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# 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

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Impartial Research on Companies and Shareholders Worldwide

February 2008

## SEC Sends Conflicting Signals on Health Care, Climate

**T**he first wave of letters from the Securities and Exchange Commission with the staff attorneys' opinions on whether several shareholder resolutions must be included in the target companies' proxy statements has raised a few eyebrows. For the second year in a row, the SEC staff has issued confusing "no-action" letters on shareholder resolutions that press companies to support universal health care. It has also allowed a company to omit a resolution related to climate change whose wording had passed muster in earlier years at other companies.

### Health Care

On Jan. 31, the SEC told **United Technologies** that it could not exclude a resolution from the AFL-CIO asking it to adopt principles for health care reform such as those based on five tenets suggested by the Institute of Medicine of the National Academy of Sciences. But on the same day the same staff attorney told **CVS Caremark** it could omit a similar resolution proposed by a coalition of church groups. On Feb. 5 **Boeing** was also told that it could not omit an AFL-CIO proposal identical to the one at **United Technolo-**

**gies**, and on Feb. 13 **Wendy's** was told it could not omit a proposal that was submitted by church groups but was much more like the AFL-CIO resolution than the church proposal to **Caremark**.

[ ]  
*In other important early decisions, the SEC staff has said that railroad companies this year may not omit resolutions from the Teamsters on protecting their facilities against terrorist attacks.*  
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All the resolutions are part of a large campaign by labor and religious groups to get companies to focus on the benefits of universal health care. They have identical

resolved clauses, listing the five Institute of Medicine universal health care principles, which hold that coverage should be universal, continuous, affordable to individuals and society and promote access to high-quality care. Other parts of the resolutions diverge, though. The resolution from the AFL-CIO and the church proposal to **Wendy's** stress the costs of the existing system to the U.S. economy; the church proposal to **CVS Caremark**, which was proposed mainly to health care companies and pharmacies, focuses on the costs to them of lobbying to maintain the status quo.

The SEC staff has traditionally allowed companies to omit shareholder resolutions on health care on "ordinary business" grounds with the reasoning that they ultimately come down to the issue of employee benefits, which the SEC has always considered off-limits for shareholder resolutions. Citing precedents, all four companies argued that they should be able to omit the resolutions. The companies made similar arguments; **United Technologies** characterized the proposal as "seeking modifications to the company's

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RiskMetrics Group  
1350 Connecticut Ave., NW  
Suite 700  
Washington, DC 20036  
Telephone: (202) 833-0700  
Fax: (202) 833-3555

[www.issproxy.com](http://www.issproxy.com)

**Editor:**  
Meg Voorhes

**Reporters:**  
Peter DeSimone  
Lejla Hadzic  
Carolyn Mathiasen

**Assistant to the Editor:**  
Carolyn Mathiasen

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employee benefit programs,” while Boeing argued that “the proposal, concerning health care costs, should be treated as relating to the company’s ordinary business of providing employee benefits,” and CVS argued that it would “impact how the company determines employee health care benefits issues.”

The SEC rejected United Technologies’, Wendy’s and Boeing’s arguments but told CVS that it could exclude the proposal as ordinary business. In a parenthetical explanation, the CVS no-action letter defined ordinary business in this case as “employee benefits.” Why the SEC staff would have decided that the CVS proposal but not the other three proposals dealt with employee benefits is unclear to the Social Issues Service. Since it opted to allow omission of only the CVS proposal, which mentions lobbying, an explanation that that resolution sought to involve the company in the legislative process—another reason the SEC sometimes allows omissions of resolutions on ordinary business grounds—would have seemed more logical.

**Background:** This is the second year that activist shareholders have worked to launch a campaign on universal health care with inconsistent results. In 2007 a coalition of church groups and the Nathan Cummings Foundation, with advice from the AFL-CIO, proposed a resolution asking seven companies to report 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 work force.” Six of the seven companies challenged on ordinary business grounds, and the SEC staff issued five no-action letters saying the proposal could be omitted because it

dealt with “employee benefits.” But between the times that it issued most of the no-action letters and the time it produced the last one, for General Motors, a different SEC attorney signed a letter saying that Ford Motor had to include the resolution. The letter appeared to have been issued in error, but Ford apparently did not challenge. When queried about whether the company planned to protest to the SEC, Ford cryptically told the Social Issues Service only that “we expect it to be in our proxy statement.”

The 2008 campaign is considerably larger. The AFL-CIO proposed its resolution not only to Boeing and United Technologies, but also to IBM. Church groups proposed resolutions similar to the AFL-CIO proposal not only to Wendy’s, but also to **Comcast, ExxonMobil, Ford, General Electric, General Motors, McDonald’s, Target, Waste Management and Xcel Energy.** In addition, church shareholders proposed the same resolution as the one submitted to CVS to **Abbott, Aetna, Bristol-Myers Squibb, Johnson & Johnson, Eli Lilly, Medco, Merck, UNH, WellPoint and Wyeth.** Church groups have also written a proposal especially for tobacco companies.

Proponents have been contacting the target companies, and church groups have withdrawn resolutions at Abbott, Aetna, Bristol-Myers Squibb, Eli Lilly, General Electric, Johnson & Johnson, McDonald’s, Medco and WellPoint after the companies agreed to post statements on health care reform on their websites. The AFL-CIO withdrew its resolution at IBM after the company sent it a two-page letter on its health care position. The letter read in part:

In the current system, health insurance is predominately provided by employers. In that

system, responsible employers conduct themselves in such a way that all employees have health care. However, this system is failing and challenges the competitiveness of companies that provide health care. Costs are increasing, coverage is decreasing and employers and finding it more and more difficult to live up to their responsibilities. We agree we need a new system in which everyone is covered and in which responsible employers do not end up bearing the cost of insuring the employees of irresponsible employers. The status quo is unacceptable. This challenge needs to be addressed immediately, and business, labor and other interested groups should come together to agree upon a plan for shared responsibility and reforming out health care finance system to achieve these goals....As we agree, the challenge is great and time is not on our side....

In addition to Boeing, CVX, Wendy’s and United Technologies, ExxonMobil, General Motors, UNH, Wyeth and Xcel Energy have challenged the resolution at the SEC, and those challenges remain pending. The proponents have also asked for reconsideration of the CVX decision, noting that the staff had issued its no-action letter without waiting for the proponents’ response to the CVX arguments, although the office of the Chief Counsel in the Division of Corporation Finance, which decides on no-action requests, had agreed to consider that response.

### **Other No-Action Decisions**

**Homeland security:** In other important early decisions affecting the 2008 proxy season, the SEC staff agreed that railroad companies could not omit resolutions from the Teamsters on protection of their fa-

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## Proxy Season

cilities against terrorist attacks. The 2008 resolution replaced a proposal that was thrown out last year on ordinary business grounds.

The 2007 proposal, also from the Teamsters, asked Kansas City Southern, Norfolk Southern and Union Pacific to report on their efforts to “safeguard the security of their operations and minimize material financial risk arising from a terrorist attack and/or other homeland security incidents.” The companies argued that the proposal raised an ordinary business question, and the SEC staff agreed, citing its June 2005 staff bulletin (14C) enunciating a policy that allows companies to omit proposals that entail the evaluation of business risk. This policy decrees 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.”

In submitting the resolution to five companies (**Burlington Northern Santa Fe, CSX, Kansas City Southern, Norfolk Southern and Union Pacific**) for 2008, the Teamsters eliminated the phrase “and minimize material financial risk.” Burlington Northern challenged, citing the 2007 decision and arguing that the new proposal was still an ordinary business issue. The Teamsters countered that they had eliminated the phrase on financial risk in order to ensure that the resolution focused on the significant policy issue of rail security. In their winning argument, the Teamsters also pointed to recent regulatory and legislative activities related to rail security, noting that Congress had devoted significant time and resources to the issue.

The Teamsters have since secured agreements from Burlington Northern and Norfolk Southern that they will produce the requested reports, allowing the Teamsters to withdraw the proposals.

**Climate change:** While the SEC staff let the new homeland security proposal go though, it gave **Arch Coal** the go-ahead to omit what has been a standard climate change proposal in recent years: according to the SEC, the proposal called for risk assessment and therefore could be excluded as pertaining to “ordinary business.”

The resolution, from the New York City pension funds and Presbyterian Church, asked Arch to issue a report reviewed by its independent directors “on how the company is responding to rising regulatory, competitive and public pressure to significantly reduce carbon dioxide emissions from the company’s operations and from the use of its primary product: coal.”

