enhanced rates of beverage container recovery and recycling in the U.S.” The report is requested by September 2007. Walden withdrew the resolution last year at both companies when they agreed to set recycling goals but then re-filed when the companies appeared to make little progress.

**Genetically modified organisms:** Church groups continue to approach companies on the issue of labeling food products that may contain genetically engineered ingredi-

ents. For 2007, they have proposed resolutions on labeling to **PepsiCo**, **McDonald’s**, **Safeway** and **Wendy’s**; all but the proposal at PepsiCo also ask for labeling of products of animal cloning—a new wrinkle this year. Resolutions on GMO labeling got 6 percent support at McDonald’s, 6.6 percent at Safeway and 17.6 percent at Wendy’s in 2006.

The Adrian Dominican Sisters have filed a resolution on genetically engineered seeds at one of these seed producers, **Dow Chemical**. The resolution asks for a report on the company’s internal controls over the process, 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; and effectiveness of established risk management processes for different environments and agricultural systems such as Mexico.” The resolution got 6.9 percent support at Dow in 2006 and was withdrawn there the year before. This resolution has also been re-filed at **DuPont**; it got 7.2 percent support there in 2006.

**Energy issues:** The Board of Pensions and Health Benefits of the United Methodist Church has a new resolution to **Allegheny Energy** and **Dominion Resources** on the National Interest Electric Transmission Corridor that can be created under the Energy Policy Act of 2005. According to the proponents, “The act permits an NIETC to override or circumvent fair, balanced and well-established federal, state and local review, preservation and permitting processes.” The resolution asks the companies to report before November 2007 “evaluating the environmental, health and cultural impacts created by utilizing NIETC, and how those impacts would differ if a power

### Equality Principles Resolution Passes at Micron Technology

For only the second time in the 30-plus years that the Social Issues Service has been tracking shareholder proposals at U.S. companies, a management-opposed shareholder resolution on a social issue has passed. The resolution, filed by the New York City pension funds, asked Micron Technology to implement non-discriminatory policies on sexual orientation. It was supported by 55.5 percent of the shares voted at Micron's Dec. 5 annual meeting. The only other social proposal to pass was a resolution on the same issue—a 2002 New York City-sponsored resolution to Cracker Barrel Old Country Store that got 58 percent support.

The resolution to Cracker Barrel asked the company to add explicit prohibitions against discrimination on the grounds of sexual orientation to its corporate employment policy statement. That has been the thrust of the great majority of shareholder resolutions on sexual orientation. The resolution to Micron, though, was more extensive, asking the company to adopt the 10-point "Equality Principles on Sexual Orientation" launched by The Wall Street Project, part of the Community and Lesbian and Gay Rights Institute, in 1995. The principles, which refer both to sexual orientation and gender identity, cover such issues as advertising and corporate contributions in addition to amendment of the company's EEO statement. New York City is now making the principles the basis for most of its resolutions on sexual orientation, including 10 filed this year, although other proponents are continuing with the standard resolution.

Micron did not give New York preliminary results of the vote at the annual meeting, and the proponents did not know that the resolution had passed until the

company's 10Q report arrived in the middle of January. The next question for the city is whether the company will actually adopt the principles, since the shareholder resolution was only advisory. Micron has said it will decide after a board meeting in late March.

#### Higher Vote Trend in 2006

The passage of the proposal at Micron is part of an upward trend in social issues votes in 2006. Two other New York City-sponsored resolutions came close to passing—a global labor resolution to Lear, which got 49.8 percent support, and a sustainability reporting proposal to Terex, which was supported by 48.4 percent of shares voted. In all, preliminary figures show that at least 48 management-opposed proposals (plus a management-supported political contributions resolution at Amgen) got over 15 percent support, once a nearly unheard of figure for a social policy proposal. The previous record was 31 in 2004, which included three proposals supported by management. The number in 2005 had fallen a little, to 28.

With the uptick in the number of resolutions scoring over 15 percent has come an increase in overall average support. The average for social issues resolutions for 2006 appears to be about 13 percent (three companies with social issues proposals on their ballots have not yet released final vote tallies). By contrast, recent averages are 9.8 percent in 2005, 11.4 percent in 2004, 11.9 percent in 2003 and 9.4 percent in 2002. Full details of the 2006 social issues proxy year will be included in the Social Issues Service special report "Social Policy Resolutions in 2006," to be published once all votes are available.

line were constructed without such utilization." As noted earlier, Dominion has lost a bid to omit the proposal, according to Paul Neuhauser, the proponent's counsel.

Church proponents have been approaching **Ameren** and its predecessor with nuclear-related proposals for more than 20 years. This year they are asking the company to "describe "its efforts to reduce the release of radioactive materials to the air and water during [the] Callaway [plant]'s routine operation and to improve the

quality of the monitoring of these releases."

#### Equal Employment

Prohibition of workplace discrimination based on sexual orientation is again the major EEO issue of the proxy year. The New York City pension funds and social investment groups continue to press the issue, digging deeper into their portfolios as most of the prominent names in corporate America have adopted such a policy. Twenty-two resolutions have

been filed by New York City and SRI funds for 2007. Two have already been withdrawn, and others are not likely to come to votes. In 2006, 16 of 22 proposals were withdrawn after companies agreed to change their written EEO policies to outlaw discrimination because of sexual orientation; withdrawals stood at 20 of 26 in 2005 and 21 of 24 in 2004.

The standard proposal's resolved clause asks each company to "amend its written equal employment opportunity policy to explicitly prohibit dis-

crimination based on sexual orientation and to substantially implement that policy.” It is now pending at **Century Tel, Expeditors International, ExxonMobil, Halliburton, Leggett & Platt, Pentair, Washington Group International** and **XTO Energy**. The proposal is a repeat at three of those companies, where it got some of the highest social issues votes of 2006—34.6 percent at the most prominent corporate holdout on the issue, ExxonMobil, 33 percent at Expeditors International and 24.7 percent at Leggett & Platt. Early signs for 2007 suggest that support for proposals to bar discrimination against gay employees remains high. The proposal has already come to a vote at Commercial Metals, whose annual meeting took place earlier this month, where it was supported by 43 percent of the shares voted, according to Walden Asset Management, the proponent.

Most of the resolutions listed above emanate from SRI groups. In earlier proxy seasons, New York City, sponsor of the long-running proposal at ExxonMobil, has coordinated a large campaign of resolutions making that standard request for a change in the antidiscrimination statement. This year, though, all of New York’s resolutions except the resubmission to Exxon ask companies to adopt the “Equality Principles on Sexual Orientation,” launched by The Wall Street Project, part of the Community and Lesbian and Gay Rights Institute, in 1995. The resolutions ask companies to adopt the following principles prohibiting discrimination based on both sexual orientation and gender identity:

- 1) Discrimination based on sexual orientation and gender identity will be prohibited in the company’s employment policy statement.
- 2) The company’s non-discrimination policy will be distributed to all employees.

- 3) There will be no discrimination based on any employee’s actual or perceived health condition, status or disability.
- 4) There will be no discrimination in the allocation of employee benefits on the basis of sexual orientation or gender identity.
- 5) Sexual orientation and gender identity issues will be included in corporate employee diversity and sensitivity programs.
- 6) There will be no discrimination in the recognition of employee groups based on sexual orientation or gender identity.
- 7) Corporate advertising policy will avoid the use of negative stereotypes based on sexual orientation or gender identity.
- 8) There will be no discrimination in corporate advertising and marketing policy based on sexual orientation or gender identity.
- 9) There will be no discrimination in the sale of goods and services based on sexual orientation or gender identity; and
- 10) There will be no policy barring corporate charitable contributions to groups and organizations based on sexual orientation.

New York City has proposed the Equality Principles resolution to **Advance Auto Parts, Armor Holdings, Cleveland-Cliffs, HCC Insurance, Robert Half, Skywest, Timken** and **Wesco International**. The funds have withdrawn it at LandAmerica Financial, which reported that it already has a policy, and at First Horizon National, which also adopted one. The city-sponsored proposal is a repeat only at Robert Half where it got 18.7 percent support last year. In addition to the New York campaign, NorthStar Asset Management has submitted the Equality Principles resolution to **Hubbell** and **MP Western Properties**.

