COLUMBIA UNIVERSITY

ADVISORY COMMITTEE
ON SOCIALLY RESPONSIBLE INVESTING

ANNUAL REPORT 2009-2010

March 8, 2011

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Manager of Socially Responsible Investing:
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ANNUAL REPORT 2009-2010
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1. Introduction
The Advisory Committee on Socially Responsible Investing (ACSRI) serves as the University’s vehicle to advise the Trustees Subcommittee on Shareholder Responsibility (TSSR) on social and ethical issues confronting the University as an investor. Traditionally, the primary focus of the ACSRI’s work has been on evaluating and formulating vote recommendations on social-issue shareholder proposals presented to publicly traded domestic companies held within the University’s investment portfolio. In addition to this work, during the 2009-2010 academic year, the ACSRI also engaged in and completed several other activities, including formulating ACSRI Proxy Voting Guidelines, recommending modifications to the University’s Sudan Divestment List, reviewing a proposal on non-investment in cluster munitions and engaging the student authors, and addressing the 2009 Town Hall proposals brought forth by undergraduate students. The ACSRI spent time learning about the UN Principles for Responsible Investment, the impact of divesting from Sudan, healthcare reform from an economic perspective, and the merits of sustainable investing through presentations by faculty and outside experts. The ACSRI also had the opportunity to hold a question and answer session with the Chief Investment Officer and the Chief Operating Officer of the Columbia Investment Management Company. This Executive Summary provides a synopsis of all of the ACSRI’s activities during 2009-2010. The remainder of the Annual Report provides the full detail and description of the ACSRI’s work during the 2009-2010 academic year.

2. Proxy Voting Guidelines
At the ACSRI’s annual Town Hall in November 2008, students representing the Partnership for Responsible Endowment and Columbia’s chapter of Amnesty International proposed that Columbia adopt proxy voting guidelines on social, environmental, and political issues. The ACSRI reviewed similar proxy voting guidelines in place at other colleges and universities. Committee Chair, Jack McGourty, designed the syllabus for his new undergraduate spring semester course, Existing Science, Technology, and Society, to include the development of proxy voting guidelines for the ACSRI. Students reviewed shareholder resolutions and vote recommendation memos from previous years, and drafted Proxy Voting Guidelines tailored to the recommendations of the Committee. In the fall 2009, the ACSRI reviewed the draft Proxy Voting Guidelines, and in the spring 2010, formally adopted them and posted them on the Committee’s website. The Proxy Voting Guidelines are attached as Appendix 1.

3. Sudan Divestment Monitoring
In accordance with the 2006 Statement of Position and Recommendation for Divestment from Sudan, the ACSRI resumed Sudan divestment monitoring in the fall 2009. The Chair assigned members to an informal subcommittee to review available research regarding the activities of companies doing business in Sudan and evaluate the companies on the 2009 Sudan Divestment and Watch Lists. At its meeting on December 8, 2009, the Committee adopted the recommendations of the subcommittee, which included leaving all 28 companies on the Divestment List and adding one company from the Watch List, and leaving five of the 13 companies on the Watch List and removing eight companies (removing seven completely and moving one to the Divestment List). The companies on the Watch List are to be closely monitored by the Committee over the next year. The ACSRI’s recommendations were approved
by the TSSR, as well as by the full Board of Trustees. The 2009-2010 Sudan Divestment List and Watch List is attached as Appendix 2.

4. Proposal for Non-Investment in Cluster Munitions
At the ACSRI’s annual Town Hall in November 2007, students representing Columbia’s chapter of Amnesty International, the Burma 88 Coalition, and Global Justice proposed that Columbia divest entirely from all corporations that manufacture weapons or provide “private military contractors” to parties engaged in armed conflicts. The ACSRI reviewed the written proposal and requested a revised version, which the Committee received in May 2008. The Committee revisited the proposal during the fall 2008 when it established an informal subcommittee. The ACSRI invited guest speakers to present on arms manufacturers divestment versus engagement at a meeting in December, to which representatives from the student activist groups were invited to participate. The subcommittee met with student representatives during the spring 2009 to discuss the current version of the proposal and suggest further revisions. At the Town Hall in November 2009, student members of Columbia Coalition Against the War presented a revised Proposal for Non-Investment in Cluster Munitions. The ACSRI deemed the proposal an improvement over the previous version, and will consider formally presenting the proposal with a recommendation memo to the TSSR during the 2010-2011 academic year.

5. 2010 Proxy Review
During the 2010 proxy season, the ACSRI and the TSSR reviewed seven social issue shareholder proposals. Due to an internal management issue, RiskMetrics was unable to alert Columbia of pending proposals or release the Company Reports in time for both Committees to meet and deliberate. The Committees should have reviewed between 30-40 proposals. The SRI Manager will perform due diligence on alternative proxy research and voting services for the 2010-2011 academic year.

The ACSRI was able to develop sufficient consensus for a formal recommendation for all seven proposals. As has been the case in previous years, coordination and cooperation between the ACSRI and the TSSR have been excellent: this year there was agreement between the TSSR and the ACSRI on all seven recommendations. The table below compares the overall results of 2010 to the results of prior years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Proposals Reviewed</th>
<th>Recommendations to TSSR</th>
<th>Agreement by TSSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>7</td>
<td>7 (100%)</td>
<td>100%</td>
</tr>
<tr>
<td>2008-09</td>
<td>41</td>
<td>37 (90%)</td>
<td>95%</td>
</tr>
<tr>
<td>2007-08</td>
<td>78</td>
<td>77 (99%)</td>
<td>95%</td>
</tr>
<tr>
<td>2006-07</td>
<td>72</td>
<td>63 (88%)</td>
<td>94%</td>
</tr>
<tr>
<td>2005-06</td>
<td>89</td>
<td>83 (93%)</td>
<td>95%</td>
</tr>
<tr>
<td>2004-05</td>
<td>78</td>
<td>74 (95%)</td>
<td>99%</td>
</tr>
<tr>
<td>2003-04</td>
<td>97</td>
<td>87 (90%)</td>
<td>94%</td>
</tr>
<tr>
<td>2002-03</td>
<td>132</td>
<td>122 (92%)</td>
<td>92%</td>
</tr>
<tr>
<td>2001-02</td>
<td>89</td>
<td>68 (76%)</td>
<td>82%</td>
</tr>
<tr>
<td>2000-01</td>
<td>32</td>
<td>19 (59%)</td>
<td>89%</td>
</tr>
</tbody>
</table>
The table below provides the distribution of shareholder proposals by issue area and ACSRI recommendation during 2010. As the University holds a diversified portfolio of publicly traded securities, the issue area distribution likely reflects that of the universe of all social responsibility proposals filed:

