



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

June/July 2008

Investors Consider Climate, Other Risk in Busy Season

Shareholder advocates filed a record number of proposals on social and environmental concerns for consideration at U.S. companies' annual meetings in 2008, and gained traction in efforts to highlight the risks to shareholder value posed by management inattention to climate change and product safety.

For the first time, proposals asking companies to consider how to reduce their greenhouse gas emissions and otherwise prepare for a carbon-constrained regulatory environment won average support of more than 20 percent in a vastly expanded campaign that saw 20 proposals come to votes through June 30 this year.

Shareholder advocates who have been pressing companies to review and reduce the use of toxic chemicals in consumer products also won vote support, on average, of well over 20 percent, as they stepped up their campaign this year.

And proposals asking companies to issue reports on sustainability, to monitor their political contributions and to expand or report on fair employment policies continued, as they have in past years, to resonate with shareholders.

Of the 146 proposals that came

to votes through June 30 where preliminary or final vote results are available, one has won majority support despite management opposition. Another 48 have achieved support of greater than 15 percent of the shares

Proponents urging companies to take action to reduce their greenhouse gas emissions or support renewable energy initiatives have seen a significant uptick this year in support for their long-running campaign.

voted, a higher proportion than at this point in 2007. This is a benchmark that few social issues proposals reached only a few years ago.

The 184 social issues proposals

that have come to votes through June represent only about half the number that shareholder advocates originally filed for this period, as shown in Table 1. Shareholder proponents withdrew many of their proposals before they came to votes, often after fruitful discussions with the corporate managements in question. In other cases, companies were able to win the go-ahead from the staff of the Securities and Exchange Commission to omit certain proposals from their proxy statements.

Action at the SEC

So far, the Securities and Exchange Commission staff has allowed companies to omit 60 resolutions on grounds that they violated its shareholder proposal rule (Rule 14a-8), a few more than the average at this point in recent years. The rule allows companies to exclude proposals from their proxy statements that have technical problems, such as being filed late, and it also lists 13 substantive reasons why proposals may be omitted. When companies believe they have grounds for omitting a resolution, they make their arguments in writing to the SEC staff, which issues its decision in the form

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of what is known as a “no-action letter.”

The substantive exclusion that accounts for the majority of omissions of proposals on social issues is exclusion i-7, which allows companies to omit resolutions that are judged to deal with mundane “ordinary business” matters that should be up to management, not shareholders, to decide. In June 2005, the SEC staff, which has long complained that the shareholder proposal rule puts it in the unpleasant position of making subjective judgment calls, had nevertheless ramped up its task with a bulletin (14C) explaining that resolutions can be excluded as ordinary business issues 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.” Its subsequent attempts to apply its own bulletin have led to some controversial calls; this year it decided that a resolution on global warming sponsored by New York City, which an earlier generation of the SEC staff had helped the city to draft, now falls into the risk assessment category.

Also dismissed as ordinary business for the first time this year was a resolution asking a company to implement measures along the line of the “Equality principles,” a code designed to ensure equal treatment of homosexual employees in the workplace. The company, Apache Oil, argued that some of the principles dealt with ordinary business, even though others did not, and that that defect rendered the whole resolution excludable. This is a stance that the SEC staff has agreed with in the past, but it is not an argument that companies had made frequently, and the exclusion of the Equality principles

TABLE 1: STATUS OF SOCIAL ISSUES PROPOSALS 2002-2008*

	2002	2003	2004	2005	2006	2007	2008
Filed	268	267	327	332	329	344	380
Omitted	31	45	49	57	51	62	60
As % of filed	(11.5)	(16.8)	(14.9)	(17.1)	(15.5)	(18.0)	(15.8)
Withdrawn	89	91	81	103	97	105	129
As % of filed	(33.2)	(34.1)	(24.8)	(31.0)	(29.5)	(30.5)	(33.7)
Voted On	145	129	186	168	177	175	184

*for meetings January 1 through June 30

Note: Some filed proposals do not come to votes each year because of mergers or because the proponent fails to appear at the annual meeting.

resolution came as a surprise. Also omitted because elements of the request were deemed ordinary business was a proposal to rail companies on homeland security protections; omissions in this area came after a rare follow-up letter reversed an initial decision by the SEC staff.

But while those resolutions lost on ordinary business grounds, the staff altered a long-running position and required companies to hold votes on resolutions asking them to support national health insurance. For many years, the staff had held that resolutions on health insurance were excludable as ordinary business because they touched on employee benefits. The staff did not explicitly discuss the change, but it appeared to signal its acceptance that health costs for companies had become an overriding social issue; the staff has made such policy switches over the years, including decisions to allow resolutions on nuclear power in the 1970s and on tobacco in the late 1980s.

While the lion’s share of omissions came on ordinary business grounds, more resolutions than usual (10 in 2008 as opposed to a typical four in 2007) were excluded as moot, under section i-10 of the shareholder proposal rule. Mootness is another area where the staff has to make judgment calls, since the shareholder proposal rule allows exclusions for resolutions that have been “substantially implemented,” rather than en-

tirely implemented. Five of this year’s mootness calls came on resolutions from a conservative group, Action Fund Management, which asked companies to report on the effects of their operations on global warming. The proponent was clear in the resolutions that it opposed actions to stem global warming, whereas the companies had issued their reports in order to show that they were being pro-active on the issue.

Withdrawals

Proponents have already withdrawn 129 resolutions filed for meetings through June 30 this year—an all time high in absolute terms. The previous record for withdrawals was 113, for all of 2005. In relative terms, however, as shown in Table 1, the level of withdrawals at spring meetings is not unusual. While proponents historically have often been willing to withdraw resolutions for as little as the promise of continued discussions of the issue with target companies, more and more withdrawals are taking place as companies agree to fulfill the request in full.

The issue area with the most withdrawals was sustainability, where proponents worked out 23 withdrawals, most of which involved promises to produce full-blown sustainability reports—an issue with which corporations are becoming increasingly comfortable. Proponents

have withdrawn 21 resolutions on climate change, another area in which companies are steadily more responsive.

Another issue area where proponents continued to have success working out agreements was reporting on political contributions in the Center for Political Accountability's five-year-old campaign, where they reached 16 substantive agreements. This was down from 22 in the slightly larger campaign last year, but compares with only nine withdrawals total in the first three years. Nearly half of the 34 proposals on sexual orientation nondiscrimination were withdrawn, a substantial number but a percentage drop from recent years.

Somewhat unexpectedly, proponents were able to withdraw 12 of the new proposal on national health insurance, as companies in a variety of industries issued statements in support of the concept.

Important SEC decisions and withdrawals are discussed in more detail below under the relevant subject areas.

Vote Calculations

What follows is a summary, by category, of the 2008 spring proxy season, including the most interesting votes, withdrawals and decisions at the SEC on whether resolutions could be omitted. Companies at which proposals did well enough to qualify for resubmission next year are highlighted in bold face. All vote support levels are calculated according to the formula the SEC uses to determine resubmission eligibility: the percentage of shares voted "for" out of the total voted "for" and "against," excluding abstentions. First-year proposals must win at least 3 percent support under the formula to qualify for resubmission an additional year, second-year proposals must get at least 6 percent, and proposals in their third year or more must score at least

10 percent. (If the proposal fails to clear the pertinent threshold, it may not be resubmitted at the company for another three years.)

Animal Welfare

People for the Ethical Treatment of Animals and other animal rights activists returned to the contemporary shareholder scene for the fourth year, with their most varied campaign so far.

Votes: Results have been slow to trickle in for the eight proposals on animal welfare that came to votes through June 30, but none so far has gotten more than single digit support in percentage terms. A PETA proposal asking **Amgen** to report on violations of the Animal Welfare Act earned 5.9 percent support, and one it co-filed with Calvert Group on lethal animal testing at **Allergan**, the maker of Botox, earned 4.5 percent. A second-year proposal at Eli Lilly on its use of overseas animal testing facilities lost ground from last year.

Omissions: The animal welfare proponents had a bad year at the SEC, with 11 of their 26 proposals omitted, for a variety of reasons.

Three of the omissions came on ordinary business grounds. Omitted at Home Depot, as well as Lowe's, was a new resolution from PETA asking the company to end the sale of glue traps "because they are cruel and inhumane." The SEC staff judged that this was an ordinary business issue because it dealt with retailers' sale of a particular product. Wal-Mart also argued successfully that a proposal asking it to consider adopting a policy to sell only "cage-free" eggs was excludable for that reason.

In recent years, the SEC staff has allowed a number of companies to omit animal welfare proposals on grounds that they are "substantially the same as" other resolutions that had failed to receive enough support for resubmission the previous year,

even though the resolutions sometimes diverged significantly. In 2008, resolutions omitted for that reason included two proposals at Pfizer (on reviewing animal welfare standards and overseas animal testing), a resolution to Wyeth on overseas testing and a proposal to Chevron on general animal welfare standards.

Other companies were able to keep animal welfare proposals off their proxy statements by arguing that they had already been substantially implemented. A resolution asking Covance to report on efforts to foster quality animal care standards was judged moot, as was a proposal asking McDonald's to consider purchasing cage-free eggs. In addition, the staff agreed with PetSmart that PETA's proposal asking for a plan to "resolve the lack of adequate and proper care of sick and/or injured animals received by and housed in PetSmart stores" was mooted by step-by-step procedures that "have been in place for many years."

Also omitted was an animal welfare proposal from PETA to eBay, which asked the company to enact a policy prohibiting the sale of dogs and cats on the company's affiliated Chinese website. EBay argued that the proposal was impossible to effectuate (the rarely used i-6 exclusion under the shareholder proposal rule) because it owned less than 50 percent of the website in question and did not have operating control, and the SEC staff agreed.

Withdrawals: Animal welfare proponents worked out five withdrawal agreements, most notably winning a pledge from Denny's to get the company to end its partnership with the Ringling Brothers/Barnum & Bailey circus. They withdrew resolutions at Chipotle and Safeway after both agreed to give purchasing preference to suppliers that use or switch to controlled atmosphere killing of chickens, which PETA believes

TABLE 2: HIGHEST VOTES OF THE 2008 SOCIAL ISSUES PROXY SEASON

COMPANY	RESOLUTION	PRIMARY FILER	VOTE
Expeditors Int'l. of Washington	Adopt sexual orientation anti-bias policy	Trillium	52 ?
The Kroger Co.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	39.7 ?
Consol Energy, Inc.	Report on/reduce greenhouse gas emissions	NYC funds	39.6 ?
Exxon Mobil Corp.	Adopt sexual orientation anti-bias policy	NYC funds	39.6
Dover Corporation	Issue sustainability report	Walden	39.5
CVS Caremark Corp.	Report on political donations and policy	Brethren Benefit Trust	38.5
The Kroger Co.	Review/reduce toxicity of product formulation	Cath. Healthcare West	38.3 ?
The GEO Group, Inc.	Report on political donations and policy	Mercy Investment	36.6 ?
Ultra Petroleum Corp.	Report on greenhouse gas emissions	Nathan Cummings Fdn.	36.6 ?
Becton, Dickinson and Co.	Review/reduce toxicity of product formulation	Domini	36.1
Dentsply International, Inc.	Issue sustainability report	Walden	35.6
Union Pacific Corp.	Report on political donations and policy	NYC funds	35.4
Dover Corporation	Report on climate change challenges to business	Calvert	34 ?
Cornell Companies, Inc.	Report on political donations and policy	Mercy Investment	33.9 ?
ONEOK, Inc.	Set GHG emissions reduction goals	Calstrs	33
Halliburton Co.	Report on political donations and policy	NYC funds	32.1
AT&T Inc	Report on political donations and policy	Domini	31.9
Leggett & Platt, Inc.	Adopt sexual orientation anti-bias policy	Walden	31 ?
Exxon Mobil Corp.	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	30.9
Halliburton Co.	Review/report on human rights policy	Srs. Charity/BVM	30.2
ConocoPhillips	Set GHG emissions reduction goals	ICCR	29.4
Urban Outfitters, Inc.	Implement ILO standards and third-party monitoring	Amalgamated Bank Fund	29.4
Chevron Corporation	Review impact of oil sands operations	Green Century	28.6
JPMorgan Chase & Co.	Report on political donations and policy	AFL-CIO	28.5
United Technologies Corp.	Review/amend human rights policy	Episcopal Church	28.2
ConocoPhillips	Report on political donations and policy	Nathan Cummings Fdn.	28.2
Entergy Corp.	Report on political donations and policy	NYC funds	28.2
The Charles Schwab Corp.	Report on political donations and policy	NYC funds	28
Standard Pacific Corp.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	28 ?
Chevron Corporation	Adopt comprehensive human rights policy	Society of Jesus/WI	27.9
Exxon Mobil Corp.	Report on political donations and policy	As You Sow Fdn.	27.6
ConocoPhillips	Review impact of oil sands operations	Trillium	27.5
Exxon Mobil Corp.	Develop renewable energy alternatives	Viederman, Steve	27.5
Corrections Corp. of America	Report on political donations and policy	Mercy Investment	26.7 ?
ConocoPhillips	Review Natl. Petroleum Reserve-Alaska	Green Century	26.6
Southwest Airlines Co.	Issue sustainability report	Calvert	26 ?
The Ryland Group, Inc.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	25.4 ?
Avon Products, Inc.	Review nanomaterials and product safety	Calvert	25.4
Home Depot, Inc.	Report on EEO	Trillium	25.3
Yum Brands, Inc.	Issue sustainability report	Srs. Charity/BVM	24.8
Wachovia Corp.	Report on political donations and policy	AFL-CIO	24.2
The Dow Chemical Company	Report on toxics phaseout plan	Srs. of Mercy	22.8
Pulte Homes Inc.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	22
US Airways Group, Inc.	Issue sustainability report	Calvert	22 ?
HCC Insurance Holdings, Inc.	Implement Equality principles	NYC funds	20.8 ?
Verizon Communications	Adopt sexual orientation anti-bias policy	UUA	17
Cummins, Inc.	Adopt, monitor and report on ILO standards	Domini	16.4 ?
General Motors Corp.	Report on political donations and policy	Cath. Healthcare West	16
General Motors Corp.	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	15

? indicates that vote result is preliminary.