The funds came up with this language—except for the mention of coal—for the 2004 proxy season after the SEC the year before had allowed Cinergy to omit a resolution asking for a report on risks associated with emissions of carbon dioxide, sulfur dioxide, nitrogen oxide and mercury, as well as the economic benefits of committing to a substantial reduction of those emissions. The staff agreed with Cinergy that the proposal was excludable as an ordinary business issue, noting that it deals with “evaluation of risks and benefits.” The proponents, with some guidance from the SEC staff, then revised the resolution to substitute the language about “rising regulatory, competitive and public pressure to significantly reduce carbon dioxide emissions” and submitted it to a number of utilities in 2004. The utilities argued that the proponents had

merely made cosmetic changes to the 2003 proposal that left it still vulnerable to omission on ordinary business grounds, but the SEC staff did not agree, and the resolution has been among the proposals on climate change offered every year since.

But when Arch Coal received the resolution for 2008, it went to the SEC with a no-action request, arguing that it entailed risk assessment. It pointed to a supporting statement suggesting that “company productivity/margins are likely to be structurally impaired by new regulatory mandates,” to make the argument that the resolution was looking for an assessment of the financial implications of climate change for the company. “More importantly,” the company maintained, “the proposal specifically requests that the report address the risks of competitive pressures. These and other implications throughout the proposal clearly indicate a focus on Arch’s internal risks and not on any overall social policy issue.” The SEC staff allowed the omission.

But while Arch Coal held sway at the SEC, **KB Home** was not permitted to omit a proposal from the Nathan Cummings Foundation asking it to report on “the feasibility of our company developing policies that will minimize its impacts upon climate change, with a focus on reducing greenhouse gas emissions from the company’s products and operations.” That resolution replaced a 2007 resolution to homebuilders asking for a report on how they are responding to pressures to develop alternative energy sources. The 2007 resolution was omitted on risk assessment/ordinary business grounds, apparently because it contained a clause in the supporting statement asserting that failure to improve energy effi-

## New York Expands Nondiscrimination Campaign

The New York City Comptroller's Office Jan. 29 issued a press release announcing a considerable expansion of the New York City pension funds' shareholder effort to get companies to bar discrimination against gay, lesbian and transgendered employees.

The pension funds, long a leader on this issue, have now proposed resolutions to 22 companies for 2008, seven of which have already been withdrawn (see the section on withdrawals in the accompanying story). The targets are as follows, with companies not included in the January *Corporate Social Issues Reporter* cover story listed in bold: **AK Steel, American Financial, Anadarko, Apache, Borg Warner, Brink's, Eastman Chemical, EchoStar Communications, Erie Indemnity, ExxonMobil, Fidelity National, Frontier Oil, HCC Insurance Holdings, Huntsman, Kelly Services, Liberty Global, Marshall & Ilsley, Murphy Oil, SPX, Synovus, Tesoro Petroleum and Timken.**

The resolution to HCC Insurance received a majority (52.2 percent support) of the shares voted at

the company's annual meeting last year, but HCC declined to make the proposed change. New York funds have not only resubmitted the proposal, but also proposed a resolution to the company asking it to adopt any proposal that receives a majority vote.

The proposal to ExxonMobil is also a resubmission and is now in its ninth year. It got 5.9 percent support when it was first proposed in 1999, but the vote has steadily risen, reaching 37.7 percent in 2007. That proposal simply asks the company to amend its equal employment policy to bar discrimination against homosexual and, for the first time this year—transgendered—employees. A New York City spokesman told the Social Issues Service that the funds consider the addition of gender identity particularly important because transgendered employees are most likely to be discriminated against.

The New York City proposals to its other targets have the same goals, but somewhat more complicated language. They list 10 nondiscrimination principles that they say have been implemented by a number of Fortune 500 companies, including avoiding negative advertising stereo-

types based on sexual orientation and gender identity, and they suggest that the target companies adopt similar principles. Those principles were initially launched in the 1990s by the Wall Street Project under the name "Equality Principles." The New York City spokesman stressed to the Social Issues Service that the bottom line for the funds is that companies bar discrimination on grounds of sexual orientation and gender identity, and that they consider the principles enumerated in the resolution "aspirational rather than prescriptive."

The New York City Comptroller's Office is planning to issue subsequent press releases on the funds' shareholder campaigns on political contributions and sustainability reporting. The funds' spokesman said the releases would probably have information on additional shareholder resolutions on political contributions and sustainability. Any new resolutions will be added to the RiskMetrics Social Issues checklist as soon as information becomes available.

—Carolyn Mathiasen

ciency "could result in our company being an industry laggard and expose it to the potential for competitive, reputation and regulatory risk," an assertion that is not in the 2008 proposal. KB Home tried to argue that the substitute resolution still boiled down to a request for an internal risks and benefits assessment, but the SEC staff did not agree.

Despite the win at the SEC, the proposal will not come to a vote at

KB Home. After the SEC rejected the no-action request, the company worked out a withdrawal agreement with the Cummings Foundation and its co-sponsor, Catholic Healthcare West. Laura Shaffer of Cummings told the Social Issues Service:

KB informed me during our initial discussions that it was planning to release its first sustainability report in the spring of 2008 and that the impending report would in-

clude information on climate change, although the company was still in the process of determining its approach to content and data collection. The company then asked us to withdraw on the basis of that information alone. Following several in-depth discussions about our concerns and a request for and receipt of additional information on the climate change section of the forthcoming report, NCF and Catholic Healthcare West agreed to

withdraw the proposal. As part of our agreement, KB Home will be providing NCF (me) with monthly progress updates. As it now stands, the company will be basing the report on the GRI guidelines and will include information on its GHG emissions, among other things.

The proposal is still pending at Parkway Properties, Pulte Homes, Ryland Group and Standard Pacific.

### **Sale of particular products:**

The SEC staff has also issued conflicting decisions on resolutions on product safety. On Jan. 25, it issued a no-action letter allowing **Home Depot** to omit a New York City proposal on product safety on ordinary business grounds, noting parenthetically that the proposal involved “sale of particular products.” The resolution asked for a report summarizing the company’s efforts to secure its supply chain, listing which product lines could be affected by new product safety concerns, and the options for new initiatives to respond to those concerns. However, on Feb. 13 the same SEC attorney told **Mattel** it could not rely on the ordinary business clause to omit another resolution from the New York City funds, which had the same resolved clause. The resolutions differed in the whereas clauses; the proposal to **Mattel** noted that there had been U.S. recalls of over 12 million hazardous **Mattel** products since 2006, whereas the proposal to **Home Depot** said there had been 28 recalls of potentially hazardous **Home Depot**-retailed products since 2005. **Mattel** argued at the SEC that the resolution should be omitted as internal risk assessment, but to no avail.

Also omitted at **Home Depot**, as well as **Lowe’s**, was a new resolution from People for the Ethical Treatment of Animals asking the

company to end the sale of glue traps “because they are cruel and inhumane to the target animals and pose a danger to companion animals and wildlife as well.” The SEC staff judged that this was also an ordinary business issue because it dealt with the sale of a particular product.

**Filing mishaps:** Several resolutions won’t appear in proxies because of filing mishaps. The proponents of the resolution to **McGraw Hill** on paper recycling failed to provide documentary proof of ownership in time. The product safety resolution at **RC2** was filed late, and when the proponents discovered this after the company challenged at the SEC, they withdrew the resolution.

### **Withdrawals**

Several other withdrawals have already taken place. Calvert Asset Management withdrew one of its resolutions on a new issue—nanomaterials, which are used in products such as cosmetics and sunscreens. That resolution asked **Colgate-Palmolive** to issue a report describing which of its products contain nanomaterials and discussing any new initiatives it is taking to respond to problems related to them. The company agreed to publish in its upcoming sustainability report that it does not use nanomaterials in its products or packaging, and that it is in the process of developing a nanotech policy.

Church-affiliated proponents have now withdrawn two of three resolutions asking companies to report on measures taken to ensure the long-term sustainability and security of their product supply chain. The withdrawals took place at **Kellogg** and **Safeway** after the companies provided the information. In addition, **Domini Social Investments** has withdrawn its

standard sustainability reporting proposal at **Lowe’s**.

Calvert has withdrawn the third of its seven proposals asking companies to issue reports assessing the impact of climate change on their operations and explaining why they have not provided information through reporting mechanisms such as the Carbon Disclosure Project. The latest withdrawal came at **Lowe’s**, following those announced in January at **Big Lots** and **Kirby**. Calvert has not yet released details on the withdrawal agreements.

Calvert has also reached a withdrawal agreement on one of its resolutions asking for information on political contributions, at **Xerox**. In addition, the Center for Political Accountability, which is coordinating the political contributions disclosure effort, on Feb. 19 issued a press release announcing withdrawal agreements at **Adobe Systems**, **Praxair**, **United Parcel Service** and **United Technologies**. Further withdrawals are expected shortly and will be discussed in the March issue of the *Corporate Social Issues Reporter*.