<table>
<thead>
<tr>
<th>Issue</th>
<th>ACSRI Recommendations</th>
<th>TSSR Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Support</td>
<td>Reject</td>
</tr>
<tr>
<td>Animal Welfare</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Banking Issues</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Charitable / Political Contributions</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Environment and Energy</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Equal Employment</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Executive Pay</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Global Labor Standards / Human Rights</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Health and Safety Issues</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Military and Security</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

The table below summarizes all ACSRI recommendation and TSSR voting outcomes during the 2010 proxy season:

<table>
<thead>
<tr>
<th>ACSRI Recommendation</th>
<th>TSSR Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>None / Abstain</td>
<td>None / Abstain</td>
</tr>
<tr>
<td>None / Abstain</td>
<td>0</td>
</tr>
<tr>
<td>Reject</td>
<td>0</td>
</tr>
<tr>
<td>Support</td>
<td>0</td>
</tr>
<tr>
<td><strong>TSSR Total</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

In 2010, the ACSRI recommended supporting the proposal on 4 of 7 recommendations (57%). The corresponding figures for 2009 were 28 of 41 recommendations (68%). Of these 4 supporting recommendations in 2010, the TSSR agreed all 4 times (100%). In 2009, the TSSR supported 26 of the 28 supporting recommendations (93%).

Appendix 4 lists each ACSRI proxy voting recommendation and TSSR vote for 2010. The main body of this report describes the ACSRI’s deliberations with respect to the proposals reviewed. Please refer to Section VII of the report, “Social Responsibility Shareholder Proposals: Deliberations” beginning on page 13, for a full account of the reasoning and deliberations that yielded the following patterns in 2009-2010:

- The ACSRI and TSSR voted with precedent on the charitable / political contributions proposals this year. Both committees supported the proposal requesting that the company affirm its political non-partisanship by avoiding five specific practices and disclosing such information in its quarterly report. Both committees rejected the proposal
requesting greater disclosure of the company’s charitable contributions and policies regulating such contributions. (See deliberations on pages 14-15.)

- The ACSRI and TSSR voted with precedent on the environment and energy proposal this year. Both committees supported the proposal requesting that the company issue a sustainability report describing its ESG performance and goals, including greenhouse gas emissions data and management plans to reduce them. (See deliberations on page 15.)

- The committees reviewed two proposals on equal employment this year and continued to support proposals encouraging increased transparency with regard to equality in employment and requests for corporate statements of non-discrimination based on sexual orientation. (See deliberations on pages 15-16.)

- The ACSRI has a mixed precedent on the issue of executive pay. Both committees rejected a proposal requesting that the company review and report on its executive compensation policies, and that the report include a comparison of the total compensation package of senior executives at the company and the median wage in the U.S. (See deliberations on page 17.)

- The ACSRI and TSSR reviewed a health and safety issues proposal that neither committee had seen before. Both committees rejected a proposal requesting that the company publish a report updating investors on how it is responding to the public policy challenges associated with the chemical Bisphenol-A. (See deliberations on pages 17-18.)

I. Introduction and Background

During the 2000 spring semester, Columbia established two committees to assist the University in addressing its responsibilities as an institutional investor: the Advisory Committee on Socially Responsible Investing (ACSRI) and the Trustees Subcommittee on Shareholder Responsibility (TSSR). The ACSRI’s mission is to advise the University Trustees on ethical and social issues that arise in the management of the investments in the University’s endowment. The ACSRI has a broad mandate to set its own agenda in pursuit of this mission. The legal and fiduciary responsibility for the management of the University’s investments lies with the University Trustees. As a result, ACSRI recommendations are advisory in nature. The TSSR (and in some cases, the full board of Trustees) takes final action with regard to all matters that are the subject of recommendations of the ACSRI.

The work of the ACSRI starts from the premise that universities have a special role to play in giving careful consideration to socially responsible investment (SRI) issues. Many of the specific issues reviewed by the ACSRI are traditional “social” matters that are commonly part of
the social policy agenda of committees of this sort at other universities. All of these issues are complex, and opinions among the members of the ACSRI vary, just as they do within the broader University Community.

The ACSRI’s membership process is designed to help ensure that it is broadly representative of the Columbia Community. The President of the University appoints twelve voting members (four faculty, four students, and four alumni), who are nominated, respectively, by the deans of the schools, the student affairs committee of the University Senate, and the Office of University Development and Alumni Relations. In addition, one administrator (the Executive Vice President for Finance) sits as a non-voting member. Jack McGourty, Senior Associate Dean of Corporate, Government, and Global Engagement, Fu Foundation School of Engineering and Applied Science, chaired the ACSRI during the 2009-2010 academic year.

This Annual Report describes the work of the ACSRI during the 2009-10 year. It details the ACSRI’s activities with respect to its Proxy Voting Guidelines, Sudan divestment monitoring, and the Proposal for Non-Investment in Cluster Munitions brought forth by undergraduate students. As in previous years, the bulk of the Annual Report describes the ACSRI’s deliberations and voting recommendations on the shareholder proposals it considered, as well as the actions taken by the TSSR with respect to those recommendations. The proposals are contained in the proxy statements of publicly traded companies whose shares are owned as part of the University’s endowment investments. These proxy statements are sent to all shareholders in order to allow them to vote their shares at company annual meetings without being physically present. The proposals considered were a subset of those voted during the 2010 “proxy season,” the period between March and June when most publicly traded corporations hold annual meetings. Finally, this Annual Report includes an account of the ACSRI’s preparatory work during the 2009-2010 year, including the setting of its Annual Agenda and hearing presentations from guest experts on social issues.

II. Proxy Voting Guidelines

At the ACSRI’s annual Town Hall in November 2008, students representing the Partnership for Responsible Endowment and Columbia’s chapter of Amnesty International proposed that Columbia adopt proxy voting guidelines on social, environmental, and political issues. The ACSRI reviewed similar proxy voting guidelines in place at other colleges and
universities. Committee Chair, Jack McGourty, designed the syllabus for his new undergraduate spring semester course, *Existing Science, Technology, and Society*, to include the development of proxy voting guidelines for the ACSRI. Students reviewed shareholder resolutions and vote recommendation memos from previous years, and drafted Proxy Voting Guidelines tailored to the recommendations of the Committee. In the fall 2009, the ACSRI reviewed the draft Proxy Voting Guidelines, and in the spring 2010, formally adopted them and posted them on the Committee’s website. The Proxy Voting Guidelines are attached as Appendix 1.