Several resolutions *opposing* non-

discriminatory policies towards gays have been re-filed from 2006. Members of Human Life International are asking **Ford** and **Microsoft** to amend their EEO policies “to explicitly exclude reference to any matters related to sexual interests, activities or orientation.”

**EEO data requests:** The other pending equal employment proposals are resolutions requesting standard EEO data, which church groups have been proposing since the 1970s. In recent years, the number of those resolutions has dropped. So far for 2007, the Social Issues Service has found only a new proposal at **Lehman Brothers** and a resubmission at **Home Depot**. The lead filer of the proposal at Home Depot is Walden Asset Management, with many co-filers. The resolution got 35.9 percent support last year. Walden, which is also the sponsor of the resolution to Lehman, says an agreement is likely there.

### Executive Pay and Social Issues

Shareholder activists who specialize in social issues have often devised resolutions linking these issues to executive pay practices; with a few exceptions, they have found that certain issues that the SEC considers ordinary business questions will slip by if tied to executive compensation. Fewer of these resolutions than usual have turned up so far this year.

NorthStar has re-filed a resolution to **ExxonMobil** that asks the board to conduct an executive pay review and report. The review is to include: a comparison of total pay for the CEO and the lowest paid U.S. workers in 1995 and 2005; an analysis of changes in the relative size of the wage gap and the rationale behind it; whether the top executive pay package is “excessive” and should be modified; and whether sizeable layoffs or pay levels of the lowest paid

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## Proxy Season

workers should result in an adjustment of executive pay “to more reasonable and justifiable levels.” The resolution got 12.5 percent support in 2006.

Martha Burk has also re-filed a resolution at **ExxonMobil** on executive perks. It asks the board for a special review and report on the company’s anti-discrimination statement as it pertains to corporate sponsorships and executive perks. The report is to address what “company funds are expended on corporate sponsorships and executive perks, like country club memberships and entertainment at or in conjunction with institutions that discriminate against groups protected by the company’s anti-discrimination statement; whether the company would sponsor an event held at a venue that barred African-Americans, Jews or homosexuals from membership; and how the company’s anti-discrimination statement is to be applied to decisions concerning sponsorships and executive perks.”

ExxonMobil was a broadcast sponsor of the Masters Golf Tournament, owned by and held at the Augusta National Golf Club, which excludes women from membership. The proponent says that sponsorships like the Masters send a message that the company does not take gender discrimination seriously. The resolution got 8.3 percent support in 2006.

NorthStar has also re-filed an executive pay proposal at **Wal-Mart**. That resolution, which got 15 percent support last year, 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. Church groups have also filed a resolution to Wal-Mart along the same

lines; only one is likely to end up in the proxy statement.

### Global Labor Standards

The number of resolutions on global labor issues has been dropping as the New York City funds, which spearheaded earlier campaigns, have been focusing on other issues. The Social Issues Service has identified 14 for 2007. As in recent years, most of the pending proposals ask companies to adopt a code of vendor conduct, based on the International Labor Organization’s core labor standards, or to amend current codes to incorporate those standards. These resolutions also ask for establishment of an independent monitoring process that assesses adherence to the standards. New York City has resubmitted this proposal to **Bed, Bath & Beyond** (25.4 percent support in 2006), **Cooper Industries** (6.8 percent support in 2006), **Kimberly-Clark** (8.5 percent support in 2006) and **Lear** (49.8 percent in 2006). The city has also co-filed an Amalgamated Bank proposal to **Urban Outfitters** that asks the company to adopt a code based in the ILO principles but does not ask for monitoring, and church groups have the same request at **McDonald’s**. As You Sow has refiled an ILO principles monitoring resolution at **Time Warner** that got 26.5 percent support last year.

In addition, new resolutions along these lines are pending at **Dollar General**, **Hershey**, **Juniper**, and **Xerox**; all are from religious or SRI groups and they ask for reports on adherence to the codes in addition to adoption of the codes and monitoring. Walden Asset Management has already withdrawn the resolutions after agreements at Applied Materials and William Wrigley. The General Board of Pensions and Health Benefits of the United Methodist Church reports that it has filed a resolution at **Dollar Tree** concerning vendor

standards.

New York City has also written a special, new resolution for **Wal-Mart** that is focused on the company’s labor practices in its domestic U.S. operations. The proposal asks for a report by September 2007 “on 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.” Whereas clauses refer to community efforts to block Wal-Mart stores or to force the company to pay higher wages and benefits and cite a McKinsey & Co. finding that from 2 to 8 percent of customers have stopped shopping at Wal-Mart stores because of its reputation.

Church groups have written a proposal asking **Delphi** to amend its guide for international operations, the Foundation for Excellence, to ensure that it is a comprehensive human rights policy. The fate of this proposal is unclear; Delphi has not had an annual meeting for two years as it goes through bankruptcy proceedings.

### Health

A June 2005 SEC staff decision made it harder to get health-related issues in proxies last year, but proponents continue to try. For 2007, the state of Minnesota has again offered four drug importation proposals, and the Nathan Cummings Foundation is leading a new campaign on universal health care.

**Drug reimportation:** The Minnesota State Board of Investment has resubmitted high-scoring 2005 proposals to **Eli Lilly**, Merck and **Pfizer** asking the companies “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 avail-

ability of the company's products to Canadian wholesalers or pharmacies that allow purchase of products by U.S. residents." It has also filed the resolution to **Wyeth**.

The companies didn't try to get the resolution omitted on substantive grounds in 2005, but in 2006 Lilly, Merck and Pfizer successfully challenged on the basis of an SEC Staff Legal Bulletin No. 14C issued June 28, 2005. That bulletin concluded that companies should be able to exclude resolutions on environmental or public health issues as ordinary business if they "focus on the company engaging in an internal assessment of the risks or liabilities that the company faces as a result of its operations." As a result, in 2006 the resolution came to a vote only at Wyeth, which had not challenged; it got 25.5 percent support.

The state nevertheless resubmitted the proposal to all four companies for this year, and Lilly, Merck and Pfizer again challenged on ordinary business grounds. The SEC staff has issued a no-action letter allowing Merck to again omit the proposal, but Lilly appears to have struck out: the SEC noted in its response to Lilly that the company had failed to advance under which clause of the shareholder proposal rule (14a-8 of the Securities Exchange Act) it thought the proposal should be omitted.

**Universal health care:** The Nathan Cummings Foundation has written a new resolution on universal health care, which it, church groups and SRI funds are proposing to a number of companies. The resolved clause asks the company to report by June 30, 2007, "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 preamble asserts that the lack

of universal health care coverage in the United States is a heavy financial burden on American industry and puts it at a significant disadvantage compared with foreign competitors.

The resolution is pending at **3M, Federated Department Stores, Ford Motor, General Motors, Target** and **Wal-Mart**. Kohl's has successfully challenged the proposal on ordinary business grounds, and several of the other targets have filed similar challenges.

**Organic dairy production:** Boston Common Asset Management is continuing to engage **Dean Foods** on the issue of its organic dairy products. A resolution this year asks for a report by Sept. 1, 2007, on the adequacy of the company's policies and procedures to: "protect our organic dairy brands and our company's reputation with organic food consumers" and "address consumer and media criticism of our company's organic dairy production and sourcing practices." The supporting statement refers to a controversy involving Dean Foods' Horizon Organic brand in which Dean has asserted that the cows that supply its milk are not confined, whereas members of the national Organic Consumers Association are boycotting the brand in response to allegations that the cows spend most of their time in feedlots.

**Beverage safety:** NorthStar Asset Management has proposed a new resolution asking **Coca-Cola** to publish a report on chemical and biological testing data for its beverage products, including the following:

- 1) "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;
- 2) "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 whereas clauses list instances where questions have been raised about pesticide and bromate contamination of Coke products.

## Human Rights

The human rights category has a range of resolutions, from general requests for policies to proposals raising concerns about specific issues. And for the first time, to the knowledge of the Social Issues Service, a proposal has been filed concerning human rights abuses in Sudan.

**General policies:** Religious groups have resubmitted resolutions to **Boeing, Chevron** and **Halliburton** that were among the high scorers of 2006. The proposal to Halliburton, which got 23.3 percent support last year, asks it by December 2007 to review "policies related to human rights to assess areas where the company needs to adopt and implement additional policies." The supporting statement recommends that the review include:

- 1) "A risk assessment to determine the potential for human rights abuses in locations where the company operates and
- 2) "A report on the current system in place to ensure that the company's suppliers are implementing human rights policies in their operations, including monitoring, training and addressing issues of non-compliance."