Proxy Season

is more humane than conventional slaughter methods. Also withdrawn at Safeway and at DineEquity (parent of IHOP and Applebee's) were resolutions on adopting a policy of purchasing cage-free eggs; both companies agreed to move in that direction.

Banking Issues

Four resolutions came to votes on various banking issues. Northstar Asset Management was unsuccessful in obtaining 10 percent or better support in its third-year proposal asking Wells Fargo to explain the disparities, along racial and ethnic lines, in the cost of home loans it provides its customers. Christian Brothers Investment Services got 7.8 percent for its first-year proposal at **Cash America International** asking it to take various steps against predatory lending; the interest rate it charges for its short-term payday loans can amount, on an annualized basis, to 400 percent. Action Fund Management, which is skeptical of the value of the Equator Principles, a voluntary set of principles to guide financial institutions in considering the environmental impact of project finance decisions, asked two banks to report on their decisions under the principles. While Bank of America has not yet reported its vote results, the resolution earned 4.9 percent at **Citigroup**.

Board Diversity

The number of shareholder resolutions on board diversity shrank noticeably in 2008 after Calvert Asset Management, the source of most of those proposals in recent years, turned its emphasis to other issues.

Votes: The one proposal to come to a vote, filed by the Episcopal Church, was at Mueller Industries, which has yet to issue the vote result.

Withdrawals: Calvert with-

drew its only 2008 resolution, asking Apple to consider women and minorities for board vacancies, when the company agreed to the request. Church groups withdrew board diversity resolutions at L-3 Communications, Take-Two Interactive and Zimmer after successful negotiations.

Charitable Contributions

Only seven resolutions on disclosure of charitable contributions were proposed, down from 11 in 2007 and 15 in 2006, as conservative activists de-emphasized their use of this issue.

Votes: An individual shareholder won 8.2 percent support for her proposal asking **Walgreen** to disclose its charitable contributions; the National Legal and Policy Center's proposals at **Anheuser-Busch** and **General Electric** each earned about 7 percent support.

Action at the SEC/Withdrawals: Conservative activist Tom Strobhar proposed resolutions to Ford Motor and JPMorgan Chase asking them to list recipients of corporate charitable contributions of \$5,000 or more on their websites. Strobhar has been associated with pro-life groups and has had intermittent success getting resolutions that touch on that issue past the SEC staff. In 2007, the staff disallowed his proposals on contributions disclosure, which had a rather confrontational-sounding supporting statement criticizing Planned Parenthood, as ordinary business issues because they dealt with "contributions to specific types of organizations." For 2008, though, he made the supporting statement more neutral in tone, and the staff decided that the resolution did not deal with ordinary business questions. Subsequently, though, Strobhar withdrew both resolutions, claiming victory in getting companies to respond to his concerns.

The staff also allowed Wal-Mart to omit a resolution from the Na-

tional Legal and Policy Center asking for contributions disclosure because the same resolution had not managed to reach the first-year 3 percent support level in 2007.

Environmental Issues

Following the pattern of recent years, the environment category was 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 came from all of the major actors in the proponent community. In the climate change bailiwick, the SEC staff allowed omissions of some of the proposals after deciding that they fell into the ordinary business category of internal risk assessment, but the proponents also had good success in working out withdrawal agreements on an issue in which corporate America is becoming increasingly responsive.

Votes: As Table 2 indicates, many of the highest votes of the 2008 social issues proxy season were earned by proposals raising environmental issues.

Climate change—If preliminary vote results hold, the highest two votes in the overall environmental arena were won for proposals on climate change concerns. The Nathan Cummings Foundation appears to have won 39.7 percent support for its proposal asking **Kroger** to develop a comprehensive policy for addressing climate change and reducing greenhouse gas emissions. Similarly, the New York City pension funds appear to have won 39.6 percent support for their proposal asking **Consol Energy** to report "how the company is responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide and other emissions" from its products and operations. Either of these results, if upheld when the

companies issue their 10-Qs, would break the record, set last year, for support for a climate-related proposal. (New York City's proposal at Allegheny Energy last year set the last record when it won 39.5 percent support.)

In fact, proponents urging companies to take action to reduce their greenhouse gas emissions or support renewable energy initiatives have seen a significant uptick this year in support for their long-running campaign. As shown in Table 3, such climate-related proposals have earned average support so far this year of 23 percent, compared with just under 20 percent in 2007 and 17 percent in 2006. Besides the votes at Kroger and Consol Energy, this average includes the preliminary results that Nathan Cummings has reported for its climate-related proposals at **Ultra Petroleum** (36.6 percent), **Pulte Homes** (22 percent), **Standard Pacific** (28.0 percent), and **Ryland Group** (25.4 percent).

ExxonMobil was a lightning rod again for proponents concerned about climate change, with five such proposals appearing on its proxy statement, and all winning enough support—often by substantial margins—to be eligible for resubmission in 2009. The Sister of St. Dominic of Caldwell, New Jersey, and co-filers earned 30.9 support for their proposal asking the oil giant to “adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions” from its products and operations, about the same level it earned last year. Steve Viederman saw a near quadrupling of support for his proposal asking **Exxon** to develop renewable energy alternatives; it was supported by 27.5 percent of the shares voted, up from 7.3 percent last year. Descendents of John D. Rockefeller earned 10.4 percent for their first-year proposal. It asked **Exxon** to investigate and

TABLE 3: AVERAGE VOTES FOR SOCIAL PROPOSALS, SELECTED CATEGORIES

	No. of Resolutions Voted On			Average Vote (%)		
	2008	2007	2006	2008	2007	2006
Animal Welfare	8	20	19	NA	6.4	6.3
Board Diversity	1	4	5	NA	21.3	16.1
Charitable Contributions	4	7	8	7.5	8.5	5.7
Environment						
• Climate action: (pro)	20	14	7	23.0	19.6	17.4
• Climate action: (anti)	8	5	5	NA	5.0	5.4
• Oil sands/Toxics/Other	14	18	26	13.7	10.5	10.2
• Bioengineering	2	5	8	8.1	8.3	7.7
Equal Employment Policy						
• Expand/report on policies	13	10	9	23.4	33.1	29.6
• Allow bias on sexual orientation	1	1	5	6.1	4.3	2.7
Executive Pay ESG Link	2	4	8	9.9	11.1	9.8
Global Labor Standards	9	11	15	10.5	11.7	15.5
Health Care Reform	10	--	--	4.3	--	--
Human Rights						
• Set or review policies	13	12	10	13.2	?	13.9
• Establish board committee	7	4	--	3.6	4.6	--
Military	8	7	6	NA	7.4	6.9
Northern Ireland	5	5	5	11.1	11.4	11.6
Political Contributions/Ties						
• CPA campaign proposals	25	28	30	25.2	23.8	22.2
• Evelyn Y. Davis proposals	7	5	5	NA	5.9	10.5
Product Safety	4	--	--	27.2	--	--
Sustainability						
• Report on sustainability	7	18	10	25.3	27.0	23.8
• Establish board committee	3	--	--	5.8	--	--
Tobacco	5	5	8	3.1	1.7	3.2

NA = not available, as preliminary or final vote results are available for fewer than two-thirds of the proposals in this category.

report to shareholders “on the likely consequences of global climate change between now and 2030, for emerging countries, and poor communities in these countries and developed countries, and to compare these outcomes with scenarios in which ExxonMobil

takes leadership in developing sustainable energy technologies that can be used by and for the benefit of those most threatened by climate change.” Mario Lalanne’s second-year proposal asking **Exxon** to disclose greenhouse gas emission in-

formation at the pump earned 7 percent support, while the Capuchins' proposal asking **Exxon** to become a leader in advancing sustainable energy independence garnered 9.7 percent support.

Several of the climate proposals this year focused on ending the construction of new coal plants and reducing its use, since coal is the most greenhouse gas-intensive of all fossil fuels when combusted. Although preliminary results are in for Consol Energy, as noted earlier, no results have been reported yet for similar proposals at Massey Energy and Foundation Coal Holdings. A first-year proposal from Boston Common Asset Management asking **Citigroup** to cease financing coal operations earned just under 4 percent.

In addition to Exxon, a number of other oil companies, as well as automotive and utility firms, were asked to set goals for reducing greenhouse gas emissions from their products and operations: **Chevron** (10.0 percent support), **ConocoPhillips** (29.4 percent), **General Motors** (15 percent), **OneOK** (33.0 percent) and **Southern Company** (12.3 percent). Finally, a Calvert Group proposal asking **Dover** to assess the impact on climate change on its operations won 34.0 percent support, according to preliminary results.

In contrast to the main body of climate-related shareholder proposals, the proposals that were filed by shareholders skeptical that climate change is happening or that merits special action have made little headway before other investors. Proposals from Steve Milloy's Action Fund Management earned only about 3 percent support at **ConocoPhillips**, **DuPont**, **Ford Motor**, **General Electric** and **PepsiCo**. A third-year proposal from Carl Olson at Occidental Petroleum fell significantly below the 10 percent threshold.

Oil sands—Further evidence that mainstream investors are growing more cognizant of climate change risk were the notably high levels of support for first-year proposals at **Chevron** (28.6 percent) and **ConocoPhillips** (27.5 percent) asking them to review the “environmental damage” from their expanding oil sands operations. Extracting bitumen, which is similar to crude oil, from Canada's oil sands not only requires the removal of trees and vegetation from the extraction site and copious quantities of water, but it is one of the most energy-intensive forms of oil production, and the most rapidly growing source of Canada's greenhouse gas emissions.

Oil and gas extraction in Alaska—A related proposal from Green Century at **ConocoPhillips** asking it to report on the environmental damage that would result from it drilling in the National Petroleum Reserve in Alaska won 26.6 percent support. A similar Green Century proposal at **ExxonMobil**, but focused on the Arctic National Wildlife Refuge, earned 8.4 percent support.

Water and forest use—In a new campaign this year, Northstar Asset Management filed proposals asking two companies to “create a comprehensive policy articulating our company's respect for and commitment to the Human Right to Water.” It won 7.2 percent support at **PepsiCo**, according to preliminary results, but results are not yet available for American International Group, targeted in part because it holds a 28 percent stake in Utilities Inc. Proposals from Domini Social Investments asking **International Paper** and **R.R. Donnelley** to consider phasing out the use of fiber not certified by the Forest Stewardship Council each received about 6 percent support, according to preliminary results.

Toxics and community hazards—A number of proposals this year related to toxic hazards from company operations at home and abroad. The highest vote in this general category was the 22.8 percent earned by the Sisters of Mercy for their proposal asking **Dow Chemical** to report on the status of its remediation plan for the area around its Midland, Mich., headquarters. The Episcopal Church, for the third consecutive year, asked **ExxonMobil** and **ConocoPhillips** each to report on how they ensure they are accountable for their environmental impact to the communities in which they operate; the proposal garnered 10.8 percent support at **Exxon**, but fell short of the resubmission threshold at **ConocoPhillips**. A second-year proposal from New York City and others asking **Chevron** to assess host country laws and regulations with respect to their adequacy to protect human health, the environment and **Chevron's** reputation achieved 8.3 percent support.

Recycling—A proposal from As You Sow Foundation asking **PepsiCo** to step up its beverage container recovery and recycling in the United States earned about 7 percent support, according to preliminary results.

Nuclear plant safety—The lone resolution to come to a vote on nuclear plant safety—at **Ameren**—failed to win enough support to be resubmitted a fourth year.

Bioengineering—The number of proposals that came to votes on bioengineering has dropped substantially from recent years. The two that came to votes—at **PepsiCo**, concerning its use of ingredients from genetically engineered crops, and at **Dow Chemical**, concerning its genetic engineering work on plants—each received support of about 8 percent. The latter, in its third year, did not get enough support for resubmission.

Action at the SEC on climate change: The SEC staff unexpectedly allowed two companies—Arch Coal and OneOK—to omit New York City’s standard climate change proposal asking for a report “on how the company is responding to rising regulatory, competitive and public pressures to significantly reduce carbon dioxide emissions from the company’s emissions.” The SEC staff that were writing no-action letters in 2004 had helped the city pension funds to come up

with that wording as a way of avoiding omissions after the staff in 2003 had sanctioned exclusion of a city climate change proposal that asked specifically for a report on “risks” associated with greenhouse emissions. But this year, the staff working on 14a-8 issues, struggling to apply the June 2005 SEC bulletin allowing omission of resolutions judged as entailing business risk assessment, bought the companies’ arguments that the resolution was fundamentally asking it to perform an assessment of the risks they face, even if it didn’t mention the word risk.