### III. Sudan Divestment Monitoring

In accordance with the 2006 Statement of Position and Recommendation for Divestment from Sudan, the ACSRI resumed Sudan divestment monitoring in the fall 2009. The Chair assigned members to an informal subcommittee to review available research regarding the activities of companies doing business in Sudan and evaluate the companies on the 2009 Sudan Divestment and Watch Lists. At its meeting on December 8, 2009, the Committee adopted the recommendations of the subcommittee, which included leaving all 28 companies on the Divestment List and adding one company from the Watch List, and leaving five of the 13 companies on the Watch List and removing eight companies (removing seven completely and moving one to the Divestment List). The companies on the Watch List are to be closely monitored by the Committee over the next year. The ACSRI formally presented its recommendations to the TSSR. In turn, the TSSR introduced the ACSRI’s recommendations to the Finance Committee of the Board of Trustees for approval. At its March 2010 quarterly meeting, the Finance Committee formally approved the ACSRI’s recommendations. The 2009-2010 Sudan Divestment List and Watch List is attached as Appendix 2.

### IV. Proposal for Non-Investment in Cluster Munitions

At the ACSRI’s annual Town Hall in November 2007, students representing Columbia’s chapter of Amnesty International, the Burma 88 Coalition, and Global Justice proposed that Columbia divest entirely from all corporations that manufacture weapons or provide “private military contractors” to parties engaged in armed conflicts. The ACSRI reviewed the written proposal and requested a revised version, which the Committee received in May 2008. The Committee revisited the proposal during the fall 2008 when it established an informal
subcommittee. The ACSRI invited guest speakers to present on arms manufacturers divestment versus engagement at a meeting in December, to which representatives from the student activist groups were invited to participate. The subcommittee met with student representatives during the spring 2009 to discuss the current version of the proposal and suggest further revisions. At the Town Hall in November 2009, student members of Columbia Coalition Against the War presented a revised Proposal for Non-Investment in Cluster Munitions. The ACSRI deemed the proposal an improvement over the previous version, and will consider formally presenting the proposal with a recommendation memo to the TSSR during the 2010-2011 academic year.

V. Activities In Preparation for the 2010 Proxy Season

A. Gathering Information

The ACSRI uses the period from the beginning of the academic year until proxy season, which starts in early spring, to gather information, develop expertise, consult with members of the University Community, and carry out business consistent with the ACSRI’s mandate but unrelated to proxy review. The ACSRI met eight times during this period. In addition to undertaking review of the draft Proxy Voting Guidelines, annual Sudan monitoring, and review of the student Proposal for Non-Investment in Cluster Munitions, the ACSRI heard presentations from several guest speakers on topics that would arise in the course of the ACSRI’s proxy review. Christina Zimmermann, Manager of Investor Engagements for the Principles for Responsible Investment (PRI), presented to the ACSRI on becoming a Signatory to the PRI. Elsadig Elsheikh, 2009 Human Rights Advocates Program Participant in the Columbia Center for the Study of Human Rights, addressed the ACSRI on the impact of divestment from Sudan. Frank Lichtenberg, Courtney C. Brown Professor of Business at the Columbia University Graduate School of Business, presented to the ACSRI on healthcare reform from an economic perspective. Cary Krosinsky, a Vice President at Trucost, addressed the Committee on the merits of sustainable investing. The ACSRI held a discussion with Narv Narvekar, President / Chief Investment Officer, and Sanjeev Daga, Chief Operating Officer, of Columbia University’s Investment Management Company.

The ACSRI held a Town Hall for the Columbia Community on November 17, 2009. The Committee heard from the following student groups who also submitted written proposals: Columbia Coalition Against the War on divestment from arms manufacturers, and the CU
Chapter of the Responsible Endowments Coalition on community investing, positive investments, and community consensus. The Committee addressed those proposals that fit its purview, and redirected the student groups to the appropriate office or area of the University for those proposals that did not fit its purview. Throughout the year, the ACSRI encouraged all members of the Columbia Community to submit written views and suggestions by letter and e-mail, as well as through the SRI website (http://finance.columbia.edu/sri/). The ACSRI kept the website up-to-date by posting its minutes, reports and other announcements throughout the fall and spring so that members of the University Community might stay abreast of its activities. The SRI website also enables members of the University Community to comment on the issues that the ACSRI may consider and to submit views on the University's ethical and social responsibilities as an investor.

B. The 2009-2010 Agenda

Each year, the ACSRI selects a set of SRI issues that it will review in the context of shareholder proposals, as well as other SRI activities that it considers important. This selection occurs in the fall and serves as the basis for the preparation of an Annual Agenda that is presented by a member of the Committee to the University Senate at the start of the spring semester. On February 23, 2010, the ACSRI adopted its 2009-2010 Agenda (Appendix 3), which it presented to the University Senate on March 5, 2010.

Similar to the previous academic year, the Agenda focused on making recommendations to the Trustees on how the University, as an investor, should vote on selected shareholder proposals addressed to publicly traded U.S. corporations whose securities are held in Columbia’s endowment portfolio, as well as the ongoing Sudan divestment monitoring and tobacco screening. In addition, the Agenda outlined activities that the ACSRI is further considering and exploring throughout the year, including the student proposals brought forth at the 2009 Town Hall meeting and the draft Proxy Voting Guidelines.

The social issue areas selected for review during the 2009-2010 academic year reflect most of the same broad categories as those selected during the previous academic year. The traditional categories selected include shareholder proposals related to animal welfare, banking, charitable and political contributions, environment and energy, equal employment, executive pay, global labor standards and human rights, health and safety, human rights, and military and
security. As these broad groupings indicate, most current social issues are covered by the Agenda. In previous years, the ACSRI has chosen to leave corporate governance and most executive compensation proposals outside its scope of review in order to apply greater and expanded focus to issues of social responsibility, most effectively apply its collective expertise, and accommodate the priorities of the University Community. During the 2009-2010 academic year, the ACSRI reviewed an executive pay proposal that straddled the line between social issue and corporate governance.

As a general matter, the ACSRI expects that making recommendations to the TSSR with respect to shareholder proposals will continue to be one of its core activities. At the same time, each year has brought new elements as well as the accumulation of expertise on both process and substance, which have led the ACSRI to conduct and consider additional activities. The ACSRI expects to continue with such activities, including making policy recommendations to the Trustees and directly engaging management of corporations through letter writing and other forms of corporate engagement.