Church groups have also proposed this resolution to **Visteon** for the first time this year.

The proposal to Chevron asks for "a comprehensive, transparent, verifiable human rights policy" and report on a plan for implementation by October 2007. It got 23.9 percent support in 2006.

The resolution to Boeing, now in

its fifth year, asks for a comprehensive human rights policy with “an explicit commitment to support and uphold the principles and values contained in the Universal Declaration of Human Rights no later than Nov. 5, 2007.” The 2006 vote was 25 percent.

**Indigenous rights:** For the last several years, Boston Common Asset Management has taken the lead in approaching Burlington Northern with concerns about holdings of oil concessions on indigenous peoples’ lands in Ecuador and Peru. Now that Burlington has been taken over by **ConocoPhillips**, BCAM has a new resolution asking for a report by November 2007 on 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.”

**Internet censorship:** Four new resolutions are pending in the category on Internet censorship, three at Yahoo. The New York City pension funds have filed new resolutions to **Google** and **Yahoo** that ask “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 document all cases where legally-binding censorship requests have been complied with, and that information will be publicly available.”

In addition, Carl Olson has sent the Social Issues Service a resolution from Jing Zhao to **Yahoo** on the same issue. The resolution asks Yahoo to implement a global Internet policy, as follows:

For Collective Action, Yahoo! management shall produce reports to the stockholders in June and December of each year as to what Collective Action has been taken, on a country by country basis, to promote the principles of freedom of speech within the United States and in all other countries in which Yahoo! operates, especially those in which content is treated more restrictively than the United States, such as China.

For Compliance Practices Yahoo! management shall notify each Yahoo! e-mail user as to what individual data about the user is available to any government agency and how Yahoo! provides such individual data; with such notice to appear on the user’s Yahoo! e-mail webpage.

For Information Restrictions, Yahoo! management, in countries which restrict search results, shall notify each user of the search engine of all such imposed restrictions, with such notice to appear at the top of

all search results pages.

For Government Engagement, Yahoo! management shall produce reports to the stockholders in June and December to describe any changes, country by country, which have been made in Yahoo! internet services regarding search content restrictions and surveillance of users by government agencies, including any specific procedural protections adopted.”

Harrington Investments has also proposed a resolution to **Yahoo** asking the company to amend its bylaws to establish a board committee on human rights to “review and make policy recommendations regarding human rights issues raised by the company’s activities and policies.

**Controversies at Newmont Mining:** A coalition of church groups has proposed a resolution to **Newmont Mining**. It asks for a committee of independent board members to review, evaluate and report on “the company’s policies and practices relating to existing and potential opposition from local communities and to our company’s operations and the steps taken to reduce such opposition.” Newmont operations have been controversial in Peru and Ghana as well as Indonesia.

**Exploitation of children:** Church groups are asking **Host Hotels & Resorts** and **Starwood Hotels & Resorts** to adopt a human rights policy prohibiting the sexual exploitation of children on company premises. They suggest that the policy be based on provisions of “The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism” and that all employees be trained in the policy. The resolution cites a multi-million dollar industry “that includes tour guides, web sites and brothel maps” in Cambodia, Thailand, Costa Rica, Mexico, the Dominican Republic, Brazil and India.

**Indonesian security arrangements:** New York City has resubmitted a resolution to **ExxonMobil** that asks for a review and report on the company's security arrangements with the Indonesian government and private security forces, including monetary and in-kind support to the Indonesian military, with an assessment of potential financial and reputational risks incurred as a result of those relationships. The resolution got better than 7 percent support in 2005 and was withdrawn after an agreement in 2006.

**Sudan:** An individual shareholder is asking that **Berkshire Hathaway** "not invest in the securities of any foreign corporation or subsidiary thereof that engages in activities that would be prohibited for U.S. corporations by executive order of the president of the United States." The proponent notes that President Clinton issued Executive Order 13057 prohibiting U.S. businesses from operating in the Sudan, that President Bush has upheld these sanctions in response to UN Security Council resolutions condemning violations of international humanitarian law in the Sudan, and that while "American companies cannot do business in the Sudan, Americans can invest in Asian and European companies that do business" there.

**Historical association with slavery:** In a new proposal this year, the National Legal and Policy Center is asking **JPMorgan Chase** to report "descriptions of initiatives instituted by management to address the company's alleged links to slavery and other abuses of human rights." The proponent explains that "shareholders have a right to know if management is opening the company to possible legal liability." It points to a January 2005 letter in which then-Chairman and CEO William B. Harrison and then President Jamie Dimon apologized to the Afri-

can-American community, particularly those descended from slaves, after a company-commissioned report found, in the proponent's words, "only the most tenuous connections to slavery over 200 years ago" by two predecessor banks. The company is challenging the proposal as containing materially false and misleading statements and also as relating to a personal claim or grievance that is not shared by other shareholders at large.

### Military and Security Issues

Some familiar proposals on military questions show up from religious groups, and there is a new proposal on homeland security from the Teamsters.

**Depleted uranium:** The Sisters of Mercy have re-filed a proposal, new in 2006, on depleted uranium, at **Lockheed Martin**. The resolved clause asks for a written report within six months of the annual meeting on the company's depleted uranium and other nuclear weapons-related involvement.

The proponents say, "The potential risk to human life as well as long-term costs of radiation contamination far outweigh any benefit to our Company gained by continued production of DU weapons, components and associated delivery systems." They want Lockheed Martin to include in the requested report:

- 1) "A brief history of Lockheed Martin's involvement in management of nuclear weapons sites and production of DU weapons components."
- 2) "Human, workplace and environmental safety precautions."
- 3) "Health and safety record at facilities."
- 4) "Financial arrangements, e.g. offsets from lobbying costs; liability in the event of an accident/incident; agreements with state/other local governments about storage in local communities."

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

**Foreign military sales:** Church groups are asking **Boeing, Northrop Grumman, Textron** and **United Technologies** to report within six months of the annual meeting on their "foreign sales of weapons-related products and services." The supporting statement suggests that the report discuss such issues as criteria for choosing countries with which to do business, categories of military equipment exported for the past three years and procedures used to negotiate foreign sales.

**Ethical criteria:** A large coalition of church groups have proposed a resolution asking **General Electric** to review and, if necessary, amend its criteria for military contracts, with an eye to ethical and environmental standards. This resolution has been submitted to many defense contractors periodically over the last 25 years.

**Homeland security:** The Teamsters have filed a new resolution with **Kansas City Southern, Norfolk Southern** and **Union Pacific** on the security actions they have taken to protect their infrastructure and personnel. The proposal asks for a report on "information relevant to the company's efforts to both safeguard the security of their operations and minimize material financial risk arising from a terrorist attack and/or other homeland security incidents."

The resolution at Norfolk Southern points to a 2002 FBI warning about potential terrorist attacks on U.S. railroads and it asserts that "Norfolk Southern has, by virtually all accounts, failed to implement significant security improvements to deter or respond to a terrorist attack

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## Proxy Season

on the U.S. rail network, which could potentially devastate our company.”

### Northern Ireland

The 2007 proxy season will mark the 23rd year for the shareholder campaign, led by the New York City pension funds, in support of resolutions asking firms to implement the MacBride principles against religious discrimination in employment in Northern Ireland. The funds have re-filed 2006 proposals with **BE Aerospace, Claire's Stores, Crane, Manpower** and **Yum Brands**. They have filed for the first time at **Domino's Pizza**. In addition, after a three-year hiatus, the city pension funds re-filed with Baker Hughes but have since withdrawn the proposal. The resolution has also been withdrawn at Sanmina-SCI, which says it will follow the principles.

The resolution to Yum Brands is slightly different from the others; it asks the company to urge its franchisees in Northern Ireland to implement the MacBride principles.

### Political Contributions

For the fourth year, a big shareholder effort involves a campaign seeking information on corporate political contributions. The proposals ask companies to issue semi-annual reports on all political contributions, as well as providing the guidelines for those contributions and identifying the persons involved in making contributions decisions. The resolutions include a request for information on contributions to so-called “527 committees,” groups formed for the purpose of influencing elections, but not overtly supporting or opposing specific candidates.