People for the Ethical Treatment of Animals has reached an agreement to withdraw its resolution to **Denny’s** on sponsorship of the Ringling Barnum & Bailey circus.

As usual, a batch of resolutions asking companies to amend their EEO statements to prohibit discrimination on grounds of sexual orientation and gender identity have been withdrawn after companies agreed to the request. Calvert has withdrawn a proposal at **Seacor** and New York City pension funds have withdrawn at **AK Steel**, **Brink’s**, **Erie Indemnity**, **Kelly Services**, **Marshall & Illsley**, **SPX** and **Synovus**. (For more on this campaign, see the box on p. 5.)

—Carolyn Mathiasen

## Free from Sanctions, Asian Firms Lead Burma Economy

**D**espite increasingly tough sanctions enacted by the European Union and the United States in recent years, EU and U.S. companies still maintain a sizable presence in Burma, called Myanmar today by its military junta government. All told, 67 EU and U.S. companies do business in Burma today, 19 of which have a direct presence there. However, unfettered by sanctions, Japanese and other Asian firms dominate the landscape. The 86 publicly traded Asian companies represent more than half of the publicly traded foreign companies doing business in Burma and almost three-quarters of those with a direct presence there. Most of the foreign firms with equity ties in Burma are invested in activities related to oil, gas and mining.

These are some of the preliminary findings of RiskMetrics' research into publicly traded companies' ties to Burma, which it is making available to clients for the first time this month. RiskMetrics has identified 167 publicly traded companies in Burma after months of reviews of companies' annual reports and other public documents, news searches and other research.

### Identifying Firms in Burma

Last year, RiskMetrics began searching activists' websites, as well as companies' securities filings, annual and sustainability reports, websites and other public documents, to cull a preliminary list of publicly traded companies doing business in Burma. It supplemented this research with news searches looking for new investments and other evidence of business activity in Burma. When pos-

sible, RiskMetrics attributed operations to an ultimate publicly traded parent company and drafted profiles of those companies' business ties to Burma. Those profiles were sent to the companies, along with a questionnaire, for their review. All told, 59 companies of the 197 on RiskMetrics' preliminary list—or 30 percent—responded. Of those, 30 were removed from the final list. Most of the 30 reported disinvesting or ceasing sales to Burma, while a handful provided confirmations that the information RiskMetrics had on file was incorrect.

In analyzing the responses, RiskMetrics classified each company's business activities as one of the following:

- **Active equity**—has at least a 10 percent equity interest in an active operation that employs people and generates revenues or extracts resources in Burma.
- **Inactive equity**—owns at least a 10 percent stake in property that at some future date might be employed to generate revenues or extract resources but do not at this time
- **Non-equity (exporter, importer, both or other)**—engages a third-party in an agreement for sales representation, distribution, franchising or licensing that generates revenues or results in the procurement of products in Burma, but does not have a direct presence there.
- **Financial**—provides correspondent banking services or trade financing to entities doing business in Burma or invests in projects there, but does not have a stake of greater than or equal to 10 percent in any one project.

In addition, RiskMetrics categorized each company's activities in Burma by industry sector. It also collected statistics on companies' assets, sales and employees in Burma and is now making estimates for those companies where no data was available.

### Numerous U.S. and EU Firms

Even in the face of increasingly restrictive sanctions in recent years, a substantial number of European and U.S. companies have a presence in Burma. In fact, as shown in Table 1 (next page), more U.S. firms do business in Burma—34—than do the firms of any other country. Another 33 firms in Burma hail from countries in the European Union. U.S. business ties are dominated by operations selling goods and services through Asian subsidiaries—16 or nearly half. However, most of the others are legacy operations of energy and manufacturing firms that were doing business there before sanctions took hold in the 1990s. Meanwhile, the EU presence is largely divided between airlines providing tourism and trading links to Burma and manufacturing and energy firms with longstanding ties to the rogue state.

The largest presence for both the European Union and the United States is in Burma's Yadana gas field. The oil company **Total** is the operator of the Yadana gas field in the Andaman Sea, situated approximately 60 kilometers offshore Burma. Total owns the largest stake in the project at 31.24 percent. Its partners in Yadana are **Chevron** (through its acquisition of Unocal in 2005, 28.26 percent), the Petroleum Authority of Thailand Exploration & Production (PTT-EP,

**Table 1**  
**Publicly Traded Companies in Burma by Nationality**

Country	Number of Firms	% of Total	Number of Firms with Equity ties	% of Total with Equity Ties
United States of America	34	20.4	6	6.4
European Union	33	19.8	13	13.8
Japan	29	17.4	25	26.6
China	16	9.6	8	8.5
Singapore	9	5.4	9	9.6
India	8	4.8	6	6.4
Malaysia	7	4.2	7	7.4
Korea	7	4.2	7	7.4
Thailand	6	3.6	5	5.3
Canada	3	1.8	2	2.1
Switzerland	3	1.8	1	1.1
Australia	3	1.8	1	1.1
Taiwan	2	1.2	2	2.1
Israel	2	1.2	0	0
Bermuda	2	1.2	1	1.1
Norway	1	0.6	0	0
Bangladesh	1	0.6	1	1.1
Indonesia	1	0.6	0	0

Source: RiskMetrics Group

25.5 percent) and state-owned Myanmar Oil and Gas Enterprise (MOGE, 15 percent). Total estimates that the field contains 5.3 trillion cubic feet (150 billion cubic meters) of natural gas, with an expected life of 30 years. Output from the field averaged more than 19.3 million cubic meters per day in 2006.

The Yadana project began when Total and MOGE signed a memorandum of understanding on July 9, 1992. In addition to the construction of offshore gas facilities by the partners, the agreement called for the construction of a pipeline by a separate company—the Moattama Gas Transportation Company (MGTC)—in which PTT-EP, MOGE, and other subsidiaries of Total and Unocal (now Chevron) are investors. MGTC built a 346-kilometer sub-sea pipeline to bring the gas from the Yadana field to shore in Myanmar, and a 63-kilo-

meter onshore pipeline, with control and metering units, to carry the gas to the border with Thailand, which purchases most of the field's output under a long-term contract. The partners constructed the pipeline between the fall of 1995 and mid-1998, with gas production beginning in July 1998. The total investment outlay by the partners was approximately \$1 billion, and they have made and plan to continue to make further capital investments in the project to drill additional wells and install compressors. The field and the pipeline became fully operational in early 2001, when it reached its export production threshold of 525 million cubic feet per day.

### Asian Firms Dominate

Japan has a large presence in Burma with 29 companies doing business there, 25 of which have equity there, accounting for more

than a quarter of all publicly traded companies with direct links to Burma. Many of the Japanese companies are involved in the financial services and oil sectors. For example, **Nippon Oil's** wholly owned subsidiary, Nippon Oil Exploration, shares ownership equally with the Japanese government in Nippon Oil Exploration (Myanmar) Ltd., which owns a 19.3 percent working interest in Yetagun Gas Field Blocks M-12, M-13, and M-14 offshore Burma. Malaysia's **Petronas Carigali** (40.9 percent) operates the blocks, and Burma's state owned MOGE (20.5 percent) and PTT-EP (19.3 percent) also own stakes. Nippon Oil's exploration & production business also explores for oil and Natural Gas in Burma. Nippon Oil Exploration estimates the value of its assets in Burma at the end of 2006 at \$190 million and revenues from Burma during 2006 at \$80 million. As it is not the operator and is only a minority shareholder in the Yetagun development, it does not have employees in Burma.

While it only counts 16 companies there, China's oil presence in Burma is formidable. **The China National Offshore Oil Corp.** (CNOOC), one of the largest state-owned oil giants in China, owns China Focus Development Ltd. and China Global Construction Ltd., which jointly entered into six production-sharing contracts with Burmese parastatal MOGE in 2004 and 2005. CNOOC is the operator of all of the blocks, which are all in exploration stage and do not generate revenues yet. Meanwhile, China National Petroleum Corp. (CNPC), parent company of publicly traded **PetroChina**, is the operator and owner of onshore oil block IOR-4. It won the rights to the block in De-

ember 2001. In production, the block has proven reserves of 2.9 million barrels of oil and high volumes of natural gas, according to CNPC.

### Firms in Burma by Sector

Overall, most publicly traded companies are doing business in the energy sector. These firms account for 16 percent of the total number of companies doing business in Burma and nearly a quarter of all firms with equity ties to the country. They followed transport firms by numbers (21, or 13 percent), of which 11 offer direct links to Burma. Financial services, construction and real estate development and industrial manufacturing round out the top five industries by companies with ties and an equity presence.