VI. 2010 Proxy Review Approach and Process

The University does not own stock in all companies that are presented with social issue shareholder proposals. In addition, in order to develop a manageable agenda, the ACSRI typically focuses on those issues of particular interest to the University Community. The ACSRI also excludes from its review proxy proposals submitted by company management and those submitted to foreign companies. The University purchases the services of RiskMetrics Group’s Institutional Shareholder Services (ISS) to vote these excluded items in accordance with ISS’s “base” voting recommendations (which can be found through ISS’s website at: http://www.issproxy.com). ISS is instructed to submit votes to “abstain” – by which the University intends to convey a neutral position – on social-issue shareholder proposals that come to a vote at times outside of the ACSRI’s proxy review period.

Shareholder proposals motivate much of the University’s activities as a responsible investor. In the course of its proxy review, the ACSRI has found that many proposals are reflective of, or inspired by, principles and values that it supports and believes reflect those of the University Community. However, shareholder proposals are not of uniform quality, and the ACSRI cannot always recommend supporting specific shareholder proposals when they are
drafted in a manner that is overreaching or vague, or are implying actions that are not feasible. The ACSRI often weighs, on a case-by-case basis, whether to assess a proposal based on its exact terms or as a symbolic gesture to company management or a broader audience. The ACSRI’s general inclination has been to ask whether the target company should implement the proposal as drafted and specifically proposed. In a few cases, the ACSRI was unable to support specific proposals because it appeared that a solution other than shareholder action (e.g., government regulation or market forces) would be more appropriate or effective, because the targeted company appeared to be engaging in action similar to that requested by the proposal, or because evidence used to support a given proposal’s request was lacking.

For those topical areas selected for review, the ACSRI and TSSR continued to review and vote shareholder proposals on a case-by-case basis. Although time intensive, the ACSRI considers this approach superior to other approaches, such as relying on written guidelines or the recommendations of external agencies. Flexibility is important so that all relevant facts can be considered in connection with each recommended vote. The case-by-case approach requires an examination of each shareholder proposal as applicable to each targeted company, the company’s response in SEC proxy filings, and review of background analysis and information provided by ISS.1 The ACSRI’s case-by-case approach allows it to apply its own precedent, when appropriate, but at the same time to consider from one case to the next fine distinctions of company effort, progress and posture on an issue, and the degree of merit, feasibility, and value of the shareholder proposals. The Proxy Voting Guidelines summarize the Committee’s past precedent by issue, and will serve as a supplement to the case-by-case approach.

VII. Social Responsibility Shareholder Proposals: Deliberations

During the 2010 proxy season, the ACSRI and TSSR reviewed 7 shareholder proposals; the ACSRI was able to develop sufficient consensus for a formal recommendation on all 7 (100%) of these cases. As in prior years, there was a high degree of overall agreement between the

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1 In previous years, the ACSRI subscribed to and carefully reviewed the non-recommendation based reports by the Investor Responsibility Research Center (IRRC). In 2005, IRRC was purchased by ISS, and the non-recommendation based reports – unchanged in structure and style – are now issued by ISS. The ACSRI continues to consult these reports.
ACSRI and the TSSR, and in 2010 the TSSR followed the ACSRI recommendation in all cases. The full record of the ACSRI’s vote recommendations, actual TSSR votes, and overall shareholder support garnered for each shareholder proposal reviewed by the ACSRI in 2010 is attached as Appendix 4.

A. Charitable / Political Contributions (2 proposals)
   - Disclose charitable contributions (reject)
   - Affirm political non-partisanship (support)

**Disclose charitable contributions**

In keeping with precedent, the ACSRI voted unanimously to reject this proposal requesting greater disclosure of the company’s charitable contributions and policies regulating such contributions. The ACSRI maintained that they would like to promote charitable giving and not burden companies with such reporting, which may discourage them from donating. The ACSRI noted that the shareholder who submitted the proposal, the National Legal and Policy Center, targeted the National Action Network, founded by Al Sharpton, as a reason to disclose the charitable use of corporate assets by “controversial groups.” The ACSRI argued that most corporations develop a corporate strategy around charitable giving, and that this company looks to be focusing on health and wellness. The ACSRI voted to reject the proposal because they felt it was over-reaching and placed an undue burden on the company.

**Affirm political non-partisanship**

The ACSRI voted in support of this proposal, which requested that the company affirm its political non-partisanship by avoiding five specific practices. If the company does not engage in the listed practices it is to disclose this to all shareholders in each quarterly report. The ACSRI had not seen this specific proposal before, but it has a strong precedent for voting to support transparency around political contributions. The ACSRI unanimously supported the effort for increased transparency around political contributions, but some members wondered whether the proposal was most effective. Those who rejected the proposal argued that the five practices listed by the proponent were not comprehensive, and wondered why those five were chosen. One member argued that although a company may engage in these practices, and hand out political
contribution cards, executive management will decide which politicians to support regardless of the employee contribution cards. It was noted that the proponent has been filing this resolution for over 30 years, targeting various companies. The ACSRI voted to uphold its precedent in favor of greater political transparency and support this proposal.

B. Environment and Energy (1 proposal)
   - Issue sustainability report (support)

   **Issue sustainability report**
   The ACSRI unanimously voted to support this proposal requesting that the company issue a sustainability report describing its ESG performance and goals, including greenhouse gas emissions data and management plans to reduce them. The ACSRI noted that recent precedent has been to support proposals on this issue, including two similar proposals last year. The ACSRI felt that the company should be held accountable and should be transparent in its sustainability efforts. The company does not report in any detail on its sustainability efforts and has declined to participate in the Carbon Disclosure Project (CDP), a global non-profit representing 475 institutional investors with $55 trillion in assets, which annually requests greater disclosure from companies on their climate change management programs. In 2009, the CDP had an S&P 500 response rate of 66% and a Global 500 response rate of 82%. The ACSRI noted that the company’s industry peers have made strategic efforts towards sustainability reporting. The proponents recommend that the company use the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines (G3) to prepare the report. The ACSRI noted that the GRI Guidelines have become a universal metric for sustainability reporting and have made it easier for it to support such proposals in recent years. The ACSRI felt that the proposal was a simple request for more transparency around the issue of sustainability, and argued that producing a report of this nature would not be a great burden on the company.