In addition, most of the resolutions that the Social Issues Service has seen for 2007 contain a clause asking for a reporting of dues paid to trade associations, defined in the proposal as “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.” This clause was included in some resolutions for the first time in 2006. A paragraph contained in the resolutions targeted at energy and some manufacturing companies explains the rationale:

Trade associations engage in political activities that may support or conflict with [company] positions. For example, [the company] has made significant efforts to claim leadership in addressing the problem of Global Warming. In contrast, the National Association of Manufacturing—of which [the company] is a member continues to take a strong position against action on Global Warming. Without disclosure, it is impossible for shareholders to know about [the company's] payments to trade associations, and how these payments are used for political activities, including those that may conflict with company positions on Global Warming.

The resolutions follow a template developed by the Center for Political Accountability, a research group in Washington, D.C., that focuses on corporate political spending. The shareholder campaign was initially spearheaded by labor unions, but SRI funds, church groups and New York City are now filing extensively. Last year saw a doubling of average support for the proposals in the overall voting—to 20 percent from 10 percent in 2004 and 2005.

Already, the proponents were able to withdraw their proposals at five of the target companies. American Electric Power, General Electric and Hewlett-Packard and Monsanto agreed to report their trade association payments used for political purposes as part of their overall disclo-

sure of political spending with corporate funds. In addition, Home Depot adopted disclosure of its soft money political contributions. All of the companies agreed to board oversight of their political spending.

The resolution remains pending at **3M, Aetna, AT&T, Bank of America, Caremark, Chevron, Cigna, Citigroup, Clear Channel Communications, Colgate-Palmolive, Comcast, Conoco-Phillips, Corrections Corp. of America, Dominion Resources, DuPont, EMC, Entergy, Exxon-Mobil, FirstEnergy, General Motors, Halliburton, Limited Brands, Lockheed Martin, Lyondell Chemical, Marsh & McLennan, McGraw Hill, Medimmune, Pfizer, Charles Schwab, Southern, Torchmark, TXU, Union Pacific, Unisys, United Technologies, Wachovia, Wal-Mart, Wellpoint, Wyeth** and **Xcel Energy**. In addition, Trillium withdrew a proposal to Ford that was filed late, while Lehman Brothers and Merck were able to omit proposals from the Central Laborers Fund; the SEC agreed that the proposals were substantially similar to the ones Evelyn Y. Davis had already submitted to the companies, discussed below.

In a different effort, Boston Common Asset Management filed a proposal to Scott's Miracle-Gro, whose annual meeting took place this month, that asked for a report on its annual expenditures “from 1993 to 2005 for attorneys' fees, expert fees, lobbying and public relations/media expenses, relating to efforts to oppose local policies to limit lawn care product use.” The supporting statement noted that Scott's chief environment office serves on the board of Responsible Industry for a Sound Environment, which it alleges “aggressively opposes local restrictions on pesticide use.”

Evelyn Y. Davis, the long-time corporate gadfly who alternates several political resolutions among her stockholdings, has filed two proposals at four companies for this year. She has re-filed her standard proposal that corporations affirm their political nonpartisanship at **Continental Airlines** and **Home Depot**. (Home Depot says it has already substantially implemented the proposal and therefore hopes to omit it.) Davis's proposal that corporations publish a list of their political contributions in major newspapers has been filed at **Lehman Brothers** and **Merck**.

### Sustainability Reporting

In recent years, a growing number of organizations and interest groups have promoted the concept of "sustainability" as a goal for both countries and corporations. The most widely used definition is probably the one contained in the 1987 final report of the United Nations World Commission on Environment and Development. That report called for "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." A shareholder campaign on the issue is now in its sixth year and picking up steam. Proponents include New York City, all of the most prominent social investment fund filers and church groups. The resolved clauses of the pending proposals simply ask companies to provide "sustainability reports."

The 2007 targets are **Allegheny Technologies, American Express, Amgen, Baker Hughes, Burlington Northern Santa Fe, Comcast, Comerica, Cooper Industries, CVS, Dean Foods, Dillards, Dover, El Paso, General Dynamics, Harrah's Entertainment, Hasbro, Honeywell, Kellogg, Kroger, Lennar, MDU Resources, OfficeMax, Pentair, Range Resources, Safeway, Sears**

**Holdings, Southwestern Energy, Sprint Nextel, The Williams Companies, U.S. Bancorp, Unisys, Unit, Wendy's and Xerox**. Many of the targets are new, but the resolution is a resubmission at Dean Foods, General Dynamics, Kellogg, Safeway, Wal-Mart and Wendy's. (The proposal got 6.4 percent support at Kellogg and 10.5 percent at Wal-Mart, but better than 20 percent support at the other companies.)

In the past, a number of sustainability resolutions have been withdrawn. New York City has already withdrawn a proposal at American Electric Power this year after the company agreed to report, and the General Board of Pensions and Health Benefits of the United Methodist Church has withdrawn at Costco Wholesale and Morgan Stanley.

**The GRI angle:** Back in 2004, the resolved clause of many of the sustainability proposals asked that the sustainability report use the template of the Global Reporting Initiative. Five companies went to the SEC to argue successfully that they should be able to omit sustainability proposals that referred to the GRI guidelines. Noting the complexity and length of the guidelines, the companies cited the section of the shareholder proposal rule that allows companies to omit resolutions that are so vague that shareholders wouldn't be able to understand what they were voting on.

As a result, proponents dropped all mention of GRI from the resolved clause in 2005. Three proposals that year, however, did refer to the GRI in the supporting statement, and the companies were unable to persuade the SEC that that language should enable them to omit the revised resolution based on the 2004 precedent. As a result, the proponents since then have seen to it that almost all of the resolutions contain a supporting statement that refers to GRI. The supporting statement says:

We recommend that [the company] use the Global Reporting Initiative's Sustainability Reporting Guidelines ("The Guidelines") to prepare the report. The Global Reporting Initiative (see [www.global-reporting.org](http://www.global-reporting.org)) is an international organization with representatives from the business, environmental, human rights and labor communities. The Guidelines provide guidance on report content, including performance in six categories (direct economic impacts, environmental, labor practices and decent work conditions, human rights, society, and product responsibility). The Guidelines provide a flexible reporting system that permits the omission of content that is not relevant to company operations. Over 700 companies use or consult the Guidelines for sustainability reporting.

In addition to this standard sustainability resolution, Action Fund Management, a conservative group that started filing resolutions in 2006, has a new proposal to **Goldman Sachs** requesting that the company prepare a "Sustainability Report" addressing shareholder concerns that Goldman Sachs' 2004 donation of 680,000 acres of land in Chile was bad for shareholders and the environment. Before Goldman's intervention, the group says, the land was a site of an innovative sustainable forestry plan that offered to provide jobs, to be environmentally sound and generate revenues up to \$150 million/year in perpetuity.

### Tobacco

The number of tobacco resolutions continues to shrink, as has the size of the votes in recent years. Eight proposals came to votes in 2006, achieving an average of only 3.2 percent.

Eight resolutions are now pending for 2007, all new this year, all but one to tobacco manufacturers and

all but one from church groups. Three of the seven resolutions at tobacco companies—to **Altria**, **Loews** and **Reynolds American**—ask the companies to “sell or phase out all production, promotion and marketing of its health-hazardous and addictive tobacco products by 2010.”

The Capuchins, long leaders in the anti-tobacco campaign, have resolutions to **Altria** and **Reynolds** entitled “Informing Children of Their Rights if Forced to Incur Secondhand Smoke.” The proposals ask the companies to post on their websites “and in all venues where it sells or promotes its cigarettes, its own clear statement as well as material detailing the health hazards of SHS, including legal options available to minors to ensure their environments are smokefree.”

The last two resolutions to tobacco manufacturers are also to **Altria**. One asks the company to “voluntarily adapt globally for all its tobacco products the marketing and advertising provisions of the U.S. Master Settlement Agreement and the demands of the corrective statements and general injunctive relief by Judge Kessler in August 2006.” The other asks **Altria** to “stop within one week of the annual meeting all company-sponsored ‘campaigns’ allegedly oriented to prevent youth from smoking unless management can produce facts refuting ... findings ... that show such campaigns do not reduce teen smoking.”