### Sanctions

The global sanctions regime tells part of the story of why Asian companies dominate the list of publicly traded companies with a direct presence in Burma. The U.S. government imposed an arms embargo on Burma in 1993 and its first economic sanctions in 1997, when President Clinton enacted a ban on new investment.

U.S. sanctions were tightened further when Congress passed and President Bush signed the Burma Freedom and Democracy Act in 2003. It includes a ban on all imports from Burma and on the export of financial services to Burma. It also freezes the assets and visa permissions of certain Burmese financial institutions and officials. On Sept. 27, 2007, President Bush issued Executive Order 13310, requiring the Treasury Department to enforce a ban on 25 senior Bur-

Industry	Number of Firms	% of Total	Number of Firms with Equity Ties	% of Total with Equity Ties
Energy	27	16.2	22	23.4
Transportation Services	21	12.6	11	11.7
Financial Services	14	8.4	6	6.3
Construction & Real Estate	14	8.4	12	12.7
Industrial Manufacturing	11	6.6	5	5.3
Computer Hardware, Software & Electronics	10	6.0	2	2.1
Automotive Manufacturing	10	6.0	4	4.3
Consumer Products Manufacturing	10	6.0	5	5.3
Pharmaceuticals	9	5.4	5	5.3
Other Services	9	5.4	5	5.3
Telecommunications	7	4.2	5	5.3
Retail	7	4.2	0	0
Metal & Mining	6	3.6	4	4.3
Insurance	5	3.0	3	3.2
Chemical	4	2.4	2	2.1
Trading Companies	3	1.8	3	3.2
Source: RiskMetrics Group				

mese government officials conducting financial transactions in the United States. On Oct. 19, President Bush extended the order to block financial transactions of individuals responsible for human rights abuses and public corruption in Burma, as well as those who provide material and financial support to the Burmese regime. However, none of these sanctions require U.S. companies that already had a presence in Burma before the new investment ban in 1997 to pull out.

The United States has not stood alone in trying to coax Burma's military regime into making democratic reforms. The European Union imposed an arms embargo against Burma in 1990. In 1996, it prohibited imports of non-essential goods from Burma and exports of financial resources and capital equipment that could aid the regime. It also froze the assets of Burmese senior military and governmental officials and their families in 1996

and banned the financing of Burmese state parastatal companies. It withdrew special preferences for trade with Burma in 1997 and tightened these restrictions further in response to the Burmese government's crackdown on peaceful protests in September.

However, China's veto power on the UN Security Council and support from other Asian states has trumped these efforts. Since 2000, the United Nations has sent special envoys to Burma to facilitate a dialogue, but it has not penalized the regime in any way. In January 2007, the last time the United States proposed a resolution attempting to isolate Burma economically, Russia and China vetoed it. In October, when in response to violence the United States and European Union escalated restrictions, the Security Council only issued a statement denouncing the Burmese government's actions.

*(continued on p. 19)*

## Google Tops '100 Best' Workplaces List

**F**or the second consecutive year, Google won top honors from the Great Places to Work Institute and *Fortune* magazine as the best U.S. employer on the organizations' "100 Best" list, which was published last month. Quicken Loans, Wegmans Food Markets, Edward Jones, Genentech, Cisco Systems, Starbucks, Qualcomm, Goldman Sachs and the Methodist Hospital System rounded out the top 10. The *Fortune* "100 Best" list is unique among workplace surveys in that two-thirds of the weight for each company's score is based on employee survey data.

### Survey Results

"The best way to find out if a company is a good employer is to ask the employees who work there," says Milton Moskowitz who, along with Institute cofounder Robert Levering, has co-authored all of the lists since the first one appeared in 1998.

Levering said, "Having great workplaces is becoming a more central part of the corporate agenda." He added, "This is not just a feel good thing—it's a bottom line thing." He also noted that more companies have committed to becoming great places to work in the past 10 years. In 1998, 167 companies applied for the *Fortune* list, compared to more than 400 for 2008. With competition for talent expected to increase in the next decade as baby boomers retire, "Great places to work will be the ones that attract and retain the top talent," Levering predicts.

Consulting services firms, including law, architecture, design and engineering companies, dominated the "100 Best," accounting for more than a fifth of the firms (21

percent). Financial services (17 percent), healthcare (15 percent), retailers (11 percent) and technology services firms (7 percent) followed. Meanwhile, no forestry, paper, mining, industrial goods or media companies made the rankings.

The 2008 study also found:

- More companies are sharing profits with employees through stock options and profit sharing programs. Of the 27,039 employees surveyed, 71 percent said they felt that they had received their "fair share of profits," while only 56 percent said they did in 1998.
- More companies offer family benefits than ever before, according to the institute. This year, 72 companies on the top 100 list offer domestic partner benefits, 69 provide adoption assistance and 85 furnish eldercare services.
- The institute also found that more companies are competing for workers by offering flexible work schedules, compressed workweeks, telecommuting and sabbaticals. Of the "100 Best," 84 allow employees to telecommute to work from home.

To win a place on the "100 Best" list, companies must have at least 1,000 U.S. employees and be at least seven years old. If the company meets these two requirements, the Great Places to Work Institute surveys its employees using a proprietary questionnaire. It also evaluates employment policies and other materials provided by the companies as part of a work culture audit.

### Benefits to Shareholders

One academic who has studied the companies on the "100 Best" list for

several years has found evidence that companies that do well by their employees also do well for their shareholders. In a 2007 paper, *Does the Stock Market Fully Value Intangibles? Employee Satisfaction and Equity Prices*, Alex Edmans of the University of Pennsylvania's Wharton School found that an "annually rebalanced portfolio of *Fortune* magazine's 'Best Companies to Work For in America' earned 14 percent per year from 1998 to 2005, over double the market return." It also found that the "portfolio also outperformed industry- and characteristics-matched benchmarks." The study won the 2007 Moskowitz Prize for Socially Responsible Investing.

Edmans's findings are complemented by research by Towers Perrin suggesting that companies that have high levels of employee "engagement"—a high proportion of employees who believe in the companies' missions and are willing to go the extra mile—achieve better financial results. In a press release in October last year, Towers Perrin reported that it found, after tracking 40 global companies, that firms with the highest percentage of engaged employees collectively increased operating income 19 percent and earnings per share 28 percent year to year. Those companies with the lowest percentage of engaged employees showed year-to-year declines of 33 percent in operating income and 11 percent in earnings per share.

According to Towers Perrin, employees with the highest levels of engagement are those who agree with the following 10 statements:

- 1 Senior management is interested

(continued on p. 20)

# Checklist of 2008 Social Issue Shareholder Proposals

## 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 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
Abbott Laboratories	Develop/report on country selection standards	Christian Brothers Investment Services	April
Adobe Systems Inc.	Report on political donations and policy	Walden Asset Management	withdrawn
Aetna Inc.	Adopt principles for health care reform	Mercy Investment Program	withdrawn
AK Steel Holding Corp.	Implement Equality principles	New York City Pension Funds	withdrawn
Allegheny Energy, Inc.	Report on energy efficiency plans	New York City Pension Funds	withdrawn
Allegheny Technologies, Inc.	Issue sustainability report	New York City Pension Funds	May
Allergan, Inc.	Review feasibility of non-animal test methods	Calvert Asset Management Co.	May
Alliant Energy Corp.	SP-Review energy efficiency & renewables	Trillium Asset Management	May
Altria Group, Inc.	Develop non-addictive cigarette for youth	Adrian Dominican Sisters	5/28/2008
Altria Group, Inc.	Follow MSA terms globally	Sisters of Charity of St. Elizabeth	5/28/2008
Altria Group, Inc.	Adopt principles for health care reform	Trinity Health	5/28/2008
Altria Group, Inc.	Fund better youth anti-smoking programs	Capuchin Province of St. Joseph	5/28/2008
Ameren Corporation	Reduce radioactive emissions	School Sisters of Notre Dame	April
American Express Co.	Report on political donations and policy	Domini Social Investments	4/28/2008
American Financial Group, Inc.	Implement Equality principles	New York City Pension Funds	May
American International Group, Inc.	Report on political donations and policy	Boston Common Asset Management	5/14/2008
American International Group, Inc.	Report on water use	# Northstar Asset Management	5/14/2008
Amgen, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	May
AMR Corp.	Issue sustainability report	GBOPHB - United Methodist Church	5/21/2008
Anadarko Petroleum Corp.	Implement Equality principles	New York City Pension Funds	May
Anheuser-Busch Companies, Inc.	Review/report on charitable giving/policy	National Legal and Policy Center	4/23/2008
Apache Corp.	Implement Equality principles	# New York City Pension Funds	May
Apple, Inc.	Establish board committee on sustainability	Harrington, John	3/4/2008
Apple, Inc.	Increase efforts to diversify board	Calvert Asset Management Co.	withdrawn
Arch Coal, Inc.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	omitted
AT&T Inc	Ensure customer privacy	# As You Sow Foundation	omitted
AT&T Inc	Report on political donations and policy	Domini Social Investments	4/25/2008
Avon Products, Inc.	Report on political donations and policy	Mercy Investment Program	May
Avon Products, Inc.	Review nanomaterials and product safety	Calvert Asset Management Co.	May
Bank of America Corp.	Report on financial services to illegal aliens	National Legal and Policy Center	April
Bank of America Corp.	SP-Misc. banking proposal	# Oblates of Mary Immaculate	April