C. Equal Employment (2 proposals)
   - Prepare employment diversity report (support)
   - Adopt sexual orientation anti-bias policy (support)
**Prepare employment diversity report**

In keeping with precedent, the ACSRI unanimously voted to support this proposal, requesting that the company prepare a diversity report including a chart identifying employees according to gender and race in the nine major EEOC job categories, a summary description of any affirmative action programs, and a description of any policies and programs oriented toward increasing the number of managers who are qualified females or minorities. The ACSRI has supported similar proposals submitted to the company since 2005. The ACSRI has a strong precedent of support for proposals requesting more transparency around employment diversity, and overall shareholder support for such proposals has increased in recent years. The ACSRI did not feel that the proposal was asking for too much and felt that the required information would not be difficult to produce. The ACSRI also noted that the company has a poor record in terms of gender discrimination claims. In an attempt to stave off further risk to its reputation, the ACSRI felt that the company should address the issue now.

**Adopt sexual orientation anti-bias policy**

The ACSRI unanimously voted to support this proposal, requesting that the company amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity or expression, and to substantially implement the policy. The ACSRI supported a similar proposal to the company in 2008 and has maintained a strong precedent of support for such proposals, most of which have garnered extremely high shareholder support. The ACSRI voted to uphold its strong precedent to support greater inclusiveness and anti-discrimination regarding EEO policies. The ACSRI noted that while the company’s written non-discrimination policy explicitly prohibits discrimination based on sexual orientation, it does not explicitly prohibit discrimination based on gender identity or expression. In order to include all employees and potential employees under its non-discrimination policy, the company can not overlook the reality of gender identity and expression, and must recognize that these terms are becoming mainstream.
D. Executive Pay (1 proposal)
   - Report on pay disparity (reject)

Report on pay disparity

The ACSRI voted to reject this proposal requesting that the company review and report on its executive compensation policies. The proponent asked that the report include a comparison of the total compensation package of senior executives and the median wage in the U.S. in July 2000, July 2004, and July 2009, an analysis of changes in the relative size of the gap and an analysis and rationale justifying this trend, and an evaluation of whether senior compensation packages are “excessive” and should be modified. The ACSRI had seen similar proposals over the years and has a mixed precedent on this issue. The ACSRI supports a fair, livable wage, and the need to curtail excessive wages. However, the majority of the members did not believe this proposal effectively solved either issue. Those who rejected the proposal argued that the wide disparity of jobs at the company from the janitor to the CEO, makes it difficult to compare employee salaries on a relative scale. The company and its peers pay for performance, and must pay competitively in order to retain key employees. One member supported the proposal in the spirit of increased transparency around excessive executive pay.

E. Health and Safety Issues (1 proposal)
   - Report on BPA

Report on BPA

The ACSRI voted to reject this proposal requesting that the company publish a report updating investors on how it is responding to the public policy challenges associated with BPA, including summarizing what it is doing to maintain its position of leadership and public trust on this issue, its role in adopting or encouraging development of alternatives to BPA in can linings, and any material risks to its market share or reputation in staying the course with continued use of BPA. The ACSRI had not seen relevant precedent to this proposal.

The use of chemical Bisphenol-A in the lining of aluminum cans and plastic bottles had been in the news lately due to research done that suggests that exposure to BPA in high doses can lead to health problems. The recent big cases have involved BPA leaking from plastic
containers, such as baby and sports bottles, not aluminum containers. The company’s two main points of opposition to the proponent’s request for a report on BPA was that its use of the chemical falls within FDA standards, and that it is physically impossible to consume enough canned beverages to ever approach the daily BPA limit (a 135-pound individual would have to consume more than 14,800 12-ounce canned beverages a day in order to approach the FDA limit).

One ACSRI member inquired about research done around the accumulation and long-term effect of BPA in the human body. Another member was concerned about BPA in the environment, such as soil and rain water, but argued that increased transparency, rather than a research report produced by the company, would be most appropriate. Another member agreed that the company was not the right target for such a proposal, and that it should focus its social responsibility on the over-use of local water sources and increasing recycled content in its containers. Overall, the ACSRI felt that the company was following the law, the amount of BPA in the can linings was not harmful, and that the FDA should focus its efforts on BPA research rather than the company.

**VIII. Looking Ahead**

For the upcoming 2010-2011 academic year, the ACSRI plans to set its Annual Agenda and complete its annual Sudan monitoring in the fall, and maintain its scope of proxy review in the spring. The ACSRI plans to educate itself on cluster munitions in order to make a formal recommendation to the TSSR and submit a final response to the students regarding the Proposal for Non-Investment in Cluster Munitions. The ACSRI will consider alternatives to its annual Town Hall Meeting, such as opening select Committee meetings and hosting panel discussions for the benefit of the University Community. The ACSRI will continue to invite faculty members and other experts from the Columbia Community to address and educate the ACSRI on relevant social issues. The ACSRI may consider various additional actions with respect to the issues on its Agenda as it evaluates the need for these actions in the context of specific shareholder proposals. Furthermore, the ACSRI continues to investigate methods of outreach to and conversation with the University Community.
PROXY VOTING GUIDELINES

ADVISORY COMMITTEE FOR
SOCially RESPONSIBLE INVESTING

FEBRUARY 2010
INTRODUCTION

The following shareholder resolution proxy voting guidelines summarize Advisory Committee for Socially Responsible Investing (ACSRI) positions on various social concerns to the University in its role as investor. These Guidelines provide an indication on how the ACSRI will advise the Trustees to vote on these environmental, social, and governance (ESG) issues. Students in W3010: “Science, Technology, and Society” (Spring 2009) completed a draft of the Guidelines in March 2009. The ACSRI reviewed the draft Guidelines and tested their application throughout the 2009 proxy season. The ACSRI approved these Guidelines in February 2010. This document is reflective of ACSRI proxy voting precedent, and should not be viewed as an official position of the Trustees or the University.

ANIMAL WELFARE

Animal Testing

We do not support:

- Proposals calling for companies to eliminate the use of animal testing unless:
  - The company is employing animal testing practices that are unnecessary or not required by law or federal regulations.
  - The company is conducting animal testing when reasonable or more technologically advanced alternatives are available.
  - The company has failed to comply with regulations laid out in the Animal Welfare Act regarding animal testing.
  - There are recent, notable fines or legal proceedings related to the company’s animal testing policies.

Animal Welfare Policies

We support:

- Proposals seeking reports on companies’ animal welfare policies in accordance to the Animal Welfare Act, published on company websites, unless:
  - The company has recently published a report on animal welfare policies and strictly monitors compliance with those standards.
  - The company’s established policies reflect policies that govern the industry as a whole.
There are recent, notable fines or legal proceedings related to the company’s animal testing policies.

**Animal Transportation**

We support:

- Proposals designed to promote health and comfort of farm animals.
- Proposals that ask companies to implement transportation by air over ground transportation.