The one proposal to a non-tobacco company is a resolution to **Viacom** from As You Sow asking the company to begin divesting Paramount Pictures. The supporting statement asserts that one of the factors in Paramount’s poor performance “may relate to tobacco portrayals in its youth-friendly movies.” Proponents have never had success in getting shareholder resolutions on depiction of smoking past the SEC’s rule disallowing proposals that it judges to re-

late to “ordinary business.”

### Miscellany

**Privacy protection:** As You Sow and other filers have proposed new resolutions to **AT&T** and **Verizon** inspired by reports that the companies may have voluntarily provided customer phone records to government security agencies. The resolution to Verizon relates to reports of actions by its MCI subsidiary. The filers assert that “millions of Americans, including customers, shareholders and employees” see the alleged practice “as a violation of our customers’ privacy expectations and basic rights to have phone and e-mail records kept confidential.” The proposals ask for a report within six months “which describes the overarching technological, legal and ethical policy issues surrounding the disclosure of customer records and communications content to the Federal Bureau of Investigation, National Security Agency and other entities.” In addition, the resolution to AT&T asks for a description of additional policies it could implement to ensure the integrity of privacy rights and for its expenditures on attorney’s and public relations fees relating to controversy over the alleged program.

Conrad MacKerron of As You Sow told the Social Issues Service that AT&T has informed As You Sow and its co-filers “that to provide the report would violate the National Security Act and several Executive Orders relating to national security, possible felony violations.” In “a bizarre no-action letter to the SEC,” MacKerron says, “the company alleges that for them to even disclose whether they assisted the government in a request for customer records is such a violation.” MacKerron isn’t persuaded by the company’s argument. He notes that Qwest Communications, which said it refused to provide information to the government because it would violate privacy laws, has not been prosecuted.

**Regulatory reform:** Conservative shareholders have filed resolutions at three companies—Bank of America, Citigroup and General Electric—asking that they prepare an annual “Business Social Responsibility Report” to describe company activity and plans with respect to:

1. “Reducing the impact on the company of: unmeritorious litigation (lawsuit/tort reform); unnecessarily burdensome laws and regulations (e.g., Sarbanes-Oxley reform); and taxes on the Company (i.e., tax reform).”
2. “Promoting key pro-free enterprise principles and public policies—including private property rights, trade liberalization and deregulations—that expand business opportunities and increase shareholder value.”
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.”

The proponents assert in the supporting statement that “frivolous lawsuits are a persistent drag on economic growth and prosperity...” and that “compliance with the Sarbanes-Oxley Act of 2002 is unduly burdensome.”

**Video game violence:** Church-affiliated shareholders continue to press stores and manufacturers on the issue of violent video games, though the proposals in this area are typically withdrawn after agreements. This year, **Blockbuster** is asked to report on “the implementation of the corporation’s policies regarding the sale of Mature-rated video games to children” and to say what it is doing to educate people on this issue. Video game developer **Electronic Arts** is asked to report on the steps it is taking “to ensure that children under 17 don’t have access to Mature-rated video games it has published or may publish.”

—Carolyn Mathiasen and  
Meg Voorhes

# Checklist of 2007 Shareholder Proposals

Following is a checklist of the social policy shareholder proposals for 2007 meeting dates for which the ISS Social Issues Service has information. Check Governance Analytics/Watchlist/Checklist or Online Analyst/Proxy Research/Checklist for updates.

## Key to checklist notations

- withdrawn: The proponents withdrew the proposal, usually after an agreement with the company.
- omitted: The Securities and Exchange Commission staff issued a letter indicating it will not pursue legal action against the company for omitting the proposal from the proxy statement.
- # The company challenged the proposal at the SEC.
- ## The SEC staff has rejected the company's challenge.
- + The SEC said the proposal must appear in the proxy statement if the proponent revises it according to SEC guidelines.

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
3M Co	Report plans on healthcare challenges	# Nathan Cummings Foundation	May
3M Co	Report on political donations and policy	Walden Asset Management	May
Abbott Laboratories	Review feasibility of non-animal test methods	Physicians Committee for Responsible Medicine	April
Advance Auto Parts Inc	Implement Equality principles	New York City Pension Funds	May
Aetna Inc.	Report on political donations and policy	Sisters of Mercy	April
AFC Enterprises, Inc.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	May
Allegheny Energy, Inc.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	May
Allegheny Energy, Inc.	Review NIETC impact on land and landmarks	GBPHB - United Methodist Church	May
Allegheny Technologies, Inc.	Issue sustainability report	New York City Pension Funds	May
Altria Group, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	4/30/2007
Altria Group, Inc.	Phase out tobacco sales	Sinsinawa Dominicans	4/30/2007
Altria Group, Inc.	Issue warnings on secondhand tobacco smoke	Capuchin Province of St. Joseph	4/30/2007
Altria Group, Inc.	Follow MSA terms globally	Sisters of Charity of St. Elizabeth	4/30/2007
Altria Group, Inc.	Fund better youth anti-smoking programs	Sisters of Mercy, St. Louis	4/30/2007
Ameren Corporation	Report on nuclear power plant	School Sisters of Notre Dame	May
Ameren Corporation	Report on/reduce greenhouse gas emissions	New York City Pension Funds	withdrawn
American Electric Power Co.	Issue sustainability report	New York City Pension Funds	withdrawn
American Electric Power Co.	Report on political donations and policy	Green Century Capital Management	withdrawn
American Express Co.	Issue sustainability report	Trillium Asset Management	4/25/2007
Amgen, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	May
Amgen, Inc.	Issue sustainability report	Calvert Asset Management Co.	May
Anadarko Petroleum Corp.	Set GHG emissions reduction goals	Trillium Asset Management	withdrawn
Apple, Inc.	Report on product responsibility/recycling	As You Sow Foundation	4/30/2007
Apple, Inc.	Review/reduce toxicity of product formulation	Trillium Asset Management	4/30/2007
Applied Materials, Inc.	Adopt, monitor and report on ILO standards	Walden Asset Management	withdrawn
Armor Holdings, Inc.	Implement Equality principles	New York City Pension Funds	June
AT&T Inc	Ensure customer privacy, explain lapses	As You Sow Foundation	April
AT&T Inc	Report on political donations and policy	Domini Social Investments	April
Avista Corporation	Report on hydroelectric complex	# Barbieri, Donald K.	5/14/2007
Baker Hughes Incorporated	Implement MacBride principles	New York City Pension Funds	April