The staff also followed the same reasoning in allowing omission of Calvert Group’s 2008 resolution asking OGE Energy to describe how it is “assessing the impact of climate change on the corporation, and the corporation’s plans to disclose this assessment to shareholders...” At the time of the omission, the resolution had already been withdrawn after agreements at five other companies.

While those proposals ran into the risk assessment buzzsaw, another climate change resolution, filed by religious investors, social investment funds and the California State Teach-

Ten Years Ago in the Reporter

Now that first-year resolutions to Exxon, Ford and General Motors raising global warming concerns have cleared the resubmission threshold, climate change is likely to be on the agenda again in the 1999 proxy season. Moreover, while most U.S. producers still oppose government efforts to control emissions of carbon dioxide and other greenhouse gases, two of Europe’s largest petroleum companies have staked out new positions at odds with the industry’s other major players. Environmentalists and shareholder activists hope to draw attention to this emerging split to pressure U.S. companies to modify their policy positions.

—from “Oil Companies Split on Global Warming,” June/July 1998

ers’ Retirement System at a number of companies, made it past the SEC staff. That resolution asked the companies to adopt quantitative goals for reducing greenhouse emissions. Three of the targets—Chevron, OGE Energy and OneOK—all tried without success to argue that that proposal, too, constituted risk assessment. That same proposal, though, led to omission of the Connecticut Retirement Funds’ new resolution asking Ford and General Motors to report on the steps they are taking to meet new fuel economy standards; the companies argued successfully that the two types of proposals overlapped, and Connecticut’s resolution lost out because it had been filed second.

A different type of proposal with a greenhouse twist was omitted under section i-3 of the shareholder proposal rule, as being “vague and indefinite.” That resolution asked Bank of America to “amend its greenhouse gas emissions policies to observe a moratorium on all financing, investment and further involvement in activities that support MTR [mountaintop removal] coal mining or the construction of new coal-burning power plants that emit carbon di-

oxide.”

But surviving SEC challenge in 2008 was a proposal from the Nathan Cummings Foundation asking homebuilders to report on the “feasibility of 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 that was omitted on risk assessment/ordinary business grounds; for 2008 the proponent modified and

eliminated reference in the supporting statement to the “potential for competitive, reputation and regulatory risk.” KB Home tried to argue that the substitute resolution still boiled down to a request for an internal risk assessment, but the SEC staff did not agree, and the company then worked out a withdrawal agreement.

Five companies were successful in avoiding resolutions on climate change in the expanded campaign from the conservative group Action Fund Management. While the SEC staff did not agree that the request for a report on the companies’ effects on climate change constituted ordinary business questions, it did agree that the five had already reported sufficiently on the issue to make the question moot. The five were Caterpillar, Dow Chemical, Johnson & Johnson, PG&E and Wal-Mart. The decisions came in spite of the fact that the companies’ reporting reflected a pro-active stance on combatting climate change, whereas Action Fund Management had mounted its campaign out of its belief that “global warming regulation is expected to harm the economy.”

Other environmental omissions: Most of the environmental

management proposals survived challenges on substantive grounds, but one long-running resolution was dismissed as moot. DuPont persuaded the SEC staff that it had now provided so much information on its involvement with the controversial substance PFOA (perfluorooctanoic acid) that Amalgamated Bank's proposal was no longer relevant.

Coca-Cola chose to challenge a second-year resolution asking for chemical data on the testing of its beverage products, which it had printed in its 2007 proxy without demur. Once it was challenged, the SEC staff agreed that the testing question raised an ordinary business issue.

Climate change withdrawals: Calvert Asset Management got agreements that enabled it to withdraw five of seven resolutions asking companies to issue reports assessing the impact of climate change on their operations. The withdrawals came at Big Lots, Harley-Davidson, Kirby, Lowe's and Ryder System. The Unitarians withdrew a similar resolution at Legg Mason and the Connecticut Retirement Funds got an agreement on a resolution with a similar thrust at Dillard's.

A variety of proponents sponsored the resolutions asking companies to set quantitative goals to reduce greenhouse emissions—a shareholder approach developed by the Sisters of St. Dominic, a leader in the climate change debate, last year. This time several companies agreed to the request, and resolutions were withdrawn at El Paso, Ford Motor and Williams.

A second climate change proposal was also withdrawn at El Paso—New York City's request for a report on the company's response to pressure to reduce emissions. (This was the same resolution that the SEC staff decided was excludable this year as risk assessment at the companies

that challenged it, as discussed above.) Boston Common Asset Management got an agreement from OGE Energy for a report on emissions and Calstrs got a pledge from Dynegy for a similar report.

In addition to the withdrawal of the resolution at KB Home (discussed above under SEC actions), one other resolution in the campaign to get homebuilders to report on their greenhouse emissions was withdrawn—a proposal from Walden Asset Management at Parkway Properties.

Energy efficiency turned out to be a good area for withdrawals this year. The Connecticut Retirement System withdrew its proposal asking Southern to assess actions it's taking to prepare for emerging regulations that promote efficiency. The withdrawal came when the company agreed to report to shareholders on energy efficiency and rate structure. New York City and the United Methodist Church withdrew their proposals asking Allegheny Energy and Dominion Resources to report on actions to design incentives that will provide financial returns for each company to reduce greenhouse emissions by improving energy efficiency. Trillium Asset Management also reached agreement on its energy efficiency proposal at Alliant, the Lutherans reached agreement at Rite Aid and the Presbyterians at First Energy.

Other environmental withdrawals: After placing it on the ballot for the last two years, proponents were able to withdraw a resolution asking Coca-Cola to report on the potential damage from its ventures that extract water from areas of scarcity in India. The withdrawal took place with the understanding that there will be continuing discussions about compliance with the recommendations of a new report on the issue from an India-based nonprofit

organization. NorthStar also withdrew a resolution on U.S. water use after an undisclosed agreement with Connecticut Water Services.

Two resolutions on forestry protection were withdrawn when MeadWestvaco and Home Depot agreed to report on phasing out the use of fiber that is not certified by the Forest Stewardship Council.

Christian Brothers Investment Services withdrew a resolution asking Lowe's to develop a policy for store siting after the company promised to expand its Social Responsibility Report to include information on the issue and to bring the proponents into discussions with its real estate team.

As You Sow withdrew a resolution on computer recycling at Best Buy when the company agreed to pursue a pilot project to take back computers at its stores.

Equal Employment

Echoing a trend of recent years, all but one of the resolutions in the equal employment category asked companies to put in place workplace policies ensuring that there is no discrimination on grounds of sexual orientation. The majority of those were filed by New York City and asked companies to follow the guidance of a 10-point code known as the Equality principles on fair treatment regardless of sexual orientation or gender identity; the others simply asked that companies expand their nondiscrimination statements.

Thirty-four proposals on the issue were filed, of which nearly half were withdrawn—a lower ratio than in recent years now that the easy targets have complied with the request. There was also an unexpected omission of one Equality principles proposal.

Votes: This issue area produced the highest vote so far of the 2008 social issues proxy season. The third-

year proposal asking **Expeditors International** to adopt a sexual orientation anti-bias policy won 52 percent support, according to preliminary results, only the fifth management-opposed social proposal ever to win majority support. It has increased support with resubmission, growing from 34 percent in 2006 and 45 percent last year. In another notable result, the same proposal at **ExxonMobil**, now in its 10th year before the company, won support of 39.6 percent, the highest level of support it has ever received. Proposals asking for fair employment policies to be expanded to cover both sexual orientation and gender identity received 31 percent support at **Leggett & Platt** and 6 percent at **Wal-Mart**, according to preliminary results. A proposal asking about non-discrimination on gender identity at **Verizon**, which already pledges not to discriminate on sexual orientation, won 17 percent support.

Support for proposals asking companies to implement the Equality principles have ranged from a high of 21 percent at **HCC Insurance Holdings**, according to preliminary results, to 9 and 10 percent at **Murphy Oil** and **Eastman Chemical**. (The preliminary result at HCC may understate the level of support; the same proposal won majority support of 52 percent last year once the final results excluding abstentions were tabulated.) Vote results are not available yet for this proposal at **American Financial Group**, **Anadarko** or **Timken**.

In contrast, a proposal from an individual shareholder asking **Wells Fargo NOT** to mention sexual orientation in its non-discrimination policy got support of 6 percent.

Finally, a proposal at **Home Depot** asking it to report on its programs and policies for advancement of women and members of racial minorities received support of 25 per-

cent. This proposal, variations of which have appeared before Home Depot shareholders six times since 1999, reached its highwater mark—36 percent support—in 2006.

Withdrawals: Equality principles proposals were withdrawn at **AK Steel**, **Borg-Warner**, **Brinks**, **Erie Indemnity**, **Family Dollar**, **Fidelity National**, **Frontier Oil**, **Kelly Services**, **Liberty Global**, **Marshall & Illsley**, **SPX**, **Synovus** and **Tesoro**. Resolutions asking companies to expand their nondiscrimination statements were withdrawn at **Pentair**, **Seacor** and **Superior Energy**.

Action at the SEC: The Equality principles suggest various steps a company might implement to counter discrimination against gay employees. Among those are avoiding the use of negative stereotypes in corporate advertising and outlawing corporate policies barring corporate charitable contributions based on sexual orientation. When **Apache Oil** received an Equality principles resolution from New York City this year, it went to the SEC staff to argue that some of the provisions of the Equality principles crossed the line into day-to-day ordinary business. The SEC staff, in making no-action decisions on shareholder proposals, has long held that if part of a request was found to deal with ordinary business questions, the entire resolution could be excluded, although companies have not made that argument frequently. **Apache** listed a long run of no-action letters that allowed companies to omit other types of shareholder resolutions dealing with advertising and charitable contributions, and the SEC staff allowed the omission.

New York City and **Apache** then engaged in counter suits over whether the company should be compelled to print the resolution despite the SEC guidance, with **Apache** the ultimate victor. In its

case, New York City argued that the SEC staff in 2007, when asked by **Armor Holdings** for permission to omit the same resolution, had denied the company no-action protection. **Apache**, though, countered that **Armor's** no-action request “simply did not make all the arguments that **Apache** made to the SEC,” so **Armor** therefore had failed to meet the burden of proof required to elicit a no-action letter favorable to its cause, and the judge agreed.

While the case threatens the future use of the Equality principles as a shareholder lever, it appears to leave New York City free to return to the campaign it waged before 2006, which simply asked companies to amend their nondiscrimination statements to bar discrimination against homosexual employees.

Executive Pay

The number of resolutions asking companies to link executive pay to achievement of social criteria has shrunk to next to nothing. Only three were proposed, of which one (at **Take-Two Interactive**) was omitted on technical grounds. The two that came to votes got 10.9 percent support at **ExxonMobil** and 8.8 percent support at **Bemis**. Only six proposals on this issue had been submitted in 2007, but there were 11 in 2006 and 19 the year before.

Global Labor Issues

Only 13 resolutions were submitted on global labor standards, down from 21 in 2007 and 28 the year before. The proportion of withdrawal agreements fell, too, with only three negotiated. There were no SEC decisions on what is now a well-tested subject.

Votes: Nine proposals on global labor issues came to votes through June 30, most of which asked companies to develop codes based on the International Labor Organization's

core standards and to provide for independent monitoring of compliance with those codes. (The eight ILO standards that are designed as “core” call for non-discriminatory treatment of employees, equal pay for equal work and freedom of association, upholding employees’ rights to engage in collective bargaining, and banning child and forced labor.) The highest vote came at **Urban Outfitters**, where the Amalgamated Bank LongView Fund asked it to adopt and implement a workplace code of conduct based on core ILO conventions. The proposal won 29.4 percent support, up from 18.9 percent last year. Similar proposals won support 16 percent at **Cummins** and 12 percent at **Reynolds American**, but less than 10 percent at Kimberly-Clark. A New York City proposal asking Hershey to report on steps it is taking to prevent the use of child labor in its supply chain won unusually low support of 1.2 percent; however, a single shareholder—the Hershey Trust Co.—holds 80 percent of the voting power in the company. RiskMetrics is still awaiting vote results for labor standard proposals at Cooper Industries, Mattel and Xerox. Finally, a repeat proposal from the DuPont Workers’ union asking DuPont to create a plant closing committee achieved only 3.9 percent support.

Withdrawals: The Capuchins revised a long-running resolution on human rights at Boeing to ask the company to adopt ILO standards and to engage third-party monitors for compliance in trouble spots. The withdrawal came after the company printed the proxy statement with the proposal and after it posted a new “Company Code of Basic Working Conditions and Human Rights” on its website. The proponents appeared to have some hesitation about the withdrawal, noting that there remained a “sticky issue” of “more thorough outside monitoring.”

Also withdrawn was a resolution to Nucor from Domini Social Investments asking it to review its global operations and supply chain to ensure the protection of fundamental human rights. The shareholders’ concern arose specifically from past reports of forced labor in Brazilian logging camps that burn trees to create a sought-after type of charcoal used to stoke fires when crafting pig iron. Domini withdrew after meetings with the company resulted in Nucor agreeing to consider signing a Brazilian agreement banning the use of forced labor.

Also withdrawn after an agreement was a resolution from the General Board of Pensions of the United Methodist Church asking Tellabs to adopt, monitor and report on the implementation of the ILO standards.