**Controlled Atmosphere Killing (CAK)**

We support:

- Proposals requesting the implementation of CAK methods at company and/or supplier companies.
- Proposals requesting a report on the feasibility of implementing CAK methods at a company and/or supplier companies.

**Living Environment for Animals**

We support:

- Proposals requesting a report on the living environment of animals in factory farms.
- Proposals that promote the phasing out of battery cages in poultry suppliers.

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**BANKING**

**Predatory Lending**

Predatory Lending practice consists of any loans that are described as unfair, deceptive, or fraudulent practices by lenders during the loan origination process. These loans are categorized by the following characteristics: unjustified risk based pricing, single premium credit insurance, failure to present the loan price as negotiable, failure to clearly and accurately disclose terms and conditions, loans which do not accurately reflect the credit score of the consumer, short-term loans with disproportionally high fees, servicing agent and securitization abuses, and loans based on discriminating factors.

We support:

- Proposals that request companies to adopt policies that preclude predatory lending.
- Proposals that ask companies to prepare reports explaining racial and ethnic disparities pertaining to high cost mortgages.
- Proposals that request reports on company lending guidelines and procedures, including the establishment of a board committee for oversight, taking into account:
  - Whether the company has adequately disclosed mechanisms in place to prevent abusive lending practices.
  - Whether the company has adequately disclosed the financial risks of the lending products in question.
– Whether the company has been subject to violations of lending laws or serious lending controversies.
– Peer companies’ policies to prevent abusive lending practices.

**Increased Disclosure**

We support:

- Proposals that implement stricter accounting policies based on international accounting standards (http://www.iasb.org).
- Proposals that promote greater disclosure of leverage and discouraging excess leverage that we believe can result in unnecessary risk taking.

**The Equator Principles**

We support:

- Proposals that support the adoption of the Equator Principles (www.equator-principles.com) unless the institution has limited loan transactions that fit within these Principles. In adopting the Equator Principles, a financial institution agrees to provide project finance loans only to those projects that borrowers agree to develop in a socially responsible manner and according to sound environmental management practices. The Equator Principles are applied globally and to all industry sectors.

**CHARITY**

**Charitable Donations**

We support:

- Proposals that give incentive to companies to make charitable donations. The trustees have voted unanimously against shareholder proposals that require undue financial burdens. In the interest of the endowment’s growth, non-financial concerns cannot take precedence over financial considerations.

**Transparency and Reporting**

We support:

- Proposals that request companies to provide detailed annual reports disclosing all monetary and non-monetary contributions. Corporations owe their investors satisfactory information so that they can make a meaningful assessment of their philanthropic activity. Meaningful information includes annual reporting on: names of charities receiving donation money, amount of money donated to each one of those charities, brief explanation of reason for giving to each charity, and outcome reporting data.
ENVIRONMENT, ENERGY, AND SUSTAINABILITY

Sustainability

We support:

- Proposals requesting greater reporting of sustainability practices related to social, economic, and environmental sustainability, unless companies are already publishing Global Reporting Initiative (http://www.globalreporting.org/) or Environmental, Health, & Safety reports.

Environment

We support:

- Proposals seeking greater disclosure of the company’s environmental practices, and/or environmental risks and liabilities.
- Proposals calling for reasonable steps to reduce companies’ negative environmental impact, including any threats to biodiversity in ecologically sensitive areas.
- Proposals requesting that companies with oil sand operations review the environmental impact on said operations.

Energy

We support:

- Proposals asking for the development of renewable energy
- Proposals requesting reports on the development of renewable energy

Green House Gas (GHG) Emissions

We support:

- Proposals calling for reporting on GHG emissions, unless companies are already reporting on GHG emissions.
- Proposals that request that companies set or adopt GHG quantitative goals based on current technologies for reducing GHG emissions from the firm’s products and operations.

We do not support:

- Proposals that call for reduction in greenhouse gas emissions by specific amounts or within a specific time frame, unless:
  - The company lags behind industry standards.
  - The company has been the subject of recent, significant violations, fines, litigation, or controversy related to greenhouse gas emissions.
Climate Change

We support:

- Proposals asking for reporting on companies’ climate change impact. However, we tend to vote against proposals that request reports on global climate change in general or the science of climate change, as there is already substantial research on these issues.

Genetic Engineering

We do not support:

- Proposals that request public reports and research on the safety of genetically modified organisms beyond what is regulated by USDA, FDA, and EPA
- Proposals that request that independent committees of the board review company policy and procedures for monitoring the safety of genetically engineered products.

Waste Management/Recycling

We support:

- Proposals that request that the company review and report on the efficacy of waste management and recycling programs including any published strategies and goals related to internal company operations, supply chain operations, and consumer post consumption behavior. However, the committee recognizes the difficulty of controlling the public's recycling behavior and does not expect any company to be fully responsible for quantitative benchmarks in these cases.

EQUAL EMPLOYMENT OPPORTUNITY

Affirmative Action Report

We support:

- Proposals that require companies to execute equal employment opportunity initiatives and formulate reports that include the following:
  - A statistical break down of companies by job category, sex, race, age and sexual orientation.
  - A description of affirmative action policies and programs in place for minorities and women.
  - The company’s Form EEO-1 report.
  - A description of programs designed to increase the number of persons employed with disabilities.
  - A description of how the company is working to eliminate “glass ceilings” for female and minority employees.

Equal Employment Opportunity, Sexual Orientation, and Gender Identity

We support:
• Proposals that call for companies to enforce and report on enforcement of the following practices:
  – The adoption of official policies against discrimination, based on sexual orientation or gender identity.
  – An internal policy to include sexual orientation and gender identity in company-wide guidelines prohibiting discrimination.
  – The granting of spousal benefits to domestic partners, regardless of sexual orientation or gender identity.

We do not support:

• Proposals asking companies to remove the words “sexual orientation” or “gender identity” from their nondiscrimination policies.
• Proposals asking for spousal benefits to be rescinded or revoked based on sexual orientation or gender identity.
• Proposals asking companies to implement MacBride Principles (or urge franchises to adopt said principles).

Executive Pay

We support:

• Proposals that ask companies to develop executive compensation criteria based on an executive’s accomplishment of non-financial goals, which include the improvement of:
  – Environmental Issues
  – Diversity Issues
  – Treatment of Employees
  – Corporate Social Responsibility Initiatives
• Proposals that encourage third-party evaluations of company reports and promote clarity, transparency and ease of access. These reports should be made publicly available, i.e. published on companies’ websites, and in annual reports.
• Proposals that encourage the creation of an independent compensation committee. To be “independent” according to the definition developed by Institutional Shareholder Services, a member must have no material connection to the company other than his/her respective seat on the committee.
• Proposals that companies apply their anti-discrimination policies to companies and organizations with which it is engaged in sponsorships and executive perks.