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Bank of America Corp.	Cease financing coal operations	# Trillium Asset Management	April
Becton, Dickinson and Company	Review/reduce toxicity of product formulation	Domini Social Investments	awaiting tally
Best Buy Co., Inc.	Report on product responsibility/recycling	As You Sow Foundation	6/25/2008
Big Lots Inc.	Report on climate change challenges to business	Calvert Asset Management Co.	withdrawn
Borg-Warner, Inc.	Implement Equality principles	New York City Pension Funds	4/30/2008
Boston Scientific Corp.	Report on political donations and policy	Green Century Capital Management	withdrawn
Bristol-Myers Squibb Co.	Adopt principles for health care reform	Trinity Health	withdrawn
Bristol-Myers Squibb Co.	Report on political donations and policy	AFL-CIO	withdrawn
Burlington Northern Santa Fe Corp.	Report on security safeguards	## International Brotherhood of Teamsters	withdrawn
Capital One Financial Corp.	Report on political donations and policy	International Brotherhood of Teamsters	April
Capital One Financial Corp.	Issue sustainability report	New York City Pension Funds	April
Cash America International, Inc.	Take steps to prevent predatory lending	## Christian Brothers Investment Services	4/23/2008
Caterpillar Inc.	Report on climate change science	# Action Fund Management/Free Enterprise Fund	June
Caterpillar Inc.	Report on foreign military sales	Jewish Voice for Peace	June
Caterpillar Inc.	Review/amend human rights policy	Dominican Sisters - Springfield	June
Chevron Corporation	Set GHG emissions reduction goals	# Sisters of St. Dominic, Caldwell, NJ	5/28/2008
Chevron Corporation	Adopt comprehensive human rights policy	# Society of Jesus - Wisconsin Province	5/28/2008
Chevron Corporation	Develop/report on country selection standards	United Steel Workers of America	5/28/2008
Chevron Corporation	Report on environmental review process overseas	# New York City Pension Funds	5/28/2008
Chevron Corporation	Review animal welfare standards	# Physicians Committee for Responsible Medicine	5/28/2008
Chevron Corporation	Review impact of oil sands operations	Green Century Capital Management	5/28/2008
Chipotle Mexican Grill Inc	Review suppliers' animal slaughter methods	# People for the Ethical Treatment of Animals	June
Choice Hotels International, Inc.	Take steps to protect children	Mercy Investment Program	May
CIGNA Corp.	Issue sustainability report	New York City Pension Funds	4/23/2008
Circuit City Stores, Inc.	Review/reduce toxicity of product formulation	Sisters of St. Francis, Philadelphia	June
Citigroup Inc.	Cease financing coal operations	Boston Common Asset Management	4/22/2008
Citigroup Inc.	Disclose prior government service	Davis, Evelyn Y.	4/22/2008
Citigroup Inc.	Report on political donations and policy	International Brotherhood of Teamsters	4/22/2008
Citigroup Inc.	Review/report on human rights policy	Amnesty International USA	4/22/2008
Colgate-Palmolive Co.	Review nanomaterials and product safety	Calvert Asset Management Co.	withdrawn
Comcast Corp.	Issue sustainability report	GBOPHB - United Methodist Church	5/14/2008
Comcast Corp.	Report on political donations and policy	# Amalgamated Bank LongView Fund	omitted
Comcast Corp.	Adopt principles for health care reform	Sisters of St. Francis, Philadelphia	5/14/2008
Commercial Metals Co.	Adopt sexual orientation anti-bias policy	Walden Asset Management	not presented
Computer Sciences Corporation	Report on political donations and policy	New York City Pension Funds	July
Connecticut Water Service, Inc.	Report on water use	Northstar Asset Management	May
ConocoPhillips	Set GHG emissions reduction goals	Interfaith Center on Corporate Responsibility	5/14/2008
ConocoPhillips	Adopt/report policy on indigenous peoples	Brethren Benefit Trust	5/14/2008
ConocoPhillips	Report on community hazards	Episcopal Church	5/14/2008
ConocoPhillips	Report on political donations and policy	Nathan Cummings Foundation	5/14/2008
ConocoPhillips	Review impact of oil sands operations	Trillium Asset Management	5/14/2008

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
ConocoPhillips	Review Natl. Petroleum Reserve-Alaska	Green Century Capital Management	5/14/2008
Consol Energy, Inc.	Report on/reduce greenhouse gas emissions	New York City Pension Funds	May
Continental Airlines, Inc.	Issue sustainability report	Calvert Asset Management Co.	June
Continental Airlines, Inc.	Take steps to protect children	Episcopal Church	June
Continental Airlines, Inc.	Affirm political nonpartisanship	Davis, Evelyn Y.	June
Cornell Companies, Inc.	Report on political donations and policy	Mercy Investment Program	June
Corrections Corporation of America	Report on political donations and policy	Mercy Investment Program	May
Costco Wholesale Corporation	Review/reduce toxicity of product formulation	Nathan Cummings Foundation	withdrawn
Covance Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	May
Crane Co.	Implement MacBride principles	New York City Pension Funds	4/21/2008
CSX Corp.	Report on security safeguards	International Brotherhood of Teamsters	5/7/2008
Cummins , Inc.	Adopt, monitor and report on ILO standards	Domini Social Investments	May
CVS Caremark Corp	Adopt principles for health care reform	Adrian Dominican Sisters	omitted
Denny's Corporation	Review animal welfare standards	People for the Ethical Treatment of Animals	withdrawn
Dentsply International, Inc.	Issue sustainability report	Walden Asset Management	5/13/2008
Devon Energy Corp.	Report on political donations and policy	New York City Pension Funds	June
Dillard's, Inc	Issue sustainability report	Christian Brothers Investment Services	May
Dillard's, Inc	Report on climate change challenges to business	Connecticut Retirement Plans & Trust Funds	May
DISH Network Corp.	Implement Equality principles	New York City Pension Funds	May
Dominion Resources, Inc.	Report on energy efficiency plans	# New York City Pension Funds	April
Dominos Pizza Inc.	Implement MacBride principles	New York City Pension Funds	4/17/2008
Dominos Pizza Inc.	Report on progress toward humane slaughter method	People for the Ethical Treatment of Animals	4/17/2008
Dover Corporation	Issue sustainability report	Walden Asset Management	5/1/2008
Dover Corporation	Report on climate change challenges to business	Calvert Asset Management Co.	5/1/2008
DTE Energy Co.	Report on political donations and policy	New York City Pension Funds	5/15/2008
Duke Energy Corp.	Report on political donations and policy	New York City Pension Funds	5/8/2008
E.I. Du Pont De Nemours & Co.	Commit to phaseout of PFOA	Amalgamated Bank LongView Fund	4/30/2008
E.I. Du Pont De Nemours & Co.	Review/amend human rights policy	Sisters of Charity of St. Elizabeth	4/30/2008
Eastman Chemical Co.	Implement Equality principles	New York City Pension Funds	May
eBay Inc.	Adopt policy to prohibit animal sales	# People for the Ethical Treatment of Animals	June
eBay Inc.	Adopt policy/report on political donations	Calvert Asset Management Co.	June
El Paso Corp	Set GHG emissions reduction goals	Interfaith Center on Corporate Responsibility	5/14/2008
El Paso Corp	Report on/reduce greenhouse gas emissions	New York City Pension Funds	withdrawn
Eli Lilly and Co.	Review overseas animal testing	People for the Ethical Treatment of Animals	4/21/2008
Eli Lilly and Co.	Report on political donations and policy	AFL-CIO	4/21/2008
Eli Lilly and Co.	Adopt principles for health care reform	Catholic Healthcare West	withdrawn
Eli Lilly and Co.	Report on policy on drug reimportation	# Minnesota State Board of Investment	omitted
Entergy Corp.	Report on political donations and policy	New York City Pension Funds	May
Erie Indemnity Co.	Implement Equality principles	New York City Pension Funds	withdrawn
Expeditors International of Washington	Adopt sexual orientation anti-bias policy	Walden Asset Management	5/7/2008
Exxon Mobil Corp.	Develop renewable energy alternatives	# Viederman, Steve	5/28/2008