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Baker Hughes Incorporated	Issue sustainability report	Boston Common Asset Management	April
Bank of America Corp.	Divest from Israel	# Crapo, John Jennings	4/27/2007
Bank of America Corp.	Report on political donations and policy	# International Brotherhood of Teamsters	omitted
Bank of America Corp.	Review policies against helping tax flight	# Oblates of Mary Immaculate	4/27/2007
Bank of America Corp.	Review tax, tort & regulatory reform	# Action Fund Management/Free Enterprise Fund	4/27/2007
BE Aerospace, Inc.	Implement MacBride principles	New York City Pension Funds	June
Becton, Dickinson and Company	Divest tobacco holdings	Unknown	omitted
Bed Bath & Beyond Inc.	Report on environmental impact and plans	As You Sow Foundation	June
Bed Bath & Beyond Inc.	Increase efforts to diversify board	Catholic Healthcare West	June
Bed Bath & Beyond Inc.	Implement ILO standards and third-party monitoring	New York City Pension Funds	June
Bemis Company, Inc.	SP-Link executive pay to social criteria	International Brotherhood of Du Pont Workers	May
Bemis Company, Inc.	Report on greenhouse gas emissions	Calvert Asset Management Co.	May
Berkshire Hathaway Inc.	Don't invest in firms in U.S.-barred countries	# Porter, Judith R.	May
Blockbuster, Inc.	Report on policies on violent video sales	Sisters of St. Francis, Philadelphia	May
Boston Properties Inc.	Report on energy efficiency plans	New England Yearly Meeting of Friends	May
Bristol-Myers Squibb Co.	Review animal welfare standards	# People for the Ethical Treatment of Animals	withdrawn
Burlington Northern Santa Fe Corp.	Issue sustainability report	New York City Pension Funds	April
C. R. Bard, Inc.	Implement ILO standards and third-party monitoring	New York City Pension Funds	April
Caremark Rx, Inc.	Report on political donations and policy	Walden Asset Management	May
Cash America International, Inc.	Take steps to prevent predatory lending	# Christian Brothers Investment Services	4/27/2007
CenturyTel, Inc.	Adopt sexual orientation anti-bias policy	Walden Asset Management	May
Chevron Corporation	Adopt comprehensive human rights policy	Jesuit Conference USA	4/27/2007
Chevron Corporation	Report on environmental review process overseas	Trillium Asset Management	4/27/2007
Chevron Corporation	Report on political donations and policy	New York City Pension Funds	4/27/2007
Chevron Corporation	Review animal welfare standards	People for the Ethical Treatment of Animals	4/27/2007
Chevron Corporation	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	4/27/2007
CIGNA Corp.	Report on political donations and policy	New York City Pension Funds	April
Citigroup Inc.	Review policies against helping tax flight	# Oblates of Mary Immaculate	4/19/2007
Citigroup Inc.	Review decisions under Equator Principles	# Action Fund Management/Free Enterprise Fund	4/19/2007
Citigroup Inc.	Report on political donations and policy	International Brotherhood of Teamsters	4/19/2007
Citigroup Inc.	Review tax, tort & regulatory reform	# Borelli, Thomas J.	4/19/2007
Claire's Stores, Inc.	Implement MacBride principles	New York City Pension Funds	June
Clarcor, Inc.	Adopt sexual orientation anti-bias policy	Walden Asset Management	withdrawn
Clear Channel Communications, Inc.	Report on political donations and policy	As You Sow Foundation	April
Cleveland-Cliffs Inc.	Implement Equality principles	New York City Pension Funds	May
Colgate-Palmolive Co.	Report on political donations and policy	Boston Common Asset Management	May
Comcast Corp.	Issue sustainability report	GBPHB - United Methodist Church	May
Comcast Corp.	Report on political donations and policy	LongView Funds	May
Comerica Inc.	Issue sustainability report	Walden Asset Management	May
Commercial Metals Co.	Adopt sexual orientation anti-bias policy	Walden Asset Management	awaiting tally
ConocoPhillips	Develop renewable energy alternatives	Trillium Asset Management	May
ConocoPhillips	Report on community hazards	not available	May
ConocoPhillips	Report on political donations and policy	Nathan Cummings Foundation	May
ConocoPhillips	Review Natl. Petroleum Reserve-Alaska	Green Century Capital Management	May
ConocoPhillips	Adopt/report policy on indigenous peoples	Boston Common Asset Management	May

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Consol Energy, Inc.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	May
Continental Airlines, Inc.	Affirm political nonpartisanship	Davis, Evelyn Y.	June
Corrections Corporation of America	Report on political donations and policy	Sisters of Charity of Blessed Virgin Mary	May
Costco Wholesale Corporation	Issue sustainability report	GBPHB - United Methodist Church	withdrawn
Crane Co.	Implement MacBride principles	New York City Pension Funds	April
CVS Corporation	Issue sustainability report	F&C Asset Management	May
CVS Corporation	Report on energy efficiency plans	Domini Social Investments	May
CVS Corporation	Review/reduce toxicity of product formulation	Boston Common Asset Management	May
Dean Foods Company	Issue sustainability report	New York City Pension Funds	May
Dean Foods Company	Review sourcing standards for organic milk	# Boston Common Asset Management	May
Delphi Corp.	Review/report on global standards	Mercy Investment Program	
Denny's Corporation	Review suppliers' animal slaughter methods	People for the Ethical Treatment of Animals	May
Dillard's, Inc	Issue sustainability report	Christian Brothers Investment Services	May
Dollar General Corp.	Adopt, monitor and report on ILO standards	GBPHB - United Methodist Church	May
Dollar Tree Stores, Inc.	Review/report on vendor standards	GBPHB - United Methodist Church	June
Dominion Resources, Inc.	Report on political donations and policy	Trillium Asset Management	5/1/2007
Dominion Resources, Inc.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	5/1/2007
Dominion Resources, Inc.	Review NIETC impact on land and landmarks	## GBPHB - United Methodist Church	5/1/2007
Dominos Pizza Inc.	Implement MacBride principles	New York City Pension Funds	May
Dover Corp.	Issue sustainability report	Walden Asset Management	4/19/2007
E.I. Du Pont De Nemours & Co.	Report on PFOA expenses	United Steel Workers of America	4/27/2007
E.I. Du Pont De Nemours & Co.	Commit to phaseout of PFOA	LongView Funds	4/27/2007
E.I. Du Pont De Nemours & Co.	Report on political donations and policy	Trillium Asset Management	4/27/2007
E.I. Du Pont De Nemours & Co.	Report on community hazards	Green Century Capital Management	4/27/2007
E.I. Du Pont De Nemours & Co.	Report on gene-engineered plants	As You Sow Foundation	4/27/2007
El Paso Corp	Issue sustainability report	New York State Common Retirement Fund	May
Eli Lilly and Co.	Report on policy on drug reimportation	## Minnesota State Board of Investment	4/25/2007
Eli Lilly and Co.	Review animal welfare standards	People for the Ethical Treatment of Animals	4/25/2007
Eli Lilly and Co.	Review overseas animal testing	People for the Ethical Treatment of Animals	4/25/2007
EMC Corp.	Report on political donations and policy	New York City Pension Funds	May
Entergy Corp.	Report on political donations and policy	New York City Pension Funds	May
EOG Resources, Inc.	Report on/reduce greenhouse gas emissions	Domini Social Investments	May
Expeditors International Of Washington	Adopt sexual orientation anti-bias policy	Walden Asset Management	May
Exxon Mobil Corp.	Report on political donations and policy	As You Sow Foundation	May
Exxon Mobil Corp.	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	May
Exxon Mobil Corp.	Review security arrangements in Indonesia	New York City Pension Funds	May
Exxon Mobil Corp.	Review executive perks and sponsorships	Burk, Martha	May
Exxon Mobil Corp.	Report planned response to Calif. climate law	not available	May
Exxon Mobil Corp.	Report on climate change challenges to business	Miller, Kirk P.	May
Exxon Mobil Corp.	Link executive pay to social criteria	Northstar Asset Management	May
Exxon Mobil Corp.	Develop renewable energy alternatives	# Viederman, Steve	May
Exxon Mobil Corp.	Develop renewable energy alternatives	# Capuchin Province of St. Joseph	May
Exxon Mobil Corp.	Adopt sexual orientation anti-bias policy	New York City Pension Funds	May
Exxon Mobil Corp.	Report on community hazards	Episcopal Church	May
Federated Department Stores, Inc.	Report plans on healthcare challenges	# Trinity Health	May