Healthcare Issues

A large coalition of religious investors and labor activists this year found a way past the previous logjam at the SEC that blocked shareholder campaigns on universal health care, and proponents also were able to work out agreements that led to withdrawal of nearly half of the 27 proposals they submitted. Over the years, the SEC staff had frustrated activists trying to address health care by considering these to be fundamentally related to employee benefits, which have always been considered an “ordinary business” issue for management, outside the purview of shareholders.

Three types of resolutions with different supporting statements all asked companies to adopt an approach to comprehensive health care reform based on the five principles articulated by a 2004 report from the Institute of Medicine, an arm of the National Academy of Sciences. The principles assert that health care coverage should be universal, continuous and affordable to individuals and

families.

Votes: Of the eight proposals that came to votes through June 30 where vote results are available, none earned more than single-digit support. The top vote-getter was at **Xcel Energy** (9.5 percent), while the proposals earned between 3 and 5 percent at **Altria**, **Ford Motor**, **General Motors**, **Loews** and **United Technologies**, but under 3 percent at Reynolds American and UST.

Withdrawals: The withdrawals were registered at Bristol-Myers Squibb, Eli Lilly, ExxonMobil, General Electric, IBM, Johnson & Johnson, McDonald’s, Medco Health, Merck, Target, Waste Management and WellPoint, after the companies agreed to issue releases or post statements in support of the principles on their websites. As discussed below, the SEC staff had issued an opinion indicating that the resolution directed at the health care companies, which alluded to lobbying in the supporting statement, could be omitted if challenged, so the proponents had particular impetus to work out withdrawals with that batch of targets. The resolutions to other types of companies passed muster, however, and some of the companies’ statements in support of universal coverage in return for withdrawal agreements were quite strong.

Action at the SEC: The SEC staff agreed that the resolutions directed at companies related to the health care industry were excludable. Lobbying has always been considered an ordinary business issue, and that batch of resolutions, all of which came from religious groups, alluded to the costs health care companies incur in lobbying to maintain the status quo. In one of the aspects of the SEC decisions that made 2008 confusing, however, in the no-action letter allowing health care companies to omit their proposal, the SEC staff identified the reason for the omission as “employee

benefits,” the reason it had always allowed health insurance proposals to be omitted in the past. The proposal was omitted at CVS and Wyeth as ordinary business; all the other health care targets agreed to issue statements in support of the concept behind the proposal. (A resolution to United Health was also omitted, but because the company essentially did what it asked and then argued successfully at the SEC that it was moot.)

The other resolutions, which did not mention lobbying, appeared to deal as much with employee benefits as the ones to health care companies, but the SEC staff did not allow their exclusion. The staff did not comment specifically on its reasons for allowing the proposals, but *The New York Times*, in a roundup of action on the health proposals at the end of the proxy season, reported: “Over the years, the commission said, it had reversed its position on certain issues to reflect ‘changing societal views,’ and that now appears to be the case with respect to health care.”

In addition to its stance on the universal health care proposals, the SEC staff for a third year allowed the omission of a proposal from the Minnesota retirement funds asking drug companies for a report on policy that disallows reimportation of drugs from Canada. After allowing this resolution in 2005, the SEC the next year decided that it fell under its new policy allowing exclusion of resolutions that involve examination of liabilities the company faces as a result of operations that may adversely affect the environment or public health. But the Minnesota pension fund, under pressure from the state legislature on the drug import issue, has continued to propose the resolution without changing it and then watch it lose every year.

Human Rights

The number of resolutions in the human rights category continues to climb. It reached 32, up from 24 in 2007 and 18 the year before, pushed up by a new campaign relating to investment banks’ holdings in companies that do business in Sudan. Eight human rights proposals were withdrawn, including three of the Sudan-related resolutions. The only omissions involved technical glitches in filing.

Votes: The 20 resolutions that came to votes on human rights through June 30 fell into two broad categories, as shown in Table 3: those asking companies to establish or review policies, and several—filed by John Harrington or Harrington Investments—asking companies to establish a committee of the board on human rights.

The highest vote-getter in the first category came at **Halliburton**, where a second-year proposal from religious investors asking it to assess its current human rights policies and consider areas for improvement received 30.2 percent support, up from 24 percent last year. Similar, generally-worded requests achieved double-digit support at **Chevron** (27.9 percent), **Motorola** (12.9 percent) and **United Technologies** (28.2 percent). A second proposal at **Chevron**, asking that it consider developing guidelines for reducing operations in countries where the governments are considered illegitimate or engage in systematic violations of human rights, received less support—about 9 percent. A second year proposal asking **ConocoPhillips** to adopt a policy regarding treatment of indigenous peoples affected by its operations received support of 9 percent.

Requests from religious investors for review of corporate human rights policies at **Abbott** and **DuPont** took a new twist. At **Abbott**, the resolution asked that the company amend

its human rights policy to consider access to medicine, and at **DuPont**, that it “include respect for and adherence to seed saving rights of traditional agricultural communities.” Each earned support of about 4 percent.

Another three proposals asking for review of human rights policies came at four companies that have had portfolio investments, either on their own behalf or on behalf of their clients, in oil companies operating in the Sudan. The companies—**Citigroup**, **JPMorgan Chase**, and **Wells Fargo**—were asked to review their human rights policies “with a view toward adding appropriate policies and procedures to apply when a company in which we are invested, or its subsidiaries or affiliates, is identified as contributing to human rights violations through their businesses or operations in a country with a clear pattern of mass atrocities or genocide.” Support ranged from 7 to just under 10 percent, according to preliminary and final results.

RiskMetrics is still awaiting a vote result for the New York City proposal asking Google to take various steps against abetting censorship and repression in countries such as China.

The Harrington proposals asking companies to establish committees of the board charged with human rights earned single-digit support, of under 3 percent at **Hershey** and **Wal-Mart**, and from 3 to 6.5 percent at **Bank of America**, **Halliburton**, **IBM** and **Coca-Cola**. Results are not yet available for Harrington’s proposal at Google.

Withdrawals: The Sudan investment proposals were withdrawn at **T. Rowe Price**, **Merrill Lynch** and **Morgan Stanley**. **T. Rowe Price** agreed to publish a policy statement on how it incorporates corporate social responsibility considerations in security selection; it also reported

that it had eliminated holdings in the most controversial company operating in Sudan—PetroChina—from managed accounts. Merrill Lynch agreed to discuss policy on human rights in its corporate social responsibility website and to forward the Sudan Task Force's list of "Highest Offenders in Sudan" to executives who develop new products.

Describing the withdrawal agreement that Morgan Stanley reached with Trillium after printing the proxy, the Morgan Stanley corporate secretary's office told the Social Issues Service:

—We engaged in positive dialogue with the shareholder proponent.

—Morgan Stanley is committed to being a responsible corporate citizen in all areas of the world where the Firm operates.

—MSIM sent letters to relevant energy companies to convey concern of some of our clients about portfolio companies, or their affiliates, that are strategic investors in Sudan.

—Morgan Stanley has amended the charter of its internal Franchise Committee to indicate that human rights concerns will be considered when reviewing committee matters. [The mandate of the Franchise Committee is to assist in the oversight of franchise, suitability and conflicts risks for activities/transactions under consideration.]

—Morgan Stanley is in the process of preparing a public position statement on these matters.

Church groups withdrew resolutions asking Choice Hotels and Wyndham Hotels to adopt a human rights policy prohibiting sexual exploitation of children in return for what they termed "constructive dialogue." Proponents withdrew a similar resolution at Continental Airlines when the company agreed to adopt a

new policy and to update employee training to provide for the reporting of suspicious activity. This is an issue activists have been pushing for three years and on which they have a 100 percent success rate on withdrawals.

Church groups withdrew a new resolution asking Caterpillar to review and amend its human rights policies in return for the promise of discussions. Neither the company nor the proponents would elaborate further on the agreement; the company's involvement in sales to Israel had been a particular point of concern for the proponents.

Calvert withdrew the shareholder proposal it had submitted to Weyerhaeuser requesting an "Aboriginal Relations Policy Report." Calvert said it

decided to withdraw the resolution after the company agreed to produce and publicize a report that addresses the key elements described in the resolution's resolved clause and supporting statement. The report will be based upon a review of the company's Aboriginal Relations Policy and will consider changes in light of the policy's effectiveness. In particular the report will consider the policy in light of issues raised by the Grassy Narrows First Nation around the company's sourcing of wood from the Whiskey Jack Forest.

Military and Security Issues

Votes on military and security questions were limited to familiar issues defense subjects that church-affiliated shareholders have been broaching for years. As a result of a combination of withdrawals and an unusual reversal at the SEC, there were no votes on rail security in a new campaign by the Teamsters.

Votes: Eight proposals came to votes through June 30 on military issues, of which vote results are in

for five. None so far has earned more than single-digit support. A third-year proposal asking Lockheed Martin to report on the human health and environmental consequences of its work with depleted uranium failed to clear the 10 percent bar required for resubmission in 2009. However, proposals on military contracting and foreign military sales earned enough support this year at **General Dynamics, Northrop Grumman, Textron and United Technologies** for resubmission.

Withdrawals and omissions: The Teamsters Union asked five rail companies to report on efforts to safeguard their operations from terrorist attacks. The resolution replaced a 2007 proposal that had been omitted on ordinary business grounds; the proponents attempted to correct the defect that had led to the omission by removing a request that the companies report on efforts to "minimize material financial risk" arising from attacks. In one of the earliest decisions of the 2008 proxy season, the staff told three of the companies—Burlington Northern, Norfolk Southern and Kansas City Southern—that they could not omit the new proposal as ordinary business. However, subsequently Union Pacific also challenged, arguing that while part of the resolution raised a significant social issue, other actions that the company would report on were simply ordinary business questions, which made the whole resolution excludable. (This was the same argument that led to the exclusion of an Equality principles proposal at Apache Oil, as discussed above in the section on Equal Employment resolutions.)

After studying the Union Pacific letter, the staff agreed with the company, and subsequently on appeal reversed itself at Kansas City Southern. In the meantime, Burlington Northern and Norfolk had agreed to provide the information, so those pro-

posals had been withdrawn. The fifth target, CSX, went to the SEC to argue successfully that its proposal was moot because it already provided sufficient information on the issue on its website.

In addition to the rail security withdrawals, a large group of church-affiliated proponents agreed to withdraw a resolution asking General Electric to develop ethical criteria for accepting military contracts after the company agreed to continue to meet with them on specific points. Ethical criteria resolutions have been proposed for some 30 years and are almost never withdrawn.

Northern Ireland

The New York City pension funds coordinated the filing of six resolutions for the spring proxy season in their long-running campaign to get companies to implement the MacBride principles against religious discrimination in the workplace in Northern Ireland.

Votes: Support ranged from about 11 percent at **Crane** and **TJX** to 13.2 percent at **Manpower**. A repeat proposal at Yum Brands fell short of the 10 percent level of support it needs for resubmission for another year. No results are available yet at Domino's Pizza.

Withdrawal: One more company, Borland Software, became a MacBride endorser in 2008.

Political Contributions

The coordinated campaign developed by the Center for Political Accountability to get companies to report on their political contributions, policies and decision-makers entered its fifth year. In 2008 it involved 48 proposals, down from the high of nearly 60 the year before. The percentage of successful withdrawal agreements shrunk a bit as well. In addition to that visible campaign, Evelyn Y. Davis continued to propose scattered

resolutions on political issues, as she has for more than 30 years.

Votes: As shown in Table 3, the proposals that follow the template developed by the Center for Political Accountability have, on average, won significantly more support than the proposals Davis has filed, and this year was no exception. So far, average support for the first group of proposals is hovering at 25 percent, an uptick from last year, while the four Davis proposals where vote results are known have not topped 8 percent.

Investors involved in the first group want companies to exercise more oversight of political spending by making public their donations to 527 groups, their donations at the state level, and their fees to trade associations that are used for political purposes. The top vote-getter in this category so far this year is one filed by Brethen Benefit Trust at **CVS Caremark**, which won 38.5 percent support.

Similar resolutions won support of 30 percent or more at **AT&T**, **Cornell Companies**, **GEO Group**, **Halliburton** and **Union Pacific**, and support of 20 to 29 percent at **Charles Schwab**, **ConocoPhillips**, **Corrections Corp. of America**, **Entergy**, **ExxonMobil**, **JP Morgan Chase** and **Wachovia**. Other proposals getting double-digit support were at Ford Motor (10 percent, according to preliminary results,) General Motors (16 percent) and at Walmart (11 percent, based on preliminary results).

Of the two proposals so far to get just single-digit support, the AFL-CIO proposal at **Eli Lilly** still earned enough for resubmission, but Newground Social Investment's proposal at Plum Creek Timber, which was up for a third year, did not. (Support for this proposal dropped dramatically from 56 percent in 2005 and 26 percent in 2007, perhaps because the company recently adopted a re-

vised policy on political contributions that requires the CEO to report to the board on an annual basis on the company's political activities.)

Withdrawals: Proponents worked out agreements to withdraw resolutions in the Center for Political Accountability campaign at American Express, Avon Products, Bristol-Myers Squibb, Capital One Financial, Citigroup, Devon Energy, Duke Energy, eBay, Johnson & Johnson, Praxair, Prudential, Texas Instruments, United Parcel, United Technologies, UnitedHealth and Xerox. They also quickly withdrew a resolution at Boston Scientific after learning they no longer held the stock.

Omissions: A resolution at Comcast was omitted because proposals on political contributions—one from Evelyn Davis and one from the Center for Political Accountability campaign—had come to votes in 2006 and 2007 and the last had failed to achieve 6 percent support. Four other CPA resolutions were omitted because of technical problems with the filings.