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Exxon Mobil Corp.	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	5/28/2008
Exxon Mobil Corp.	Report on political donations and policy	As You Sow Foundation	5/28/2008
Exxon Mobil Corp.	Report on plans to drill in Arctic Natl. Refuge	Green Century Capital Management	5/28/2008
Exxon Mobil Corp.	Report on energy efficiency plans	# Capuchin Province of St. Joseph	5/28/2008
Exxon Mobil Corp.	Report on community hazards	Episcopal Church	5/28/2008
Exxon Mobil Corp.	Link executive pay to social criteria	Northstar Asset Management	5/28/2008
Exxon Mobil Corp.	Declare royalty payments to host governments	# Sambell, Ken	5/28/2008
Exxon Mobil Corp.	Adopt sexual orientation anti-bias policy	New York City Pension Funds	5/28/2008
Exxon Mobil Corp.	Adopt principles for health care reform	# Interfaith Center on Corporate Responsibility	5/28/2008
Exxon Mobil Corp.	Report on climate change leadership benefits	# Morgan, Mary Rockefeller	5/28/2008
Family Dollar Stores, Inc.	Implement Equality principles	New York City Pension Funds	withdrawn
Family Dollar Stores, Inc.	SP-Review/reduce toxicity of product formulation	New York City Pension Funds	omitted
Felcor Lodging Trust Incorporated	Issue sustainability report	Christian Brothers Investment Services	May
Fidelity National Financial, Inc.	Implement Equality principles	New York City Pension Funds	May
FirstEnergy Corporation	Report on energy efficiency plans	Interfaith Center on Corporate Responsibility	5/20/2008
Ford Motor Company	Adopt principles for health care reform	Camilla Madden Charitable Trust	5/8/2008
Ford Motor Company	Report on political donations and policy	Trillium Asset Management	5/8/2008
Ford Motor Company	Report on/reduce greenhouse gas emissions	# Connecticut Retirement Plans & Trust Funds	5/8/2008
Ford Motor Company	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	5/8/2008
Foundation Coal Hlds Inc	Report on/reduce greenhouse gas emissions	Unitarian Universalist Association	5/22/2008
Frontier Oil Corp.	Implement Equality principles	New York City Pension Funds	April
General Dynamics Corp.	Develop military contracting criteria	Sisters of Mercy	5/7/2008
General Electric Co.	Adopt principles for health care reform	School Sisters of St. Francis	April
General Electric Co.	Review/report on charitable giving/policy	# National Legal and Policy Center	April
General Electric Co.	Develop military contracting criteria	Sisters of Charity of Blessed Virgin Mary	April
General Electric Co.	Report on climate change science	## Action Fund Management/Free Enterprise Fund	April
General Motors Corp.	Adopt principles for health care reform	# American Baptist Home Mission Society	June
General Motors Corp.	Disclose political contributions in newspapers	Davis, Evelyn Y.	June
General Motors Corp.	Improve/report on fuel economy	# not known	June
General Motors Corp.	Report on political donations and policy	Catholic Healthcare West	June
General Motors Corp.	Report on/reduce greenhouse gas emissions	# Connecticut Retirement Plans & Trust Funds	June
General Motors Corp.	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	June
Google Inc	Take steps against abetting repression/censorship	New York City Pension Funds	May
Halliburton Co.	Report on political donations and policy	New York City Pension Funds	5/21/2008
Halliburton Co.	Review/report on human rights policy	Christus Health	5/21/2008
Harley-Davidson, Inc.	Report on climate change challenges to business	Calvert Asset Management Co.	withdrawn
Hasbro, Inc.	Issue sustainability report	Camilla Madden Charitable Trust	withdrawn
HCC Insurance Holdings, Inc.	Implement Equality principles	New York City Pension Funds	May
Home Depot, Inc.	Affirm political nonpartisanship	Davis, Evelyn Y.	5/22/2008
Home Depot, Inc.	Report on EEO	Trillium Asset Management	5/22/2008
Home Depot, Inc.	Report on forest protection policy	Domini Social Investments	5/22/2008

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Home Depot, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	omitted
Home Depot, Inc.	Review/ensure product safety	New York City Pension Funds	omitted
Huntsman Corp	Implement Equality principles	New York City Pension Funds	May
IDACORP, Inc.	Adopt sexual orientation anti-bias policy	Walden Asset Management	5/15/2008
International Business Machines Corp.	Adopt principles for health care reform	AFL-CIO	withdrawn
International Paper Co.	Consider phasing out non-FSC products	Domini Social Investments	5/12/2008
ITT Corp.	Report on foreign military sales	# Presbyterian Church USA	5/13/2008
J. C. Penney Co., Inc (HLDG CO)	Review/ensure product safety	New York City Pension Funds	May
J. C. Penney Co., Inc (HLDG CO)	Review/reduce toxicity of product formulation	Domini Social Investments	May
JetBlue Airways Corp	Issue sustainability report	Calvert Asset Management Co.	May
Johnson & Johnson	Adopt principles for health care reform	Sisters of Charity of St. Elizabeth	withdrawn
Johnson & Johnson	Report on climate change science	# Action Fund Management/Free Enterprise Fund	4/24/2008
Johnson & Johnson	Report on political donations and policy	AFL-CIO	withdrawn
JPMorgan Chase & Co.	Report on political donations and policy	AFL-CIO	May
JPMorgan Chase & Co.	Disclose charitable contributions	# Strobhar, Thomas	May
JPMorgan Chase & Co.	Review public policy priorities	Action Fund Management/Free Enterprise Fund	May
JPMorgan Chase & Co.	Review/report on human rights policy	Trillium Asset Management	May
JPMorgan Chase & Co.	Disclose prior government service	Davis, Evelyn Y.	May
Kansas City Southern	Report on security safeguards	International Brotherhood of Teamsters	May
KB Home	Report on/reduce greenhouse gas emissions	## Nathan Cummings Foundation	withdrawn
Kellogg Co.	Issue sustainability report	GBOPHB - United Methodist Church	withdrawn
Kelly Services, Inc.	Implement Equality principles	New York City Pension Funds	withdrawn
Kimberly-Clark Corp.	Implement ILO standards and third-party monitoring	New York City Pension Funds	4/17/2008
Kirby Corp.	Report on climate change challenges to business	Calvert Asset Management Co.	withdrawn
Kraft Foods Inc	Adopt principles for health care reform	Capuchin Province of St. Joseph	not filed
L-3 Communications Holdings, Inc.	Commit to/report on board diversity	Episcopal Church	April
Leggett & Platt, Inc.	Adopt sexual orientation anti-bias policy	Walden Asset Management	5/8/2008
Lehman Brothers Holdings Inc.	Disclose political contributions in newspapers	Davis, Evelyn Y.	April
Lehman Brothers Holdings Inc.	Issue sustainability report	## Action Fund Management/Free Enterprise Fund	April
Liberty Global Inc.	Implement Equality principles	New York City Pension Funds	June
Lockheed Martin Corp.	Report on depleted uranium	Sisters of Mercy	4/24/2008
Loews Corp.	Adopt principles for health care reform	Trinity Health	May
Loews Corp.	Inform blacks of menthol & 'light' cigarette risks	Sinsinawa Dominicans	May
Lowe's Companies, Inc.	Report on land development policy	# Christian Brothers Investment Services	5/30/2008
Lowe's Companies, Inc.	Report on climate change challenges to business	Calvert Asset Management Co.	withdrawn
Lowe's Companies, Inc.	Issue sustainability report	Domini Social Investments	withdrawn
Lowe's Companies, Inc.	Review animal welfare standards	Trillium Asset Management	omitted
Manpower Inc.	Implement MacBride principles	New York City Pension Funds	4/29/2008
Marsh & McLennan Companies, Inc.	Report on political donations and policy	AFL-CIO	5/15/2008
Marshall & Ilsley Corp.	Implement Equality principles	New York City Pension Funds	withdrawn
Massey Energy Company	Report on political donations and policy	AFL-CIO	May