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
First Horizon National Corp	Implement Equality principles	New York City Pension Funds	withdrawn
FirstEnergy Corporation	Report on political donations and policy	Green Century Capital Management	May
Ford Motor Company	Report on climate change science	Olson, Carl (State Dept. Watch)	5/14/2007
Ford Motor Company	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	5/14/2007
Ford Motor Company	Report on political donations and policy	# Trillium Asset Management	withdrawn
Ford Motor Company	Drop sexual orientation from EEO policy	Strobhar, Thomas	5/14/2007
Ford Motor Company	Report plans on healthcare challenges	Camilla Madden Charitable Trust	5/14/2007
Freeport-McMoRan Copper & Gold	Report on environmental impact and plans	# New York City Pension Funds	May
General Dynamics Corp.	Issue sustainability report	New York City Pension Funds	May
General Electric Co.	Develop military contracting criteria	# Sisters of Charity of Blessed Virgin Mary	4/27/2007
General Electric Co.	Report on climate change science	Action Fund Management/Free Enterprise Fund	4/27/2007
General Electric Co.	Report on political donations and policy	Trillium Asset Management	withdrawn
General Electric Co.	Review tax, tort & regulatory reform	Action Fund Management/Free Enterprise Fund	4/27/2007
General Motors Corp.	Report plans on healthcare challenges	American Baptist Home Mission Society	June
General Motors Corp.	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	June
General Motors Corp.	Report on political donations and policy	Catholic Healthcare West	June
Google Inc	Take steps against abetting repression/censorship	New York City Pension Funds	May
Great Plains Energy, Inc.	Review/report on carbon tax impact	# Sierra Club	May
Halliburton Co.	Adopt comprehensive human rights policy	Sisters of Charity of Blessed Virgin Mary	May
Halliburton Co.	Adopt sexual orientation anti-bias policy	Trillium Asset Management	May
Halliburton Co.	Report on political donations and policy	New York City Pension Funds	May
Harrah's Entertainment, Inc.	Issue sustainability report	New York City Pension Funds	April
Hasbro, Inc.	Issue sustainability report	Camilla Madden Charitable Trust	May
HCC Insurance Holdings, Inc.	Implement Equality principles	New York City Pension Funds	May
Hewlett-Packard Co.	Report on political donations and policy	Trillium Asset Management	withdrawn
Hewlett-Packard Co.	Report on greenhouse gas emissions	# Action Fund Management/Free Enterprise Fund	omitted
Home Depot, Inc. (The)	Report on political donations and policy	Green Century Capital Management	withdrawn
Home Depot, Inc. (The)	Affirm political nonpartisanship	# Davis, Evelyn Y.	5/28/2007
Home Depot, Inc. (The)	Report on EEO	Walden Asset Management	5/28/2007
Honeywell International, Inc.	Issue sustainability report	# New York City Pension Funds	4/23/2007
Hormel Foods Corp.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	awaiting tally
Host Hotels & Resorts Inc.	Take steps to protect children	Evangelical Lutheran Church of America	May
Hubbell Incorporated	Implement Equality principles	Northstar Asset Management	May
Johnson & Johnson	Disclose charitable contributions	Human Life International	April
JPMorgan Chase & Co.	Review actions on slavery history	# National Legal and Policy Center	5/17/2007
JPMorgan Chase & Co.	Review policies against helping tax flight	# Oblates of Mary Immaculate	5/17/2007
Juniper Networks, Inc.	Adopt, monitor and report on ILO standards	GBPHB - United Methodist Church	May
Kansas City Southern	Report on security safeguards	International Brotherhood of Teamsters	May
Kellogg Co.	Issue sustainability report	New York City Pension Funds	April
Kimberly-Clark Corp.	Consider phasing out non-FSC products	Domini Social Investments	4/30/2007
Kimberly-Clark Corp.	Implement ILO standards and third-party monitoring	New York City Pension Funds	4/30/2007
Kohl's Corp.	Report plans on healthcare challenges	# Nathan Cummings Foundation	omitted
LandAmerica Financial Group, Inc.	Implement Equality principles	New York City Pension Funds	withdrawn
Lear Corporation	Implement ILO standards and third-party monitoring	New York City Pension Funds	May
Leggett & Platt, Inc.	Adopt sexual orientation anti-bias policy	Walden Asset Management	May

<b>Company</b>	<b>Resolution</b>	<b>Lead Filer/Coordinator</b>	<b>Mtg Date/Status</b>
Lehman Brothers Holdings Inc.	Report on EEO	Walden Asset Management	4/6/2007
Lehman Brothers Holdings Inc.	Report on political donations and policy	# Central Laborers' Fund	omitted
Lehman Brothers Holdings Inc.	Disclose political contributions in newspapers	Davis, Evelyn Y.	4/6/2007
Lennar Corp.	Issue sustainability report	GBPHB - United Methodist Church	4/2/2007
Limited Brands	Report on political donations and policy	New York City Pension Funds	May
Lincare Holdings, Inc.	Increase efforts to diversify board	Calvert Asset Management Co.	May
Lockheed Martin Corp.	Report on depleted uranium	Sisters of Mercy	4/30/2007
Lockheed Martin Corp.	Report on political donations and policy	New York City Pension Funds	4/30/2007
Loews Corp.	Phase out tobacco sales	Sinsinawa Dominicans	May
Loews Corp.	Support smoking bans in public spaces	# Catholic Health Initiatives	omitted
Lowe's Companies, Inc.	Report on forest protection policy	Domini Social Investments	May
Lyondell Chemical Co.	Report on political donations and policy	New York City Pension Funds	May
Manpower Inc.	Implement MacBride principles	New York City Pension Funds	April
Markel Corp.	Increase efforts to diversify board	Calvert Asset Management Co.	May
Marsh & McLennan Companies, Inc.	Report on political donations and policy	AFL-CIO	May
McDonald's Corp.	Implement ILO standards	Adrian Dominican Sisters	May
McDonald's Corp.	Label gene-engineered or cloned food	Camilla Madden Charitable Trust	May
MDU Resources Group, Inc.	Issue sustainability report	Calvert Asset Management Co.	April
MedImmune, Inc.	Report on political donations and policy	Calvert Asset Management Co.	May
Merck & Co., Inc.	Report on political donations and policy	# Central Laborers' Fund	omitted
Merck & Co., Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	omitted
Merck & Co., Inc.	Report on policy on drug reimportation	# Minnesota State Board of Investment	omitted
Merck & Co., Inc.	Disclose political contributions in newspapers	Davis, Evelyn Y.	4/26/2007
Microsoft Corp.	Drop sexual orientation from EEO policy	Strobhar, Thomas	November
Mohawk Industries, Inc.	Review removing PVC/PFOA from products	GBPHB - United Methodist Church	May
Monsanto Co.	Report on political donations and policy	Adrian Dominican Sisters	withdrawn
Morgan Stanley	Issue sustainability report	GBPHB - United Methodist Church	withdrawn
Newmont Mining Corp. (Holding Co.)	Report on environmental impact and plans	New York City Pension Funds	April
Newmont Mining Corp. (Holding Co.)	Review human rights record in areas of operation	Christian Brothers Investment Services	April
Norfolk Southern Corp.	Report on security safeguards	International Brotherhood of Teamsters	May
Northrop Grumman Corp.	Report on foreign military sales	Congregation of the Passion	May
Occidental Petroleum Corp.	Report on climate change science	Olson, Carl (State Dept. Watch)	May
OfficeMax Inc	Issue sustainability report	Green Century Capital Management	April
OSI Restaurant Partners Inc	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	April
Pentair, Inc.	Adopt sexual orientation anti-bias policy	Trillium Asset Management	May
Pentair, Inc.	Issue sustainability report	Calvert Asset Management Co.	May
PepsiCo, Inc.	Increase container recycling/recycled content	Walden Asset Management	May
PepsiCo, Inc.	Label gene-engineered food	Basilian Fathers of Toronto	May
Pfizer Inc.	Report on political donations and policy	Calvert Asset Management Co.	4/30/2007
Pfizer Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	4/30/2007
Pfizer Inc.	Report on policy on drug reimportation	Minnesota State Board of Investment	4/30/2007
Pfizer Inc.	Don't promote animal testing	People for the Ethical Treatment of Animals	4/30/2007
Pfizer Inc.	Disclose charitable contributions	Strobhar, Thomas	4/30/2007
Pfizer Inc.	Review overseas animal testing	People for the Ethical Treatment of Animals	4/30/2007
PG&E Corp.	Stop promoting wind and solar power	# not available	April