We do not support:

• Proposals that request that firms compare top executive pay with the lowest paid US workers. Typically, these proposals are vague and not specifically a related to social issues as much as one of governance.

HEALTH AND SAFETY

Healthcare
We support:

- Proposals asking for the release of patents on prescription drugs to make them available at a lower price in generic form.
- Proposals asking disclosure on the financial and legal impact of their policies regarding prescription drug information, unless such information is already publicly disclosed.
  - Proposals that call for transparency in pharmaceutical promotion. This includes promotional activities; i.e., the disclosure of endorsement benefits and incentives given to physicians.
  - Proposals calling for affordable healthcare for employees and their dependents.

We do not support:

- Proposals requesting the adoption of principles for health care reform as they put an unfair burden on the companies and ask them to take arbitrary stance on universal healthcare, a public policy issue.
- Proposals that attribute major health concerns to a specific product when scientific evidence is not available or circumstantial.

Product Safety

We support:

- Proposals that ask for reporting on the use of known toxic chemicals in product production, packaging, and ingredients.
- Proposals that call for the disclosure of expenditures on lobbying and other activities to prevent the regulation of suspected toxins that are as of yet unregulated.
- Proposals that companies publish reports on policies regarding nanomaterial product safety and the identification of product categories that contain nanomaterials.

Occupational Safety

We support:

- Proposals that call for companies to provide employees with above minimum legal workplace safety. For US companies, compliance needs to be beyond the minimum set by the Occupational Safety and Health Administration (http://www.osha.gov/).
- Proposals that call for companies to prevent harm inflicted on employees by chemicals and modern appliances in the workplace.
- Proposals that call for companies to promote mental health in the workplace in terms of working hours, and the encouragement of emotionally safe environment.

International Production

We support:

- Proposals that ask for companies to report on country and region selection criteria for production facilities.
- Proposals that call for reporting on compliance with domestic and international labor, health and safety standards and regulations. The reporting should include any third party auditing reports, records of violations and improvement strategies.
Community Hazards

We support:

- Proposals that ask for companies to report on their oversight of the community health effects of their production operations.
- Proposals calling for reporting of placement of production facilities and their related health effects.

Access to Water

We support:

- Proposals calling for disclosure or reporting on effects of water usage in production on local water supply and community health.

HUMAN RIGHTS

In the following guidelines, two basic definitions will be used:

1. *The International Labour Organization Core Conventions (ILOCC)*. These conventions have been established as constituting fundamental human rights; they are as follows:
   - Required suppression of forced labor in all its forms
   - Required freedom for workers to join organizations of their choosing without interference by public authorities or anti-union discrimination
   - Required equal employment opportunities and pay/benefits regardless of demographical background
   - Required minimum employment age be no lower than the age of completion for compulsory schooling as well as suppression of child labor in dangerous situations (such as slavery, prostitution, mining, deep sea fishing, etc.)

2. *The Universal Declaration of Human Rights (UDHR -- www.un.org/Overview/rights.html)*. This declaration made by international consensus in the U.N. is the most generally accepted standard of human rights.

Labor Issues

We support:

- Proposals for multinational corporations to adopt internationally recognized human rights principles and human standards, such as those exposed by UDHR and ILOCC.

Human Rights

We support:
• Proposals that ask corporations to create and present reports outlining their policies and procedures regarding human rights unless doing so would cause undue financial burden to the company. Specifically, if the company would have to incur costs greater than 1 percent of their operating revenue, then they reserve the right to decline to produce these reports.

• Proposals that request that companies establish board committees on human rights and associated policies, unless the company has a formal structure in place to review human rights issues facing the company.

• Proposals that request reports on company policies and procedures for assessing the adequacy of host country laws with respect to protecting indigenous rights and for obtaining the consent of affected indigenous communities for operations and other company business activities.

• Proposals that request companies to review and develop guidelines for county selection, including guidelines on investing in or withdrawing from countries where the government has engaged in ongoing and systematic violations of human rights.

• Proposals that require companies to ensure the privacy of customers’ personal data. This includes but is not limited to only releasing personal information and private records when required by law.

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**MILITARY AND SECURITY**

We support:

• Proposals which request that companies publicly report on foreign sales of military equipment, designs and other domestically produced innovations as long as such resolutions permit the non-disclosure of confidential and proprietary information.

• Proposals which request that companies publicly report on conversions (if any) of domestic and foreign military production facilities to facilities aimed at civilian production.

• Proposals which request that companies publicly report on the production of materials or components intended for the production of nuclear weapons.

• Proposals which request that companies publicly report on the third party sales and smuggling that occurs as a result of the primary sale of their products especially when factions listed as UN terrorist organizations are third party recipients of weapons.

• Proposals which request that companies publicly report on the sales of military equipment, raw materials and designs to countries engaged in, preparing for, or recovering from civil war at the time of sale.

We do not support:

• Proposals that request reporting on sales of military equipment to foreign countries when it infringes on national security.

• Proposals aimed to promote the sale of advanced technology that increases the military capabilities of other countries, especially countries with which the United States might engage in armed conflict.

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**POLITICAL CONTRIBUTIONS**

We support:

• Proposals that request more transparent and accountable reporting of political contributions, policies, procedures, and lobbying activities.
• Proposals promoting full disclosure of contributions, the policies governing them, and the identifications of persons deciding on the contributions.
• Proposals disclosing payments, services, and “soft money” contributions (i.e. funds that are not given directly to candidates, but to political parties for “party-building” activities) to trade organizations and other third-party groups, (specifically PACs, 501(c) 3s and 527s).