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Mattel, Inc.	Review/ensure product safety	# Hessler-Grisel, M.	5/29/2008
Mattel, Inc.	Review/ensure product safety	## New York City Pension Funds	5/29/2008
McDonald's Corp.	Review animal welfare standards	# People for the Ethical Treatment of Animals	5/22/2008
McDonald's Corp.	Adopt principles for health care reform	# Trinity Health	withdrawn
MeadWestvaco Corp.	Consider phasing out non-FSC products	Capuchin Province of St. Joseph	4/28/2008
Medco Health Solutions Inc	Adopt principles for health care reform	Catholic Healthcare West	withdrawn
Merck & Co., Inc.	Adopt principles for health care reform	Catholic Healthcare West	April
Merck & Co., Inc.	Report on policy on drug reimportation	Minnesota State Board of Investment	omitted
Merrill Lynch & Co., Inc.	Review/report on human rights policy	Trillium Asset Management	4/24/2008
Monsanto Co.	SP-Misc. social issue proposal	Harrington, John	awaiting tally
Morgan Stanley	Review/report on human rights policy	Trillium Asset Management	April
Motorola, Inc.	Develop/report on country selection standards	GBOPHB - United Methodist Church	
Mueller Industries, Inc.	Commit to/report on board diversity	Episcopal Church	May
Murphy Oil Corp.	Implement Equality principles	New York City Pension Funds	5/14/2008
Norfolk Southern Corp.	Issue sustainability report	New York City Pension Funds	5/8/2008
Norfolk Southern Corp.	Report on security safeguards	International Brotherhood of Teamsters	withdrawn
Northrop Grumman Corp.	Report on foreign military sales	Congregation of the Passion	5/21/2008
Nucor Corp.	Implement ILO standards	Domini Social Investments	5/9/2008
Occidental Petroleum Corp.	Report on climate change science	Olson, Carl (State Dept. Watch)	May
OGE Energy Corp.	Report on climate change challenges to business	# Calvert Asset Management Co.	5/22/2008
OGE Energy Corp.	Report on greenhouse gas emissions	# Boston Common Asset Management	5/22/2008
ONEOK, Inc.	Report on/reduce greenhouse gas emissions	# New York City Pension Funds	5/15/2008
ONEOK, Inc.	Set GHG emissions reduction goals	# California State Teachers' Retirement	5/15/2008
Parkway Properties, Inc.	Report on/reduce greenhouse gas emissions	Walden Asset Management	withdrawn
Pentair, Inc.	Adopt sexual orientation anti-bias policy	Trillium Asset Management	May
Pentair, Inc.	Issue sustainability report	Calvert Asset Management Co.	May
PepsiCo, Inc.	Report on gene-engineered food	Adrian Dominican Sisters	5/7/2008
PepsiCo, Inc.	Report on water use	Northstar Asset Management	5/7/2008
PepsiCo, Inc.	Increase container recycling/recycled content	As You Sow Foundation	5/7/2008
Pfizer Inc.	Oppose embryo/fetal destruction	Human Life International	4/24/2008
Pfizer Inc.	Report on policy on drug reimportation	Minnesota State Board of Investment	omitted
Pfizer Inc.	Review overseas animal testing	# People for the Ethical Treatment of Animals	omitted
PG&E Corp.	Issue global warming report	# Action Fund Management/Free Enterprise Fund	April
Praxair, Inc.	Report on political donations and policy	Walden Asset Management	withdrawn
Prudential Financial Inc	Report on political donations and policy	AFL-CIO	May
Pulte Homes Inc.	Report on/reduce greenhouse gas emissions	## Nathan Cummings Foundation	May
R. R. Donnelley & Sons Co.	Consider phasing out non-FSC products	Domini Social Investments	5/28/2008
Raytheon Co.	Issue sustainability report	# New York City Pension Funds	5/29/2008
RC2 CORP	Review/ensure product safety	Evangelical Lutheran Church of America	omitted
Regions Financial Corp.	Issue sustainability report	New York City Pension Funds	April
Reynolds American Inc	Adopt principles for health care reform	Trinity Health	May

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Reynolds American Inc	Develop non-addictive cigarette for youth	Sinsinawa Dominicans	May
Reynolds American Inc	Implement ILO standards	Capuchin Province of St. Joseph	May
Ryder System, Inc.	Report on climate change challenges to business	Calvert Asset Management Co.	May
Safeway Inc.	Issue sustainability report	# New York City Pension Funds	5/14/2008
Safeway Inc.	Review suppliers' animal slaughter methods	People for the Ethical Treatment of Animals	withdrawn
Safeway Inc.	Issue sustainability report	Adrian Dominican Sisters	withdrawn
Seacor Holdings, Inc	Adopt sexual orientation anti-bias policy	Calvert Asset Management Co.	withdrawn
Sigma-Aldrich Corp.	Issue sustainability report	Walden Asset Management	withdrawn
Southern Company	Report on energy efficiency plans	Connecticut Retirement Plans & Trust Funds	May
Southern Company	Set GHG emissions reduction goals	Sisters of St. Dominic, Caldwell, NJ	May
Southwest Airlines Co.	Issue sustainability report	Calvert Asset Management Co.	May
SPX Corp.	Implement Equality principles	New York City Pension Funds	withdrawn
Standard Pacific Corp.	Report on/reduce greenhouse gas emissions	# Nathan Cummings Foundation	May
Sunoco, Inc.	Establish board committee on sustainability	# Harrington Investments	omitted
Superior Energy Services, Inc.	Adopt sexual orientation anti-bias policy	Calvert Asset Management Co.	May
Synovus Financial Corp.	Implement Equality principles	New York City Pension Funds	withdrawn
T. Rowe Price Group, Inc.	Review/report on human rights policy	Walden Asset Management	4/10/2008
Take-Two Interactive Software, Inc.	Increase efforts to diversify board	GBOPHB - United Methodist Church	March
Take-Two Interactive Software, Inc.	Link executive pay to social criteria	Sisters of St. Joseph of Nazareth	March
Target Corporation	Adopt principles for health care reform	Adrian Dominican Sisters	5/22/2008
Target Corporation	Review/ensure product safety	New York City Pension Funds	5/22/2008
Tellabs, Inc.	Adopt, monitor and report on ILO standards	GBOPHB - United Methodist Church	withdrawn
Tesoro Corp.	Implement Equality principles	New York City Pension Funds	May
Texas Instruments Inc.	Report on political donations and policy	Walden Asset Management	4/18/2008
Textron Inc.	Report on foreign military sales	Sisters of Charity of Blessed Virgin Mary	4/23/2008
The AES Corp.	Report on environmental liabilities	# not known	June
The Boeing Co.	Adopt comprehensive human rights policy	Capuchin Province of St. Joseph	4/28/2008
The Boeing Co.	Report on political donations and policy	# Newground Social Investment	omitted
The Boeing Co.	Adopt principles for health care reform	## AFL-CIO	4/28/2008
The Boeing Co.	Report on foreign military sales	Sisters of Mercy	4/28/2008
The Brinks Company	Implement Equality principles	New York City Pension Funds	withdrawn
The Charles Schwab Corp.	Report on political donations and policy	New York City Pension Funds	May
The Chubb Corp.	Report on political donations and policy	Domini Social Investments	4/29/2008
The Coca-Cola Company	Disclose bio/chemical test results for beverages	Northstar Asset Management	omitted
The Coca-Cola Company	Establish board committee on human rights	## Wardlaw, William	4/16/2008
The Coca-Cola Company	Report on water use	Evangelical Lutheran Church of America	4/16/2008
The Dow Chemical Company	Issue global warming report	# Action Fund Management/Free Enterprise Fund	5/15/2008
The Dow Chemical Company	Review/reduce asthma triggers in pesticides	Trillium Asset Management	5/15/2008
The Dow Chemical Company	Report on toxics phaseout plan	Sisters of Mercy	5/15/2008
The Dow Chemical Company	Report on gene-engineered plants	Adrian Dominican Sisters	5/15/2008
The GEO Group, Inc.	Report on political donations and policy	Mercy Investment Program	May

# Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
The Hartford Financial Services Group	Issue sustainability report	New York City Pension Funds	May
The Hershey Co	Report on steps against child labor	New York City Pension Funds	4/22/2008
The Kroger Co.	Review/reduce toxicity of product formulation	Catholic Healthcare West	6/26/2008
The McGraw-Hill Companies, Inc.	Increase recycled content of product	As You Sow Foundation	omitted
The McGraw-Hill Companies, Inc.	Report on political donations and policy	Northstar Asset Management	omitted
The Ryland Group, Inc.	Report on/reduce greenhouse gas emissions	Nathan Cummings Foundation	April
The Williams Companies, Inc.	Set GHG emissions reduction goals	New York City Pension Funds	May
Timken Co. (The)	Implement Equality principles	New York City Pension Funds	May
UAL Corporation	Review/report on charitable giving/policy	National Legal and Policy Center	May
UAL Corporation	Issue sustainability report	Calvert Asset Management Co.	May
Union Pacific Corp.	Report on political donations and policy	New York City Pension Funds	May
Union Pacific Corp.	Report on security safeguards	International Brotherhood of Teamsters	May
Unisys Corp.	Report on political donations and policy	Calvert Asset Management Co.	April
United Parcel Service, Inc.	Report on political donations and policy	Walden Asset Management	withdrawn
United Technologies Corp.	Report on political donations and policy	New York City Pension Funds	withdrawn
United Technologies Corp.	Adopt principles for health care reform	## AFL-CIO	4/9/2008
United Technologies Corp.	Report on foreign offset agreements	Sisters of Charity of St. Elizabeth	4/9/2008
UnitedHealth Group Incorporated	Report on political donations and policy	AFL-CIO	May
UnitedHealth Group Incorporated	Adopt principles for health care reform	# Oneida Trust	May
Urban Outfitters, Inc.	Implement ILO standards and third-party monitoring	Amalgamated Bank LongView Fund	May
US Airways Group, Inc.	Disclose political contributions in newspapers	Davis, Evelyn Y.	6/11/2008
US Airways Group, Inc.	Issue sustainability report	Calvert Asset Management Co.	6/11/2008
UST Inc.	Adopt principles for health care reform	Sisters of St. Francis of Assisi	May
Valero Energy Corp.	Report on political donations and policy	Nathan Cummings Foundation	5/1/2008
Verizon Communications	Adopt sexual orientation anti-bias policy	Unitarian Universalist Association	May
Visteon Corporation	Review/report on human rights policy	Benedictine Sisters	omitted
Wachovia Corp.	Report on political donations and policy	AFL-CIO	4/22/2008
Walgreen Co.	Disclose charitable contributions	Meyer, Marcella V.	awaiting tally
Wal-Mart Stores, Inc.	Report on climate change science	# Action Fund Management/Free Enterprise Fund	6/6/2008
Wal-Mart Stores, Inc.	Report on political donations and policy	New York City Pension Funds	6/6/2008
Wal-Mart Stores, Inc.	Review animal welfare standards	# People for the Ethical Treatment of Animals	6/6/2008
Wal-Mart Stores, Inc.	Review impact of poor labor practices	F&C Asset Management	6/6/2008
Wal-Mart Stores, Inc.	Review nanomaterials and product safety	# As You Sow Foundation	6/6/2008
Wal-Mart Stores, Inc.	Review/ensure product safety	# New York City Pension Funds	6/6/2008
Wal-Mart Stores, Inc.	Review/report on charitable giving/policy	# National Legal and Policy Center	6/6/2008
Wal-Mart Stores, Inc.	Adopt sexual orientation anti-bias policy	Unitarian Universalist Association	6/6/2008
Washington Mutual, Inc	Report on political donations and policy	# Newground Social Investment	omitted
Waste Management, Inc.	Adopt principles for health care reform	Capuchin Province of St. Joseph	5/9/2008
Waste Management, Inc.	Report on political donations and policy	International Brotherhood of Teamsters	5/9/2008
Waters Corporation	Issue sustainability report	Walden Asset Management	withdrawn
Wells Fargo & Company	Report on fair housing lending policy/record	Northstar Asset Management	4/29/2008

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Wells Fargo & Company	Review/report on human rights policy	Calvert Asset Management Co.	4/29/2008
Wendy's International, Inc.	Adopt principles for health care reform	## Capuchin Province of St. Joseph	April
Wendy's International, Inc.	Label gene-engineered or cloned food	Sinsinawa Dominicans	April
Wendy's International, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	April
Western Union Co	Develop fair lending/reinvestment policy	# Northstar Asset Management	May
Weyerhaeuser Co.	Amend/report policy on indigenous peoples	Calvert Asset Management Co.	withdrawn
Wyeth	Report on policy on drug reimportation	# Minnesota State Board of Investment	omitted
Wyeth	Report on political donations and policy	Camilla Madden Charitable Trust	4/24/2008
Wyeth	Adopt principles for health care reform	# Sisters of Charity of St. Elizabeth	4/24/2008
Wyeth	Review overseas animal testing	# People for the Ethical Treatment of Animals	4/24/2008
Wyndham Worldwide Corp	Take steps to protect children	Sisters of Mercy	April
Xcel Energy Inc.	Adopt principles for health care reform	# Sisters of St. Joseph of Carondelet	May
Xerox Corp.	Report on political donations and policy	Calvert Asset Management Co.	withdrawn
Xerox Corp.	Review/report on vendor standards	Domini Social Investments	May
Yahoo!, Inc.	Take steps against abetting repression/censorship	New York City Pension Funds	June
Yum Brands, Inc.	Implement MacBride principles	not known	5/15/2008
Yum Brands, Inc.	Issue sustainability report	GBOPHB - United Methodist Church	5/15/2008
Yum Brands, Inc.	Review animal welfare standards	People for the Ethical Treatment of Animals	5/15/2008
Zimmer Holdings Inc	Commit to/report on board diversity	Episcopal Church	May

*(Burma, continued from p. 7)*

Meanwhile, the Association of South East Asian Nations (ASEAN) accepted Burma as a member in 1997, arguing that economic engagement with Burma would be more constructive than Western sanctions. To maintain credibility with the West, it convinced Burma to give up its chair of the association in 2005, but it has done little else to pressure Burma to reform. ASEAN did not take any action at its 13th summit meeting, which took place shortly after Burma's crackdown on peaceful protests in September last year. In fact, ASEAN members ignored the U.S. Senate's call to ban Burmese Prime Minister General Thein Sein from the summit. In addition, to Burma, ASEAN's members are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, the Philippines,

Singapore, Thailand and Vietnam.

Japan, one of Burma's biggest aid donors, has also cut more than \$4 million in funds to Burma in the past year in response to violence there, but it has not enacted sanctions. Japan's prime minister, Yasuo Fukuda, has publicly stated that the country has no plans to impose economic sanctions against Burma.

**Activists' Voices**

The military crackdown on peaceful protests in Burma in September was a powerful reminder of the troubling human rights situation there and has galvanized activists to push for change. In the past, campaigns in the West seeking to change the situation in Burma have focused on lobbying politicians for tougher sanctions. However, fac-

ing inaction, they have increasingly sought the support of the investment community in recent years to pressure companies to disinvest. For example, the U.S. Campaign for Burma, through the U.S. Steel Workers, has submitted a shareholder proposal to Chevron that it is asking other investors in Chevron to support. Chevron inherited its Burma presence from its acquisition of Unocal, which operated in Burma before the United States enacted its ban on new investments. The resolution asks Chevron to develop a human rights policy that would require it to withdraw from or not to invest in countries like Burma whose governments have engaged in ongoing and systematic human rights abuses.

Similarly, the UK Campaign for Burma has staged protests at

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## Human Rights

Total's annual meetings to raise awareness among shareholders about the company's ties to Burma. It is asking shareholders to use their influence with Total to persuade it to cut those ties.

The construction of the pipeline for the Yadana gas field is at the center of activists' ire over Total's and Chevron's conduct in Burma and their complicity in human rights abuses there. The pipeline crosses land that was the site of an uprising against Burma's central

government. The presence of the rebel movement necessitated heavy security for the pipeline project, which was provided by Burma's brutal military, well known for its human rights violations. Villagers along the pipeline route said that they had been displaced from their homes and farmland, required to feed soldiers who carried no food supplies with them and forced to labor as porters for the military (and, in isolated cases, forced to work on the pipeline project itself).

Villagers also alleged that they and their neighbors were subject to rape and murder by some soldiers. Widespread abuse by soldiers along the pipeline route was corroborated by several independent human rights organizations.

—*Peter DeSimone and Lejla Hadzic*

For more information on ordering datafeeds and profiles on companies doing business in Burma, contact [peter.desimone@riskmetrics.com](mailto:peter.desimone@riskmetrics.com)

*('100 Best', continued from p. 10)*

- 1 They have a reputation for high quality of work in employee well-being;
- 2 They improved their skills and capabilities over the last year;
- 3 Their employer has a reputation for social responsibility;
- 4 They have input into decisionmaking in their depart-

- ments;
- 5 Their organizations quickly resolve customer concerns;
- 6 They set high personal standards;
- 7 They have excellent career advancement opportunities;
- 8 They enjoy challenging work

assignments that broaden their skills;

- 9 They have good relationships with their supervisors; and
- 10 Their organizations encourage innovative thinking.

—*Peter DeSimone and Meg Voorhes*