Product Safety

At the beginning of the proxy season, it looked as if the big new issue for shareholders would be consumer product safety. The New York City pension funds launched a new campaign responding to a flood of 2007 reports of toxic and hazardous products imported into the United States from China. At the same time, the Investor Environmental Health Network, in its third year of proposing resolutions on toxics, coordinated the filing of several other resolutions that fell into the product safety category. As it turned out, though, the majority of the resolutions in the category were withdrawn or omitted and there were only a handful of votes.

Votes: But the four vote results were impressive, earning an average

of 27.2 percent support, the highest of any social category this season, as shown in Table 3. The highest vote—38.3 percent, according to preliminary results—came at **Kroger**, where Catholic Healthcare West asked it to report on emerging product safety issues, particularly regarding products it stocks that contain bisphenol-A, polyvinyl chloride and PFOA (perfluorooctanoic acid). New safety concerns have emerged about these widely used chemicals in recent years. Not far behind, Domini's request that **Becton Dickinson** report on its use of brominated flame retardants garnered support of 36.1 percent. Calvert's first-year proposal asking **Avon Products** on its use of nanomaterials achieved 25.4 percent support. Trillium's third-year proposal at Dow Chemical asking about asthma triggers in its pesticides—with 9.1 percent support—failed to clear the 10 percent threshold although it still gained support over the past two years.

Omissions and withdrawals: New York City submitted its new proposal to Best Buy, Home Depot, JC Penney, Mattel, Pier One, Target and Wal-Mart. The resolution asked for a report on product safety by December 2008 including “attempts by the company to secure its supply chain of goods marketed, which, if any product lines and categories sold ... may be affected by the new product safety concern..., and the options for new initiatives or actions management is taking to respond to this public policy challenge.”

The SEC staff told Mattel that it could not omit the proposal. Once it got the no-action letter, Mattel met with the proponents (the New York City and Connecticut retirement funds) and agreed to provide the requested report, so that proposal was then withdrawn.

But while the SEC would not allow Mattel, as a manufacturer, to

omit the product safety proposal, it did allow retailers Home Depot and Wal-Mart to exclude the same resolution on ordinary business grounds, as dealing with the sale of particular products. Best Buy, J.C. Penney, Pier One and Target chose to negotiate withdrawals, rather than applying to the SEC for no-action letters.

Also omitted in the product safety category was a resolution from As You Sow to Wal-Mart asking for a report on nonmaterial product safety. As with most of the New York City proposals, the SEC staff agreed that the resolution was an ordinary business question because it dealt with a retailer's sale of particular products.

In other withdrawal activity in this area, proponents reached agreements with J.C. Penney and Circuit City for reports on toxic chemicals and electronics supply chains. The companies agreed to release reports that would discuss their approach towards identifying and substituting PVC-containing products and packaging. One of the new proposals on nanomaterials was withdrawn, at Colgate-Palmolive, when the company agreed to say in its next sustainability report that it does not use nanomaterials in its products or packaging.

Sustainability

Investors showed strong support for requests to their portfolio companies to provide broad-based sustainability reports. Moreover, only a fifth of this year's crop of comprehensive reporting proposals (five out of 26) came to votes after proponents successfully negotiated withdrawals for all the others. This is a high-water mark for withdrawals on the subject over the last five years, and an unusually high proportion for any shareholder campaign. The resolutions came from the major actors in the proponent community—social investment

funds, the New York City pension funds and religious groups.

In addition to the 26 general reporting proposals, a handful of additional proposals on sustainability involved other takes on the issue, but they garnered more tepid support. John Harrington or Harrington Investments had a resolution at three companies that asked for a binding by-law amendment that would establish a board-level sustainability committee. On the other side of the debate, two proposals from Action Fund Management opposed sustainability efforts while calling for reports.

Votes: Proposals asking companies to issue sustainability reports generally gained strong double-digit support, as shown by the results at **Dentsply** (35.6 percent), **Dover** (39.5 percent), **Southwest Airlines** (26.0 percent, according to preliminary results), **US Airways** (22.0 percent, according to preliminary results) and **Yum Brands** (38.3 percent). The one outlier was the second-year proposal from Action Fund Management at Goldman Sachs, which won just 4.6 percent support. Vote results are not yet available for the Action Fund Management proposal at Lehman Brothers.

The Harrington proposals earned single-digit support ranging from just under 5 percent at **Intel** and **Kimberly-Clark** to 7.8 percent at **Apple**.

Withdrawals: Proponents worked out withdrawal agreements at Allegheny Technologies, AMR, Capital One Financial, Cigna, Comcast, Continental Airlines, Dillard's, Felcor Lodging Trust, Hasbro, JetBlue Airways, Kellogg, Lowe's, Norfolk Southern, Pentair, Raytheon, Regions Financial, Safeway (two proposals, one from New York City and one from church groups), Sigma-Aldrich, Tyco International, UAL and Waters. (For a

Florida To Evaluate Fund Managers on Climate Risk

Florida Chief Financial Officer Alex Sink is launching a process to ensure that climate change risks are formally analyzed in investments by the Florida Department of Financial Services. This semi-annual review process will be the first in the nation to assess how public fund managers incorporate climate risk in portfolio holdings as part of prudent investment management.

Sink made the decision as part of her involvement in the Investor Network on Climate Risk, a national network of investors focused on the business impacts of climate change, which she joined as state treasurer in April 2007.

Partnering with RiskMetrics

To execute this process, the Florida Department of Financial Services is partnering with RiskMetrics to analyze the corporate bond holdings of 20 external fund managers and one internal fund manager. RiskMetrics will calculate climate risk scores for each parent company held by the Florida treasury; scores will be applied on a portfolio-weighted basis to individual fund managers. Managers with higher aggregate scores will have selected companies that have done more than

their peers to manage climate risks and maximize new business opportunities through proven governance strategies.

The assessment process is being guided by a "Climate Change Governance Framework" endorsed by Sink and the Investor Network on Climate Risk (INCR). This framework connects corporate governance and climate change through examination of board oversight activities, management execution, public disclosure, emissions accounting and strategic planning, with an emphasis on targeted greenhouse gas emission reductions and pursuit of new climate-oriented business opportunities. The framework has been developed through analytical reports that the Ceres investor coalition and INCR have commissioned from RiskMetrics since 2003 and forms the basis for RiskMetrics' scoring methodology for the State of Florida.

Sink endorsed the fund manager engagement process at the Investor Summit on Climate Risk at the United Nations on Feb. 14, 2008, attended by more than 450 financial advisers and corporate leaders from around the world. In addition to Florida's Sink, state treasurers and pension fund leaders with more than \$1.5 trillion in assets under management from

California, New York, North Carolina, Maryland, Pennsylvania, Illinois and a half-dozen other states signed on to a "Climate Change Action Plan" that will boost fund investments in energy efficiency and clean energy technologies as well as require tougher scrutiny of carbon-intensive investments that may pose long-term financial risks.

Setting a Benchmark

The scoring of Florida's fund managers on portfolio-related climate risk establishes a benchmark that will be tracked over time. While financial returns will remain the primary consideration in evaluating fund manager performance, climate risk is being added as an integral component of prudent portfolio management. As part of this semi-annual review process, fund managers for the Florida Department of Financial Services will be asked about their methods and capabilities to analyze climate risk through their due diligence and investment management processes, with an expectation that they will be able to demonstrate improvement in their scores over time. Fund manager reviews will take place in January and July each year.

—Doug Cogan

detailed look at these withdrawal agreements, see the May issue of the *Corporate Social Issues Reporter*.)

Tobacco

Tobacco has continued to diminish as an issue for shareholder activists as

anti-smoking activists have racked up successes on the legislative front. Only five resolutions came to votes and the results were meager. There were no omissions or withdrawals. The new campaign on universal health coverage, discussed above, also

contained a resolution directed at tobacco companies, but once again support was low.

—Carolyn Mathiasen
and Meg Voorhes

Anti-Genocide Group Questions Recent Fidelity Statement

Fidelity Investments doesn't plan further shareholder meetings to collect additional votes for its mutual funds carrying a genocide-free investing resolution after some failed to reach quorum on the matter in repeated balloting. The investment firm says it is considering using its power as a shareholder to engage controversial portfolio companies that are operating in Sudan. However, Investors Against Genocide, the group that filed the anti-genocide proposal at several Fidelity mutual funds, is skeptical that Fidelity will follow through.

Activist shareholders have for more than a year sought a commitment from Fidelity and several other large, broadly invested mutual funds to avoid investments that contribute to genocide. Attention has focused primarily on holdings in PetroChina Co., the publicly traded arm of a state-owned Chinese oil firm that has operations in Sudan, where an estimated 200,000 people have been killed and 2.5 million uprooted in a conflict between non-Arab rebel groups and the Khartoum government and Arab militias.

Fidelity Statement

On June 18, voting at seven Fidelity funds was suspended—at the fourth such shareholder meeting in as many months—without results being announced because they didn't have enough votes to achieve the required quorum of each fund's shareholders.

Fidelity, in a corporate website posting a few days before the meeting, referred to possible active opposition as a shareholder to company policies it doesn't condone, such as genocide. Saying it is "repulsed by genocide and all other crimes against humanity," Fidelity said in its website statement: "We have concluded that when it is

appropriate to remain actively invested in a company, we will do so, thus retaining the ability to oppose company practices that we do not condone." The fund management company also said, "This, in the long term, may have the greatest chance of ending those practices" by remaining a shareholder in a company that's controversial. But the statement promised no specific engagement steps or details.

Fidelity officials repeated this message at the June 18 holders meeting, bringing the posting to the attention of many for the first time.

Fidelity spokesman Anne Crowley told RiskMetrics that the web posting giving reasons for "active retention" of controversial holdings was "consistent with what we've been saying in many different forms" such as letters to shareholders, comments to the press and at the three other shareholder meetings held in recent months. "There's no change in policy," she said of Fidelity.

Crowley also confirmed that Fidelity doesn't intend to hold more meetings to record shareholder votes for the seven mutual funds, partly due to costs to the funds posed by further proxy solicitation. "We believe there was an opportunity for holders to vote by now," as proxy ballots for the funds in question went out more than two months ago and all were re-voted at least once. She said Fidelity's analysis of the voting so far indicated that "going out and spending assets [to hire outside solicitation firms] to achieve a quorum wouldn't make the proposal pass. There were a few reasons why we thought it wouldn't make sense to incur" such expense, which ultimately would be billed back to the mutual funds themselves, she said.

The 14 Fidelity funds with the genocide-free investing proposal that reached quorum garnered at most 31

percent affirmative votes out of all votes cast for each fund, falling short of the majority required to pass the non-binding resolution. It's Fidelity's practice to count abstentions and broker non-votes as votes against proposals on its proxies.

The seven Fidelity funds whose votes were suspended June 18 due to lack of quorum were:

- the huge-asset Contrafund, with roughly \$78 billion under management as of May 31;
- Blue Chip Growth (\$14.6 billion);
- Capital Appreciation (\$8.1 billion);
- Diversified International (\$54.4 billion);
- Dividend Growth (about \$11 billion);
- Growth & Income Portfolio (\$15.1 billion); and
- Low-Priced Stock (\$32.7 billion).

Each had undergone at least two rounds of voting since the Fidelity shareholder meetings began in March.

Two funds did achieve quorum at the June meeting in Boston, however. Fidelity reported that 28 percent of its Magellan Fund holders and 27 percent of its Growth Company Fund shareholders had voted in favor of the genocide-free investing proposal. These affirmative margins were in line with earlier ones received on the same proposal at the 12 other funds that achieved quorum. The Magellan Fund had \$41.2 billion in assets under management as of May 31; the Growth Company Fund managed \$37.5 billion at that time.

Proponents' Reaction

Investors Against Genocide said in a statement after the voting suspension: "This decision means that millions of Fidelity shareholders will not have their opinion on this proposal recorded through the shareholder voting process." The group sought interim results from the latest round of voting at

the suspended funds but Fidelity's Crowley said, "We don't disclose voting results if a fund hasn't reached a quorum."

The holders' statement continued: "If its intentions are sincere, Fidelity, acting as a large concerned investor, should promptly and publicly arrange for a high level meeting with the president of PetroChina" asking that the Chinese company and its parent, CNPC, engage with "the genocidal government of Sudan." It also called on Fidelity to divest its remaining PetroChina holdings if the company is unresponsive after three months to a call for discussion about Darfur. "Any lesser actions will demonstrate that Fidelity's stated reasons for retaining these investments are disingenuous," the statement said.

Eric Cohen, chair of Investors

Against Genocide, told RiskMetrics that his group insists that public disclosure, firm deadlines and meaningful consequences must characterize any potential Fidelity engagement with PetroChina or other companies whose policies the fund manager opposes.

Since March, thousands of institutional and individual holders' proxy votes on this first-time social responsibility proposal made to Fidelity have been counted at monthly meetings held for a revolving list of 21 mutual funds. Shareholders have attended the meetings in Boston and testified pointedly about their concerns over Fidelity's stake in PetroChina and the holding's implications for genocide in Sudan. Putting such a proposal before a company that manages more than 175 multibillion-dollar mutual funds is new in the United States. It's unusual

for shareholder resolutions on social issues to win more than 10 percent support in their first year at companies; the genocide-free investing proposal has in some cases garnered nearly a third of total votes cast for each fund.

