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 disproportionately 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 related to social issues as much as one of governance.

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**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 and company policies.