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Pilgrim's Pride Corp	Review suppliers' animal slaughter methods	People for the Ethical Treatment of Animals	omitted
Plains Exploration & Production Co	Increase efforts to diversify board	Calvert Asset Management Co.	May
PPG Industries, Inc.	Report on animal testing	not available	withdrawn
Prudential Financial Inc	Report on climate change challenges to business	Calvert Asset Management Co.	May
Pulte Homes Inc.	Report on energy efficiency plans	GBPHB - United Methodist Church	May
Range Resources Corporation	Issue sustainability report	Calvert Asset Management Co.	May
Reynolds American Inc	Issue warnings on secondhand tobacco smoke	Capuchin Province of St. Joseph	May
Reynolds American Inc	Phase out tobacco sales	# Sinsinawa Dominicans	May
Robert Half International Inc.	Implement Equality principles	New York City Pension Funds	May
Roper Industries, Inc.	Increase efforts to diversify board	Calvert Asset Management Co.	June
Safeway Inc.	Issue sustainability report	New York City Pension Funds	May
Safeway Inc.	Label gene-engineered or cloned food	Adrian Dominican Sisters	May
Safeway Inc.	Review suppliers' animal slaughter methods	People for the Ethical Treatment of Animals	May
Sanmina-SCI Corp.	Implement MacBride principles	New York City Pension Funds	withdrawn
Sears Holdings Corp	Issue sustainability report	Evangelical Lutheran Church of America	April
Sempra Energy	Report on/reduce greenhouse gas emissions	New York City Pension Funds	May
Six Flags, Inc.	Increase efforts to diversify board	GBPHB - United Methodist Church	May
SkyWest, Inc.	Implement Equality principles	New York City Pension Funds	May
Southern Company	Report on political donations and policy	Naylor, Bart	May
Southwestern Energy Co.	Issue sustainability report	Calvert Asset Management Co.	May
Sprint Nextel Corp	Issue sustainability report	New York City Pension Funds	April
Standard Pacific Corp.	Report on energy efficiency plans	Nathan Cummings Foundation	May
Starwood Hotels & Resorts Worldwide	Report on/reduce greenhouse gas emissions	Unitarian Universalist Association	May
Starwood Hotels & Resorts Worldwide	Take steps to protect children	Episcopal Church	May
SUPERVALU Inc.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	June
Target Corporation	Report plans on healthcare challenges	# Adrian Dominican Sisters	May
Teradyne, Inc.	Report on climate change challenges to business	Calvert Asset Management Co.	May
The AES Corp.	Review/develop ethics policy	# not available	May
The Boeing Co.	Adopt comprehensive human rights policy	Capuchin Province of St. Joseph	May
The Boeing Co.	Report on foreign military sales	Sisters of Charity of Blessed Virgin Mary	May
The Charles Schwab Corp.	Report on political donations and policy	New York City Pension Funds	May
The Chubb Corp.	Report on climate change challenges to business	# AFSCME	4/26/2007
The Coca-Cola Company	Disclose bio/chemical test results for beverages	Northstar Asset Management	4/20/2007
The Coca-Cola Company	Increase container recycling/recycled content	Walden Asset Management	4/20/2007
The Coca-Cola Company	Report on water use	not available	4/20/2007
The Dow Chemical Company	Report on environmental impact and plans	New York City Pension Funds	May
The Dow Chemical Company	Review/reduce asthma triggers in pesticides	Trillium Asset Management	May
The Dow Chemical Company	Report on gene-engineered plants	Adrian Dominican Sisters	May
The Dow Chemical Company	Report on toxics phaseout plan	Sisters of Mercy	May
The Goldman Sachs Group, Inc.	SP-Misc. social issue proposal	Action Fund Management/Free Enterprise Fund	March
The Hartford Financial Services Group	Report on climate change challenges to business	Calvert Asset Management Co.	May
The Hershey Co	Adopt, monitor and report on ILO standards	Walden Asset Management	April
The Kroger Co.	Issue sustainability report	GBPHB - United Methodist Church	June
The Kroger Co.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	June
The McGraw-Hill Companies, Inc.	Report on political donations and policy	Northstar Asset Management	April

<b>Company</b>	<b>Resolution</b>	<b>Lead Filer/Coordinator</b>	<b>Mtg Date/Status</b>
The Ryland Group, Inc.	Issue sustainability report	GBPHB - United Methodist Church	April
The Scotts Miracle-Gro Co.	Report on lobbying/PR campaign expenses	Boston Common Asset Management	awaiting tally
The Servicemaster Company	Report on toxics phaseout plan	Green Century Capital Management	May
The Walt Disney Company	Review steps to avoid negative ethnic images	# New York City Pension Funds	omitted
The Williams Companies, Inc.	Issue sustainability report	New York City Pension Funds	May
Time Warner Inc	Adopt, monitor and report on ILO standards	As You Sow Foundation	May
Timken Co. (The)	Implement Equality principles	New York City Pension Funds	April
Toll Brothers, Inc.	Report on energy efficiency plans	GBPHB - United Methodist Church	withdrawn
Torchmark Corp.	Increase efforts to diversify board	Christus Health	April
Torchmark Corp.	Report on political donations and policy	Christus Health	April
TXU Corp.	Report on energy efficiency plans	Connecticut Retirement Plans & Trust Funds	May
TXU Corp.	Set GHG emissions reduction goals	Benedictine Sisters	May
TXU Corp.	Report on political donations and policy	GBPHB - United Methodist Church	May
TXU Corp.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	May
Tyson Foods, Inc.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	2/2/2007
U.S. Bancorp	Issue sustainability report	New York City Pension Funds	April
Union Pacific Corp.	Report on political donations and policy	New York City Pension Funds	5/7/2007
Union Pacific Corp.	Report on security safeguards	International Brotherhood of Teamsters	5/7/2007
Unisys Corp.	Issue sustainability report	New York City Pension Funds	April
Unisys Corp.	Report on political donations and policy	Calvert Asset Management Co.	April
Unit Corporation	Issue sustainability report	Calvert Asset Management Co.	May
United Technologies Corp.	Report on political donations and policy	Service Employees International Union	4/13/2007
United Technologies Corp.	Report on foreign military sales	Sisters of Charity of St. Elizabeth	4/13/2007
Urban Outfitters, Inc.	Implement ILO standards	Amalgamated Bank LongView Fund	May
Verizon Communications	Ensure customer privacy, explain lapses	As You Sow Foundation	May
Verizon Communications	Review/report on charitable giving/policy	# National Legal and Policy Center	May
Viacom Inc.	Sell tobacco-supporting film unit	# As You Sow Foundation	May
Visteon Corporation	Review/report on human rights policy	Benedictine Sisters	May
Wachovia Corp.	Report on political donations and policy	AFL-CIO	April
Walgreen Co.	Review/reduce toxicity of product formulation	Sierra Club Mutual Funds	omitted
Wal-Mart Stores, Inc.	Report on political donations and policy	New York City Pension Funds	June
Wal-Mart Stores, Inc.	Review impact of poor labor practices	New York City Pension Funds	June
Wal-Mart Stores, Inc.	Report plans on healthcare challenges	Basilian Fathers of Toronto	June
Wal-Mart Stores, Inc.	Report on stock options by race/sex	Interfaith Center on Corporate Responsibility	June
Wal-Mart Stores, Inc.	Report on stock options by race/sex	Northstar Asset Management	June
Washington Group International Inc	Adopt sexual orientation anti-bias policy	Pride Foundation	May
WellPoint Inc	Report on political donations and policy	Sisters of Mercy	May
Wells Fargo & Company	Disclose charitable contributions	Human Life International	4/26/2007
Wells Fargo & Company	Report on fair housing lending policy/record	United for a Fair Economy/Resp. Wealth	4/26/2007
Wells Fargo & Company	Set GHG emissions reduction goals	Service Employees International Union	4/26/2007
Wendy's International, Inc.	Issue sustainability report	Domini Social Investments	4/30/2007
Wendy's International, Inc.	Review suppliers' animal slaughter methods	People for the Ethical Treatment of Animals	4/30/2007
Wendy's International, Inc.	Label gene-engineered or cloned food	Sinsinawa Dominicans	4/30/2007
Wesco International, Inc.	Implement Equality principles	New York City Pension Funds	May
Western Union Co	Review fairness of money transfer fees	# Northstar Asset Management	May

# Checklist

<b>Company</b>	<b>Resolution</b>	<b>Lead Filer/Coordinator</b>	<b>Mtg Date/Status</b>
WGL Holdings, Inc.	Review retirees' benefits	# not available	omitted
Whole Foods Market, Inc.	SP-Review energy efficiency & renewables	New England Yearly Meeting of Friends	3/5/2007
Wm. Wrigley Jr. Co.	Adopt, monitor and report on ILO standards	Walden Asset Management	withdrawn
Wyeth	Review animal welfare standards	People for the Ethical Treatment of Animals	April
Wyeth	Report on policy on drug reimportation	Minnesota State Board of Investment	April
Wyeth	Report on political donations and policy	Camilla Madden Charitable Trust	April
Xcel Energy Inc.	Report on political donations and policy	Green Century Capital Management	May
Xerox Corp.	Issue sustainability report	# New York City Pension Funds	May
Xerox Corp.	Adopt, monitor and report on ILO standards	Domini Social Investments	May
XTO Energy Inc	Adopt sexual orientation anti-bias policy	Calvert Asset Management Co.	May
Yahoo!, Inc.	Establish board committee on human rights	Harrington Investments	May
Yahoo!, Inc.	Take steps against abetting repression/censorship	New York City Pension Funds	May
Yahoo!, Inc.	Take steps against abetting repression/censorship	Zhao, Jing and Andrew	May
Yum Brands, Inc.	Urge Macbride on franchisee	New York City Employees' Retirement	May
Yum Brands, Inc.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	May
Yum Brands, Inc.	Review environmental impact of fishing practices	Sisters of Charity of Blessed Virgin Mary	May