Investors Against Genocide was created in 2006 to launch petitions and ultimately place the genocide-free investing proposal on as many members' Fidelity mutual fund proxy ballots as possible. In May, the group asked the Fidelity funds' trustees to adopt a neutral stance on the proposal, rather than opposing it, but Fidelity hasn't changed its stance on the proposal. Many institutional holders routinely follow Fidelity's recommendations when voting the proxy ballots for their large blocks of shares in the asset manager's various mutual funds.

—Jane Meacham

U.S. Lifts Most Sanctions On North Korea

In a significant policy shift, President George Bush in late June announced that the United States soon would drop North Korea from the State Department's State Sponsors of Terrorism list. The president also issued a proclamation that, as of June 27, effectively removed North Korea from the main provisions of the Trading With the Enemy Act.

For investors who have shunned companies with ties to North Korea because of the country's years-long presence on the terrorism sponsor list, the Bush administration's unexpected easing could lead to changes in their portfolio criteria.

Rationale for Policy Reversal

The reversal of U.S. policy followed North Korea's submission of details about its nuclear program to six-party talks partner China in June. North

Korea had pledged a year ago that it would disable its nuclear facilities; the lifting of U.S. sanctions was seen as a reward for North Korea's publicly destroying its Yongbyon nuclear facility recently along with disclosing the accounting of its nuclear activities. These moves were swiftly interpreted by the White House as signs of commitment to cooperation by North Korea. President Bush characterized the moves as being in the spirit of the six-party talks, which advocate action-for-action reciprocity.

At a late June press conference, Bush said that he would notify Congress of his "intent to rescind North Korea's designation as a state sponsor of terror in 45 days. The next 45 days will be an important period for North Korea to show its seriousness of its cooperation." Although the president's statement also included reservations, and condemned North Korea on hu-

man rights abuses, uranium enrichment activities, nuclear testing and proliferation, overall it marked a major shift in policy. While abolishing many restrictions, the president's executive order leaves in place certain sanction provisions, which the U.S. Treasury's Office of Foreign Assets Control will continue to enforce.

Stephen Hadley, the president's National Security Advisor, described this change as resulting from the administration's decision to reward small steps toward nuclear disarmament by North Korea. It differed notably from the White House's previous insistence on an "all-or-nothing" stance in its dealings with the sanctioned country. Observers said the agreement signals a move by North Korea toward more openness to the outside world at the same time it gives evidence of America's new readiness to reward a country it once labeled part of the

Chinese Migrant Workers Look for Fair Play from Olympics

With the Summer Olympics set to start next month, a number of interested parties are looking for a payoff. The Chinese government, for one, looks to showing off Beijing's new skyscrapers, avenues, roads and stadiums, while corporate sponsors of the games expect a marketing bonanza. And thousands of construction workers, many of whom came to Beijing in order to send financial help to their families in rural China, are hoping just to get paid.

The woes of the migrant laborers who have helped build China's Olympic infrastructure have their roots in China's registration system, or *hukou*, designed for government welfare and resource distribution, migration control and criminal surveillance. In Beijing about one third of the total population are migrant

workers, and the proportion of migrant workers in construction reached as high as 80 percent. The *hukou* system excludes migrant workers in Beijing from public social welfare benefits including medical care.

The Labor Law of the People's Republic of China and the new Labor Contract Law of the People's Republic of China, which went into effect on Jan. 1, 2008, requires both migrant and non-migrant workers to receive monthly payment in full and medical and accident insurance. Nevertheless, employers commonly force migrant workers to wait until the end of the year to receive their payments, which may be much less than the amount originally stipulated at the beginning of the contract. In some cases they do not get paid at all. The law allows workers to look for redress including

mediation, arbitration and lawsuits. But because migrant workers do not have a legal residency status in the big cities or, in many cases, a written contract to pursue their claim, these avenues are closed to them.

The Olympics have already contributed to China's GDP growth by creating more than 1.8 million new jobs. The Chinese government has spent around \$38 billion to remake Beijing, with more than \$1 billion in sponsorship from the International Olympic Committee (IOC) and its partners, including General Electric, Coca-Cola, McDonald's, Visa, Samsung, Volkswagen, Adidas, Johnson & Johnson, Kodak, Lenovo, Omega, Panasonic and Manulife.

—Elizabeth Gozzer

world's "Axis of Evil" for nuclear disarmament.

North Korea was added to the U.S. State Sponsors of Terrorism list on Jan. 20, 1988, where it has resided for years with four other controversial regimes: Syria, Cuba, Sudan and Iran. As a result, few multinational public firms have launched large-scale business investments or operations in the country, with the few that have done so being avoided by those institutional investors under a mandate to screen their holdings for connections to terrorism or U.S. sanctions.

A New Look at Some Firms

Bush's removal of most sanctions against North Korea means that international companies with acknowledged ties to North Korea, or those that enter after the lightening of U.S. sanctions may become more attractive to some insitutional investors. Non-U.S. companies once avoided for fund

investment simply because they have done business with a member of the state sponsors of terrorism list, in this case North Korea, might gain another look. Some examples include Heineken of the Netherlands, Korean Electric Power Co. (KEPCO), and the British energy company Soco International, all of which currently have operational ties to North Korea. But some of these companies might still fail investor screens because they also maintain business ties in other states subject to U.S. sanctions, such as Iran and Burma.

The June executive order, according to press reports, releases Americans from having to seek licensing agreements in order to import goods from North Korea. But it has no effect on restrictions on weapons proliferation, illicit financing activities and money laundering. U.S. sanctions that block ownership interests by citizens of, or persons or groups affiliated

with the United States in property owned by the North Korean government or a North Korean national stay in place. Also unchanged are those that ban registration of U.S. shipping vessels in North Korea.

For U.S. state or university pension funds and other institutional investors operating under more restrictive portfolio guidelines on North Korea, the partial lifting of sanctions, many in place since 1950, and an end to the country's designation as a terrorism sponsor are not likely to foster much change in holdings. The United Nations' Security Council sanctions against North Korea, put in place in 2006 after a nuclear test by the country, stay in effect, and more broadly, news reports have predicted that the Bush administration's actions won't have real impact on North Korea's financial and diplomatic isolation from most other countries.

—Lejla Hadzic

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.

All vote results shown in the last column are computed as the percentage of shares voted "for" out of the shares voted "for" and "against."

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Abbott Laboratories	Review/amend human rights policy##	CBIS	4.3
Activision Blizzard, Inc.	Commit to/report on board diversity	GBPUMC	September
Adobe Systems Inc.	Report on political donations and policy	Walden	withdrawn
AK Steel Holding Corp.	Implement Equality principles	NYC funds	withdrawn
Alcoa Inc.	Issue global warming report	Action Fund Mgt.	awaiting tally
Allegheny Energy, Inc.	Report on energy efficiency plans	NYC funds	withdrawn
Allegheny Technologies Incorporated	Issue sustainability report	NYC funds	withdrawn
Allergan, Inc.	Review feasibility of non-animal test methods	Calvert	awaiting tally
Alliant Energy Corp.	Report on energy efficiency plans	Trillium	withdrawn
Alliant Techsystems Inc.	Adopt principles for health care reform	Srs. St. Jos. Carondelet	8/5/2008
Altria Group, Inc.	Adopt principles for health care reform	Trinity Health	4.9
Altria Group, Inc.	Develop non-addictive cigarette for youth	Adrian Dominican Srs.	3.7
Altria Group, Inc.	Follow MSA terms globally	Srs. Charity/St. Eliz.	3.9
Altria Group, Inc.	Fund better youth anti-smoking programs	Capuchins	5.1
Ameren Corporation	Report on nuclear power plant	School Srs./Notre Dame	9.9
American Express Co.	Report on political donations and policy	Domini	withdrawn
American Financial Group, Inc.	Implement Equality principles	NYC funds	awaiting tally
American International Group, Inc.	Report on political donations and policy	Boston CAM	awaiting tally
American International Group, Inc.	Report on water use##	Northstar	awaiting tally
Amgen, Inc.	Report on violations of Animal Welfare Act	PETA	5.9
AMR Corp.	Issue sustainability report	GBPUMC	withdrawn
Anadarko Petroleum Corp.	Implement Equality principles	NYC funds	awaiting tally
Anheuser-Busch Companies, Inc.	Review/report on charitable giving/policy	Natl. Legal and Policy Ctr.	7.1
Apache Corp.	Implement Equality principles#	NYC funds	omitted
Apple, Inc.	Establish board committee on sustainability	Harrington, J.	7.8
Apple, Inc.	Increase efforts to diversify board	Calvert	withdrawn
Arch Coal, Inc.	Report on/reduce greenhouse gas emissions	NYC funds	omitted
AT&T Inc	Ensure customer privacy#	As You Sow Fdn.	omitted
AT&T Inc	Report on political donations and policy	Domini	31.9
Avon Products, Inc.	Report on political donations and policy	Mercy Investment	withdrawn
Avon Products, Inc.	Review nanomaterials and product safety	Calvert	25.4
Bank of America Corp.	Cease financing coal operations#	Trillium	omitted
Bank of America Corp.	Establish board committee on human rights##	Harrington Investments	6.1
Bank of America Corp.	Miscellaneous banking proposal#	Oblates Mary Immac.	omitted
Bank of America Corp.	Report on financial services to illegal aliens#	Natl. Legal and Policy Ctr.	not in proxy
Bank of America Corp.	Review decisions under Equator Principles##	Action Fund Mgt.	awaiting tally

Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
BE Aerospace, Inc.	Implement MacBride principles	NYC funds	7/31/2008
Becton, Dickinson and Company	Review/reduce toxicity of product formulation	Domini	36.1
Best Buy Co., Inc.	Report on product responsibility/recycling	Domini	omitted
Best Buy Co., Inc.	Report on product responsibility/recycling#	As You Sow Fdn.	withdrawn
Best Buy Co., Inc.	Review/ensure product safety	NYC funds	withdrawn
Big Lots, Inc.	Report on climate change challenges to business	Calvert	withdrawn
Borg-Warner, Inc.	Implement Equality principles	NYC funds	withdrawn
Borland Software corp.	Implement MacBride principles	NYC funds	withdrawn
Boston Scientific Corp.	Report on political donations and policy	Green Century	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##	Teamsters	withdrawn
Cagles, Inc.	Review animal slaughter methods	PETA	awaiting tally
Capital One Financial Corp.	Issue sustainability report	NYC funds	withdrawn
Capital One Financial Corp.	Report on political donations and policy	Teamsters	withdrawn
Cash America International, Inc.	Take steps to prevent predatory lending##	CBIS	7.8
Caterpillar Inc.	Issue global warming report#	Action Fund Mgt.	omitted
Caterpillar Inc.	Report on foreign military sales##	Jewish Voice for Peace	awaiting tally
Caterpillar Inc.	Review/amend human rights policy	Dominican Srs/Springfield	withdrawn
Centex Corp.	Reduce GHG emissions from production & products##	Nathan Cummings Fdn.	26.1
Chevron Corporation	Adopt comprehensive human rights policy##	Society of Jesus/WI	27.9
Chevron Corporation	Develop/report on country selection standards##	Steel Workers	8.9
Chevron Corporation	Report on environmental review process overseas##	NYC funds	8.3
Chevron Corporation	Review animal welfare standards#	PCRM	omitted
Chevron Corporation	Review impact of oil sands operations	Green Century	28.6
Chevron Corporation	Set GHG emissions reduction goals##	Srs. St. Dominic/Caldwell	10.4
Chipotle Mexican Grill Inc	Review suppliers' animal slaughter methods##	PETA	withdrawn
Choice Hotels International, Inc.	Take steps to protect children	Mercy Investment	withdrawn
CIGNA Corp.	Issue sustainability report	NYC funds	withdrawn
Circuit City Stores, Inc.	Review/reduce toxicity of product formulation	Srs. St. Francis/Phila.	withdrawn
Citigroup Inc.	Cease financing coal operations	Boston CAM	3.9
Citigroup Inc.	Disclose prior government service	Davis, E.	7.6
Citigroup Inc.	Report on political donations and policy	Teamsters	withdrawn
Citigroup Inc.	Review decisions under Equator Principles##	Action Fund Mgt.	4.9
Citigroup Inc.	Review/report on human rights policy##	Amnesty Intl.	9.6
Colgate-Palmolive Co.	Review nanomaterials and product safety	Calvert	withdrawn
Comcast Corp.	Adopt principles for health care reform	Srs. St. Francis/Phila.	awaiting tally
Comcast Corp.	Issue sustainability report	GBPUMC	withdrawn
Comcast Corp.	Report on political donations and policy#	Amalgamated Bank Fund	omitted
Commercial Metals Co.	Adopt sexual orientation anti-bias policy	Walden	not presented
Computer Sciences Corporation	Report on political donations and policy	NYC funds	July
Connecticut Water Service, Inc.	Report on water use	Northstar	withdrawn
ConocoPhillips	Adopt/report policy on indigenous peoples	Brethren Benefit Trust	9
ConocoPhillips	Issue global warming report	Action Fund Mgt.	3.7
ConocoPhillips	Report on community hazards	Episcopal Church	8.6
ConocoPhillips	Report on political donations and policy	Nathan Cummings Fdn.	28.2
ConocoPhillips	Report on ties to state sponsors of terror#	not known	omitted
ConocoPhillips	Review impact of oil sands operations	Trillium	27.5
ConocoPhillips	Review Natl. Petroleum Reserve-Alaska	Green Century	26.6
ConocoPhillips	Set GHG emissions reduction goals	ICCR	29.4
Consol Energy, Inc.	Report on/reduce greenhouse gas emissions	NYC funds	39.6