We do not support:

• Proposals requesting companies not to make political contributions.
• Proposals that force companies to distribute information to newspapers and public media, as such publications could present significant costs to the company without providing commensurate value to the shareholders.
• Proposals asking companies to contribute politically in a nonpartisan fashion. In the interest of practicality it is not in the best interest of shareholders to make these demands.
• Proposals that request that companies provide lists of executives, directors, consultants, lobbyists, lawyers, or investment bankers who have served in any governmental capacity beyond regular reporting guidelines.
Appendix 2

2009-2010 Sudan Divestment List and Watch List

Companies for Divestment:
ABB
Alstom
AREF Investment Group
AviChina Industry & Technology Co. Ltd
Bharat Heavy Electricals Ltd. (BHEL)
CNPC (PetroChina)
China North Industries Corporation (NORINCO)
China Petrochem Corp. (SINOPEC)
Dietswell Engineering
Dongfeng
Electricity Generating Public Co. Ltd
Emirates Telecommunications (ETISALAT)
Harbin Power Equipment Co.
Indian Oil Corporation
Kencana Petroleum
Kejuruteraan Samudra Timor Berhad
Lundin Petroleum International
Muhibbah Engineering (M) Berhad
Nam Fatt Corporation Berhad
ONGC
PECD Berhad
Petrofac
Petronas (parent company of MISC Berhad)
Ranhill Berhad
Reliance Industries
Schlumberger
Scomi Group Berhad
Sudatel
Wartsila Oyj

Companies for Watch List:
Bharat Electronics Limited
La Mancha
MAN AG
SARAS S.P.A.
Shanghai Power Transmission & Distribution Co. Ltd
INTRODUCTION

At the recommendation of the President, and with the approval of the University Trustees, the Advisory Committee on Socially Responsible Investing was established in March 2000 to address issues of corporate social responsibility confronting the University as an investor. The Committee was asked to “set out a specific agenda” for each academic year, and to provide it to the Columbia community during the spring semester. The Committee has developed the following agenda for the 2009-2010 academic year, which builds on the Committee’s first nine years of experience generally, and which specifically reflects discussion of the shareholder proposals reviewed last year, input from the Committee’s Annual Town Hall on November 17, 2009, ongoing initiatives from last year and new issues that have arisen this year, implementation of formal policies, consideration of external sources and materials, and careful discussion and deliberation.

AGENDA

During the 2009-2010 academic year, the Committee will continue to review selected shareholder proposals made to public corporations in which the University has invested its endowment. The Committee will recommend to the University Trustees how to vote on shareholder proposals from several broad social issue categories, namely: animal welfare; banking issues; charitable / political contributions; environment and energy; equal employment; executive pay; global labor standards / human rights; health and safety issues; and military and security. In addition, the Committee will act as an interface with the Columbia Community to help direct their interests to appropriate sources. In keeping with its precedent of recent years, the Committee anticipates excluding shareholder proposals relating to the election of Board members, determination of individual management compensation, and the appointment of auditors from its review, but may decide to review and formulate recommendations in a select number of cases where it believes it can add some value to the discussion. The Committee will apply the Proxy Voting Guidelines developed last year, which may be further refined after the 2010 proxy season.

At the Annual Town Hall in the fall of 2009, the Committee heard proposals on the issues of non-investment in cluster munitions, community investing, positive investments, and community consensus. The proposal for divestment from arms manufacturers was introduced a few years ago and has been a work-in-progress. The Committee is reviewing the latest draft of the proposal, which focuses on cluster munitions, and developing a process for which the proposal can be carried forward to the Trustees. The issue of community investing does not fall directly under the Committee’s purview, as such investments are made outside of the endowment. The University makes an effort to invest in the local community through a number of vehicles, and the Committee will link the students to the Office of Government and Community Affairs to give them a better understanding of such efforts. The Committee will continue to work closely with this Office as related questions and proposals arise. On the issue of positive investing, which includes proactive investing in companies deemed to be socially responsible, the Committee will attempt to align the students behind the proposal with a committee or organization within the University who can better address their concerns. The issue of defining community consensus has been ongoing since last year, and the robust Town Hall proposal will help the Committee further define what community consensus entails.

Additionally, the Committee will review suggestions from the Town Hall participants on how communication and engagement with the Columbia community can be enhanced. The Committee established a Communications /
Outreach Subcommittee in the fall of 2009 in response to feedback from last year’s presentation to the University Senate.

In the spring of 2008, the Committee wrote letters to management at Chevron and Dow Chemical addressing Chevron’s operation of a pipeline in Burma and Dow Chemical’s responsibility for legacy operations in Bhopal, India. Due to a lack of response, the Committee has been considering alternative methods of engagement. The Committee intends to work with the Responsible Endowments Coalition over the spring and summer to develop ways that Columbia can participate in collective engagement strategies with peer institutions.

In accordance with the Committee’s April 2006 Statement of Position and Recommendation on Divestment from Sudan, the Committee will monitor company activity in Sudan and, with guidance from the Sudan Divestment Subcommittee, make a recommendation to the Trustees to maintain the current divestment/disinvestment list, or to add companies to and/or remove companies from the current list. The Committee formalized its Sudan Divestment Monitoring Process in the fall of 2009.

In accordance with the Committee’s January 2008 Statement of Position and Recommendation on Tobacco Screening, the Committee will screen for domestic and foreign companies engaged in the manufacture of tobacco and tobacco products, and alert the Investment Management Company, who will refrain from investing in those companies.

Over the course of the academic year, the Committee may advise the Trustees on other compelling issues involving socially responsible investing and adjust its agenda, if and when relevant matters arise. The Committee will explore other ways to communicate its concerns about issues of corporate social responsibility through methods other than proxy review, such as an improved SRI website and a sponsored case study competition in the Columbia Business School.

**PROCESSES**

With respect to proxy review for 2009-2010, the Committee approved the use of the Proxy Voting Guidelines developed last year, however it will continue to address shareholder proposals on a case-by-case basis when necessary. The Proxy Voting Guidelines are based on the Committee’s past precedent and voting record on issues that surface each year. Where there is lack of consensus or a new issue to discuss, shareholder proposals will be reviewed in more detail. The Committee will continue to review shareholder proposals and company responses, as well as other supporting and opposing statements and independent reports and opinions for each proposal.

During the fall and early spring semester, the Committee invited speakers from the UN Principles for Responsible Investment, Columbia Center for the Study of Human Rights, Columbia Investment Management Company, and Columbia Business School to speak about their work and related issues covered by this agenda.

The Committee may continue to form subcommittees, where appropriate, to consider select issues.

The Committee will keep a record of all matters that are put to formal vote, including all recommendations that are submitted to the University Trustees. The Committee will work with the Trustees’ Subcommittee on Shareholder Responsibility to make possible the timely and accurate submission of proxy ballots.

The Committee understands that its efforts may not result in the intended effect, therefore the Committee will continue to re-examine and re-visit its policies and procedures as needed.

An interim annual report of the activities of the Committee will be released at the conclusion of the academic year, and a final report will be released the following fall along with other reports, as appropriate. The Committee will communicate this agenda to the President, the University Trustees, and the University Senate, and will post it on its website.