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Continental Airlines, Inc.	Affirm political nonpartisanship	Davis, E.	6.3
Continental Airlines, Inc.	Issue sustainability report	Calvert	withdrawn
Continental Airlines, Inc.	Take steps to protect children	Episcopal Church	withdrawn
Cornell Companies, Inc.	Report on political donations and policy	Mercy Investment	33.9
Corrections Corporation of America	Report on political donations and policy	Mercy Investment	26.7
Costco Wholesale Corporation	Review/reduce toxicity of product formulation	Nathan Cummings Fdn.	withdrawn
Covance Inc.	Review animal welfare standards#	PETA	omitted
Crane Co.	Implement MacBride principles	NYC funds	11.4
CSX Corp.	Report on security safeguards#	Teamsters	omitted
Cummins , Inc.	Adopt, monitor and report on ILO standards	Domini	16.4
CVS Caremark Corp	Adopt principles for health care reform	Adrian Dominican Srs.	omitted
CVS Caremark Corp	Report on political donations and policy	Brethren Benefit Trust	38.5
Denny's Corporation	Review animal welfare standards	PETA	withdrawn
Dentsply International, Inc.	Issue sustainability report	Walden	35.6
Devon Energy Corp.	Report on political donations and policy	NYC funds	withdrawn
Dillard's, Inc.	Issue sustainability report	CBIS	withdrawn
Dillard's, Inc.	Report on climate change challenges to business	Conn. Retirement Plans	withdrawn
DineEquity, Inc.	Consider adopting cage-free egg policy	Humane Society	withdrawn
DISH Network Corp.	Implement Equality principles	NYC funds	awaiting tally
Dominion Resources, Inc.	Report on energy efficiency plans#	NYC funds	withdrawn
Dominos Pizza Inc.	Implement MacBride principles	NYC funds	awaiting tally
Dominos Pizza Inc.	Report on progress toward humane slaughter method	PETA	awaiting tally
Dover Corporation	Issue sustainability report	Walden	39.5
Dover Corporation	Report on climate change challenges to business	Calvert	34
DTE Energy Co.	Report on political donations and policy	NYC funds	awaiting tally
Duke Energy Corp.	Issue global warming report	Action Fund Mgt.	not in proxy
Duke Energy Corp.	Report on political donations and policy	NYC funds	withdrawn
Dynegey, Inc.	Report on/reduce greenhouse gas emissions	Calstrs	withdrawn
E.I. Du Pont De Nemours & Co.	Commit to phaseout of PFOA	Amalgamated Bank Fund	omitted
E.I. Du Pont De Nemours & Co.	Create plant closings committee	Du Pont Workers	3.9
E.I. Du Pont De Nemours & Co.	Issue global warming report###	Action Fund Mgt.	3.3
E.I. Du Pont De Nemours & Co.	Review/amend human rights policy	Srs. Charity/St. Eliz.	3.5
Eastman Chemical Co.	Implement Equality principles	NYC funds	10.1
eBay Inc.	Adopt policy to prohibit animal sales#	PETA	omitted
eBay Inc.	Adopt policy/report on political donations	Calvert	withdrawn
El Paso Corp	Report on/reduce greenhouse gas emissions	NYC funds	withdrawn
El Paso Corp	Set GHG emissions reduction goals	ICCR	withdrawn
Eli Lilly and Co.	Adopt principles for health care reform	Cath. Healthcare West	withdrawn
Eli Lilly and Co.	Report on policy on drug reimportation#	MN State Bd. of Invest	omitted
Eli Lilly and Co.	Report on political donations and policy	AFL-CIO	7.1
Eli Lilly and Co.	Review overseas animal testing	PETA	3.7
Entergy Corp.	Report on political donations and policy	NYC funds	28.2
Erie Indemnity Co.	Implement Equality principles	NYC funds	withdrawn
Exelon Corp.	Issue global warming report	Action Fund Mgt.	awaiting tally
Expeditors International of Washington	Adopt sexual orientation anti-bias policy	Trillium	52
Exxon Mobil Corp.	Adopt principles for health care reform##	ICCR	withdrawn
Exxon Mobil Corp.	Adopt sexual orientation anti-bias policy	NYC funds	39.6
Exxon Mobil Corp.	Contribute to sustainable energy independence##	Capuchins	9.4
Exxon Mobil Corp.	Declare royalty payments to host governments#	Sambell, Ken	omitted
Exxon Mobil Corp.	Develop renewable energy alternatives##	Viederman, Steve	27.5
Exxon Mobil Corp.	Disclose GHG emissions from company products	Lalanne, Mario	7

Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Exxon Mobil Corp.	Link executive pay to social criteria	Northstar	10.9
Exxon Mobil Corp.	Report on climate change leadership benefits##	Goodwin, Neva	10.4
Exxon Mobil Corp.	Report on community hazards	Episcopal Church	10.8
Exxon Mobil Corp.	Report on plans to drill in Arctic Natl. Refuge	Green Century	8.4
Exxon Mobil Corp.	Report on political donations and policy	As You Sow Fdn.	27.6
Exxon Mobil Corp.	Review executive perks and sponsorships	Burk, Martha	9.7
Exxon Mobil Corp.	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	30.9
Family Dollar Stores, Inc.	Implement Equality principles	NYC funds	withdrawn
Family Dollar Stores, Inc.	SP-Review/reduce toxicity of product formulation	NYC funds	omitted
Felcor Lodging Trust Incorporated	Issue sustainability report	CBIS	withdrawn
Fidelity National Financial, Inc.	Implement Equality principles	NYC funds	withdrawn
FirstEnergy Corp	Report on energy efficiency plans	ICCR	withdrawn
Ford Motor Company	Adopt principles for health care reform	Camilla Madden Trust	4.6
Ford Motor Company	Disclose charitable contributions##	Strobhar, T.	withdrawn
Ford Motor Company	Improve/report on fuel economy#		omitted
Ford Motor Company	Issue global warming report#	Action Fund Mgt.	3.1
Ford Motor Company	Report on political donations and policy	Trillium	10.1
Ford Motor Company	Report on/reduce greenhouse gas emissions#	Conn. Retirement Plans	omitted
Ford Motor Company	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	withdrawn
Foundation Coal Hldgs Inc	Report on/reduce greenhouse gas emissions	UUA	awaiting tally
FPL Group, Inc.	Issue global warming report	Action Fund Mgt.	awaiting tally
Frontier Oil Corp.	Implement Equality principles	NYC funds	withdrawn
General Dynamics Corp.	Develop military contracting criteria	Srs. of Mercy	4.2
General Electric Co.	Adopt principles for health care reform	School Srs./St. Francis	withdrawn
General Electric Co.	Develop military contracting criteria	Srs. Charity/BVM	withdrawn
General Electric Co.	Issue global warming report###	Action Fund Mgt.	3.6
General Electric Co.	Review/report on charitable giving/policy#	Natl. Legal and Policy Ctr.	7.2
General Motors Corp.	Adopt principles for health care reform##	American Baptist Church	4
General Motors Corp.	Disclose political contributions in newspapers	Davis, E.	6.1
General Motors Corp.	Improve/report on fuel economy#		omitted
General Motors Corp.	Report on political donations and policy	Cath. Healthcare West	16
General Motors Corp.	Report on/reduce greenhouse gas emissions#	Conn. Retirement Plans	omitted
General Motors Corp.	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	15
Google Inc	Establish board committee on human rights	Harrington Investments	awaiting tally
Google Inc	Take steps against abetting repression/censorship	NYC funds	awaiting tally
Halliburton Co.	Establish board committee on human rights	Harrington Investments	6.5
Halliburton Co.	Report on political donations and policy	NYC funds	32.1
Halliburton Co.	Review/report on human rights policy	Srs. Charity/BVM	30.2
Harley-Davidson, Inc.	Report on climate change challenges to business	Calvert	withdrawn
Hasbro, Inc.	Issue sustainability report	Camilla Madden Trust	withdrawn
HCC Insurance Holdings, Inc.	Implement Equality principles	NYC funds	20.8
Home Depot, Inc.	Affirm political nonpartisanship	Davis, E.	5.7
Home Depot, Inc.	Report on EEO	Trillium	25.3
Home Depot, Inc.	Report on forest protection policy	Domini	withdrawn
Home Depot, Inc.	Review animal welfare standards	PETA	omitted
Home Depot, Inc.	Review/ensure product safety	NYC funds	omitted
Huntsman Corp	Implement Equality principles	NYC funds	May
IDACORP, Inc.	Adopt sexual orientation anti-bias policy	Pride Foundation	withdrawn
Intel Corp.	Establish board committee on sustainability	Harrington Investments	4.8
International Business Machines Corp.	Adopt principles for health care reform	AFL-CIO	withdrawn
International Business Machines Corp.	Establish board committee on human rights	Harrington, J.	5.9

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
International Paper Co.	Consider phasing out non-FSC products	Domini	6
ITT Corp.	Report on foreign military sales##	Presbyterian Church	awaiting tally
J. C. Penney Co., Inc (HLDG CO)	Review/ensure product safety	NYC funds	withdrawn
J. C. Penney Co., Inc (HLDG CO)	Review/reduce toxicity of product formulation	Domini	withdrawn
JetBlue Airways Corp	Issue sustainability report	Calvert	withdrawn
Johnson & Johnson	Adopt principles for health care reform	Srs. Charity/St. Eliz.	withdrawn
Johnson & Johnson	Issue global warming report#	Action Fund Mgt.	omitted
Johnson & Johnson	Report on political donations and policy	AFL-CIO	withdrawn
JPMorgan Chase & Co.	Disclose charitable contributions#	Strobhar, T.	withdrawn
JPMorgan Chase & Co.	Disclose prior government service	Davis, E.	4.6
JPMorgan Chase & Co.	Report on political donations and policy	AFL-CIO	28.5
JPMorgan Chase & Co.	Review public policy priorities	Action Fund Mgt.	3.1
JPMorgan Chase & Co.	Review/report on human rights policy	Trillium	9.5
Kansas City Southern	Report on security safeguards	Teamsters	omitted
KB Home	Report on/reduce greenhouse gas emissions##	Nathan Cummings Fdn.	withdrawn
KB Home	Report on/reduce greenhouse gas emissions##	Nathan Cummings Fdn.	withdrawn
Kellogg Co.	Issue sustainability report	GBPUMC	withdrawn
Kelly Services, Inc.	Implement Equality principles	NYC funds	withdrawn
Kimberly-Clark Corp.	Establish board committee on sustainability	Harrington Investments	4.9
Kimberly-Clark Corp.	Implement ILO standards and third-party monitoring	NYC funds	9.6
Kirby Corp.	Report on climate change challenges to business	Calvert	withdrawn
L-3 Communications Holdings, Inc.	Commit to/report on board diversity	Episcopal Church	withdrawn
Leggett & Platt, Inc.	Adopt sexual orientation anti-bias policy	Walden	31
Lehman Brothers Holdings Inc.	Disclose political contributions in newspapers	Davis, E.	awaiting tally
Lehman Brothers Holdings Inc.	Issue sustainability report##	Action Fund Mgt.	awaiting tally
Liberty Global Inc.	Implement Equality principles	NYC funds	withdrawn
Lockheed Martin Corp.	Report on depleted uranium	Srs. of Mercy	9.7
Loews Corp.	Adopt principles for health care reform	Trinity Health	3
Loews Corp.	Inform blacks of menthol & 'light' cigarette risks	Sinsinawa Dominicans	2.4
Lowe's Companies, Inc.	Issue sustainability report	Domini	withdrawn
Lowe's Companies, Inc.	Report on climate change challenges to business	Calvert	withdrawn
Lowe's Companies, Inc.	Report on land development policy#	CBIS	withdrawn
Lowe's Companies, Inc.	Review animal welfare standards	Trillium	omitted
Lowe's Companies, Inc.	Review classification of employees and contractors#	Trowel Trades	omitted
Manpower Inc.	Implement MacBride principles	NYC funds	13.2
Marsh & McLennan Companies, Inc.	Report on political donations and policy	AFL-CIO	awaiting tally
Marshall & Ilsley Corp.	Implement Equality principles	NYC funds	withdrawn
Massey Energy Company	Report on political donations and policy	AFL-CIO	awaiting tally
Massey Energy Company	Report on/reduce greenhouse gas emissions	NYC funds	awaiting tally
Mattel, Inc.	Report on implementation of global principles##	Hessler-Grisel, M.	awaiting tally
Mattel, Inc.	Review/ensure product safety##	NYC funds	withdrawn
McDonald's Corp.	Adopt principles for health care reform#	Trinity Health	withdrawn
McDonald's Corp.	Review animal welfare standards#	PETA	omitted
MeadWestvaco Corp.	Consider phasing out non-FSC products##	Capuchins	withdrawn
Medco Health Solutions, Inc.	Adopt principles for health care reform	Cath. Healthcare West	withdrawn
Merck & Co., Inc.	Adopt principles for health care reform	Cath. Healthcare West	withdrawn
Merck & Co., Inc.	Report on policy on drug reimportation	MN State Bd. of Invest	omitted
Merrill Lynch & Co., Inc.	Review/report on human rights policy	Trillium	withdrawn
Monsanto Co.	SP-Misc. social issue proposal	Harrington, J.	2
Morgan Stanley	Review/report on human rights policy	Trillium	7
Motorola, Inc.	Review/amend human rights policy	GBPUMC	12.9

Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Mueller Industries, Inc.	Commit to/report on board diversity	Episcopal Church	47.5
Murphy Oil Corp.	Implement Equality principles	NYC funds	8.9
Norfolk Southern Corp.	Issue sustainability report	NYC funds	withdrawn
Norfolk Southern Corp.	Report on security safeguards	Teamsters	withdrawn
Northrop Grumman Corp.	Report on foreign military sales	Passionists	6.6
Nucor Corp.	Implement ILO standards##	Domini	withdrawn
Occidental Petroleum Corp.	Report on climate change science	Olson, C.	4.3
OGE Energy Corp.	Report on climate change challenges to business#	Calvert	omitted
OGE Energy Corp.	Report on greenhouse gas emissions##	Boston CAM	withdrawn
ONEOK, Inc.	Report on/reduce greenhouse gas emissions#	NYC funds	omitted
ONEOK, Inc.	Set GHG emissions reduction goals##	Calstrs	33
Parkway Properties, Inc.	Report on/reduce greenhouse gas emissions	Walden	withdrawn
Pentair, Inc.	Adopt sexual orientation anti-bias policy	Trillium	withdrawn
Pentair, Inc.	Issue sustainability report	Calvert	withdrawn
PepsiCo, Inc.	Increase container recycling/recycled content	As You Sow Fdn.	6.9
PepsiCo, Inc.	Issue global warming report##	Action Fund Mgt.	2.7
PepsiCo, Inc.	Report on gene-engineered food	Adrian Dominican Srs.	8.4
PepsiCo, Inc.	Report on water use##	Northstar	7.2
PETsMART	Review animal welfare standards	PETA	omitted
Pfizer Inc.	Oppose embryo/fetal destruction	Human Life Internatl.	omitted
Pfizer Inc.	Report on policy on drug reimportation	MN State Bd. of Invest	omitted
Pfizer Inc.	Review animal welfare standards#	PETA	omitted
Pfizer Inc.	Review overseas animal testing#	PETA	omitted
PG&E Corp.	Issue global warming report#	Action Fund Mgt.	omitted
Pier 1 Imports, Inc	Review/ensure product safety	NYC funds	withdrawn
Plum Creek Timber Company, Inc.	Report on political donations and policy	Newground	9.2
Praxair, Inc.	Report on political donations and policy	Walden	withdrawn
Prudential Financial Inc	Report on political donations and policy	Sheet Metal Workers	withdrawn
Pulte Homes Inc.	Report on/reduce greenhouse gas emissions##	Nathan Cummings Fdn.	22
R. R. Donnelley & Sons Co.	Consider phasing out non-FSC products	Domini	6.7
Raytheon Co.	Issue sustainability report#	NYC funds	withdrawn
RC2 CORP	Review/ensure product safety	ELCA	omitted
Regions Financial Corp.	Issue sustainability report	NYC funds	withdrawn
Reynolds American Inc	Adopt principles for health care reform	Trinity Health	0.8
Reynolds American Inc	Develop non-addictive cigarette for youth	Sinsinawa Dominicans	0.3
Reynolds American Inc	Implement ILO standards	Capuchins	11.9
Rite Aid Corp.	Report on energy efficiency plans	ELCA	withdrawn
Ryder System, Inc.	Report on climate change challenges to business	Calvert	withdrawn
Safeway Inc.	Consider adopting cage-free egg policy	PETA	withdrawn
Safeway Inc.	Issue sustainability report	Adrian Dominican Srs.	withdrawn
Safeway Inc.	Issue sustainability report#	NYC funds	withdrawn
Safeway Inc.	Review suppliers' animal slaughter methods	PETA	withdrawn
Seacor Holdings, Inc	Adopt sexual orientation anti-bias policy	Calvert	withdrawn
Sigma-Aldrich Corp.	Issue sustainability report	Walden	withdrawn
Smithfield Foods, Inc.	Review animal slaughter methods#	PETA	withdrawn
Southern Company	Report on energy efficiency plans	Conn. Retirement Plans	withdrawn
Southern Company	Set GHG emissions reduction goals	Srs. St. Dominic/Caldwell	12.3
Southwest Airlines Co.	Issue sustainability report	Calvert	26
SPX Corp.	Implement Equality principles	NYC funds	withdrawn
Standard Pacific Corp.	Report on/reduce greenhouse gas emissions##	Nathan Cummings Fdn.	28
Sunoco, Inc.	Establish board committee on sustainability#	Harrington Investments	omitted

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
Superior Energy Services, Inc.	Adopt sexual orientation anti-bias policy	Calvert	withdrawn
SUPERVALU Inc.	Review animal slaughter methods	PETA	awaiting tally
Synovus Financial Corp.	Implement Equality principles	NYC funds	withdrawn
T. Rowe Price Group, Inc.	Review/report on human rights policy	Walden	withdrawn
Take-Two Interactive Software, Inc.	Increase efforts to diversify board	GBPUMC	withdrawn
Take-Two Interactive Software, Inc.	Link executive pay to social criteria	Srs. St. Joseph Nazareth	omitted
Target Corporation	Adopt principles for health care reform	Adrian Dominican Srs.	withdrawn
Target Corporation	Review/ensure product safety	NYC funds	withdrawn
Tellabs, Inc.	Adopt, monitor and report on ILO standards	GBPUMC	withdrawn
Tesoro Corp.	Implement Equality principles	NYC funds	withdrawn
Texas Instruments, Inc.	Report on political donations and policy	Walden	withdrawn
Textron Inc.	Report on foreign military sales	Srs. Charity/BVM	7.3
The AES Corp.	Report on environmental liabilities#	not known	omitted
The Boeing Co.	Adopt principles for health care reform##	AFL-CIO	awaiting tally
The Boeing Co.	Implement ILO standards and third-party monitoring	Capuchins	withdrawn
The Boeing Co.	Report on foreign military sales	Srs. of Mercy	awaiting tally
The Boeing Co.	Report on political donations and policy#	Newground	omitted
The Brinks Company	Implement Equality principles	NYC funds	withdrawn
The Charles Schwab Corp.	Report on political donations and policy	NYC funds	28
The Chubb Corp.	Report on political donations and policy	Domini	omitted
The Coca-Cola Company	Disclose bio/chemical test results for beverages	Northstar	omitted
The Coca-Cola Company	Establish board committee on human rights##		3.7
The Coca-Cola Company	Report on water use	ELCA	withdrawn
The Dow Chemical Company	Issue global warming report#	Action Fund Mgt.	omitted
The Dow Chemical Company	Report on gene-engineered plants	Adrian Dominican Srs.	7.8
The Dow Chemical Company	Report on toxics phaseout plan	Srs. of Mercy	22.8
The Dow Chemical Company	Review/reduce asthma triggers in pesticides	Trillium	9.1
The GEO Group, Inc.	Report on political donations and policy	Mercy Investment	36.6
The Goldman Sachs Group, Inc.	Issue sustainability report	Action Fund Mgt.	4.6
The Hartford Financial Services Group	Issue sustainability report	NYC funds	withdrawn
The Hershey Co	Establish board committee on human rights	Harrington, J.	0.8
The Hershey Co	Report on steps against child labor	NYC funds	1.2
The Kroger Co.	Consider adopting cage-free egg policy	Humane Society	awaiting tally
The Kroger Co.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	39.7
The Kroger Co.	Review animal slaughter methods	PETA	awaiting tally
The Kroger Co.	Review/reduce toxicity of product formulation	Cath. Healthcare West	38.3
The McGraw-Hill Companies, Inc.	Increase recycled content of product	As You Sow Fdn.	omitted
The McGraw-Hill Companies, Inc.	Report on political donations and policy	Northstar	omitted
The Procter & Gamble Company	Establish board committee on sustainability#	Harrington, J.	10/14/2008
The Procter & Gamble Company	Report on ties to state sponsors of terror#	Action Fund Mgt.	10/14/2008
The Ryland Group, Inc.	Report on/reduce greenhouse gas emissions	Nathan Cummings Fdn.	25.4
The TJX Companies, Inc.	Implement MacBride principles	NYC funds	10.8
The Williams Companies, Inc.	Set GHG emissions reduction goals	NYC funds	withdrawn
Timken Co. (The)	Implement Equality principles	NYC funds	awaiting tally
UAL Corporation	Issue sustainability report	Calvert	withdrawn
UAL Corporation	Review/report on charitable giving/policy	Natl. Legal and Policy Ctr.	awaiting tally
Union Pacific Corp.	Report on political donations and policy	NYC funds	35.4
Union Pacific Corp.	Report on security safeguards	Teamsters	omitted
Unisys Corp.	Report on political donations and policy	Calvert	not in proxy
United Parcel Service, Inc.	Report on political donations and policy	Walden	withdrawn
United Technologies Corp.	Adopt principles for health care reform##	AFL-CIO	4.5

Checklist

Company	Resolution	Lead Filer/Coordinator	Mtg Date/Status
United Technologies Corp.	Report on foreign offset agreements	Srs. Charity/St. Eliz.	4.9
United Technologies Corp.	Report on political donations and policy	NYC funds	withdrawn
United Technologies Corp.	Review/amend human rights policy	Episcopal Church	28.2
UnitedHealth Group Incorporated	Adopt principles for health care reform#	Oneida Trust	omitted
UnitedHealth Group Incorporated	Report on political donations and policy	AFL-CIO	withdrawn
Urban Outfitters, Inc.	Implement ILO standards and third-party monitoring	Amalgamated Bank Fund	29.4
US Airways Group, Inc.	Disclose political contributions in newspapers	Davis, E.	awaiting tally
US Airways Group, Inc.	Issue sustainability report	Calvert	22
UST Inc.	Adopt principles for health care reform##	Srs. St. Francis/Assisi	2.9
Valero Energy Corp.	Report on political donations and policy	Nathan Cummings Fdn.	awaiting tally
Verizon Communications	Adopt sexual orientation anti-bias policy	UUA	17
Visteon Corporation	Review/report on human rights policy	Benedictine Srs.	omitted
Wachovia Corp.	Report on political donations and policy	AFL-CIO	24.2
Walgreen Co.	Disclose charitable contributions	Meyer, M.V.	8.2
Wal-Mart Stores, Inc.	Adopt sexual orientation anti-bias policy	UUA	6
Wal-Mart Stores, Inc.	Consider adopting cage-free egg policy#	Humane Society	omitted
Wal-Mart Stores, Inc.	Establish board committee on human rights	Harrington Investments	2
Wal-Mart Stores, Inc.	Issue global warming report#	Action Fund Mgt.	omitted
Wal-Mart Stores, Inc.	Report on political donations and policy	NYC funds	11
Wal-Mart Stores, Inc.	Review impact of poor labor practices	F&C	withdrawn
Wal-Mart Stores, Inc.	Review nanomaterials and product safety#	As You Sow Fdn.	omitted
Wal-Mart Stores, Inc.	Review/ensure product safety#	NYC funds	omitted
Wal-Mart Stores, Inc.	Review/report on charitable giving/policy#	Natl. Legal and Policy Ctr.	omitted
Washington Mutual, Inc	Report on political donations and policy#	Newground	omitted
Waste Management, Inc.	Adopt principles for health care reform	Capuchins	withdrawn
Waste Management, Inc.	Report on political donations and policy	Teamsters	awaiting tally
Waters Corporation	Issue sustainability report	Walden	withdrawn
WellPoint Inc	Adopt principles for health care reform	Mercy Investment	withdrawn
Wells Fargo and Company	Drop sexual orientation from EEO policy	not known	6.1
Wells Fargo and Company	Report on fair housing lending policy/record	Northstar	6.4
Wells Fargo and Company	Review/report on human rights policy	Calvert	7.7
Wendy's International, Inc.	Adopt principles for health care reform##	Capuchins	mtg postponed
Wendy's International, Inc.	Label gene-engineered or cloned food	Sinsinawa Dominicans	mtg postponed
Wendy's International, Inc.	Review animal welfare standards##	PETA	mtg postponed
Western Union Co	Develop fair lending/reinvestment policy#	Northstar	omitted
Weyerhaeuser Co.	Amend/report policy on indigenous peoples	Calvert	withdrawn
Wyeth	Adopt principles for health care reform#	Srs. Charity/St. Eliz.	omitted
Wyeth	Report on policy on drug reimportation#	MN State Bd. of Invest	omitted
Wyeth	Report on political donations and policy	Camilla Madden Trust	awaiting tally
Wyeth	Review overseas animal testing#	PETA	omitted
Wyndham Worldwide Corp	Take steps to protect children	Srs. of Mercy	withdrawn
Xcel Energy Inc.	Adopt principles for health care reform#	Srs. St. Jos. Carondelet	9.5
Xerox Corp.	Report on political donations and policy	Calvert	withdrawn
Xerox Corp.	Review/report on vendor standards	Domini	awaiting tally
Yum Brands, Inc.	Implement MacBride principles	NYC funds	9.2
Yum Brands, Inc.	Issue sustainability report	Srs. Charity/BVM	24.8
Yum Brands, Inc.	Review animal welfare standards	PETA	4.5
Zimmer Holdings Inc	Commit to/report on board diversity	Episcopal Church	withdrawn