

JANUARY 23, 2007 MINUTES

At a meeting of the Advisory Committee on Socially Responsible Investing, held on Tuesday, January 23, 2007, in the Burden Room, 206 Low Library, the following members participated:

Merritt Fox, Faculty (Chair)	Peggy Kauh, Alumna
Robert Boothe, Alumnus	Cóilín Parsons, Student
Burton Edelstein, Faculty	Allan Reiss, Alumnus
Frances Freedman, Alumna	Sidney Small, Student
Charles Hailey, Faculty	Caroline Yao, Student
Geoffrey Heal, Faculty	Stephanie Yee, Student

The following member provided an explanation of his absence:

Albert Horvath, Administrator

The Chair called the meeting to order at 6:15 p.m. and introduced Amy O'Meara of Amnesty International USA Business and Human Rights.

Call to Order and
Introduction of Guest
Speaker
Presentation by Guest
Speaker

Amy O'Meara of Amnesty International USA Business and Human Rights addressed the Committee on the subject of Chevron, with specific reference to its legacy operations in Ecuador. Ms. O'Meara also briefly discussed the upcoming 2007 shareholder proposal to Chevron, co-filed by Amnesty International, which asks the company to report on the environmental review process of countries in which it operates abroad.

In her presentation, Ms. O'Meara touched upon Amnesty's engagement as a shareholder/advocate with Chevron since 2002; outlined a brief history of Chevron's (formerly Texaco's) legacy operations in Ecuador and partnership with PetroEcuador; discussed the remediation agreement between Chevron/Texaco and the Ecuadorian government in 1995 and Chevron's clean-up efforts to date; and discussed the class-action lawsuit against Chevron, the fraud case against Chevron by the Ecuadorian government, and Chevron's counter-claim with the American Arbitration Association against PetroEcuador. With respect to the various lawsuits, Ms. O'Meara also discussed the court-ordered judicial inspections of TexPet's (the Texaco + PetroEcuador joint venture) operation sites in Ecuador, as well as the current status of the allegedly completed remediation efforts.

In discussing the as-yet unresolved litigations, Ms. O'Meara stressed the fact that she was not a legal expert and could not speak with authority on most legal details. However, it was her contention that Chevron's remediation efforts, even if ultimately judged to have been fulfilled to the letter of the law, have been grossly insufficient, and that Texaco's operational/environmental practices in Ecuador were substandard

compared to the standards the company employed at the same time in the United States. It was her further opinion that Chevron's response to Amnesty's shareholder dialogues on the Ecuadorian legacy issue, as well as dialogues concerning other environmental and human rights issues, have been insufficient, dismissive, and frustrating: she contends that Chevron (1) has failed to prepare for meetings and/or to invite the appropriate decision-makers to meetings; (2) has failed to incorporate Amnesty's and other shareholders' feedback into the creation of its human rights policy; (3) is viewed as a laggard with respect to human rights and environmental policies; (4) has shown a lack of progress and transparency compared with other companies; and (5) considers consultation an end in itself.

Ms. O'Meara stressed her belief that, regardless of the outcome of any legal action, Chevron has a social and ethical duty to further its remediation efforts in Ecuador and to put forward a more sincere effort with respect to environmental, human rights, and CSR issues generally. She encouraged the Committee to support the 2007 shareholder resolution, to join investor dialogue or meet with Chevron individually, make a public statement, attend the shareholder meeting and issue a statement at that time, and/or send a letter, which can be made public, to company management.

The Committee approved the minutes of its December 5, 2006 meeting.

Approval of Minutes

Staff for the Committee updated members that the recommendations made by the Sudan Divestment Subcommittee and approved by the full Committee had been forwarded to the Trustees Subcommittee on Shareholder Responsibility for their consideration. The recommendations were currently in the pipeline with the Trustees Subcommittee; if the Trustees Subcommittee approved the recommendations, they would likely be forwarded on to the full Board of Trustees for approval.

Discussion on Sudan
Divestment Monitoring and
Update on Trustee Action

Staff for the Committee provided a brief update on the upcoming proxy landscape, which, although early to make strong predictions, appeared to be in line with the previous year in terms of volume and issues up for review. No shareholder proposals within Columbia's portfolio were yet showing up for review. Staff for the Committee highlighted proposals pending with the SEC that the Committee had not reviewed the previous year, noting in particular the new proposals within the Energy/Environment category (particularly with respect to climate change) and a focus within the Animal Welfare category on proposals asking companies to report on the merits of controlled-atmosphere killing for animal slaughter. Committee members considered whether they would like to review Banking or miscellaneous proposals should any come up in Columbia's portfolio for review; members discussed that they would like to see representative proposals as they became available, in order to make a determination as to whether these issues were something the Committee would like to formally review and deliberate upon. Staff for the Committee indicated that there would be more

Discussion on Proxy
Landscape and Process

thorough information available to share at the upcoming joint meeting with Trustees.

Staff for the Committee then briefly described the proxy review process, explaining the division of Committee members into review subgroups and the background materials – including ISS background reports, company reports, and Committee precedent – that would be provided.

Staff for the Committee informed members that Chevron was interested in putting together a panel of speakers to address the Committee on the legacy issue in Ecuador; the date had yet to be confirmed for Chevron's presentation. A Columbia faculty expert on the Chevron Ecuador case was still being sought.

Discussion on Guest Speakers

In confluence with the new proposals arising in the energy/environment and animal welfare categories, the Committee indicated that it would like to invite speakers to address members on climate change and controlled-atmosphere killing.

Members observed that the next Committee meeting was scheduled to take place on February 6, 2007 at 6:00 pm in the Burden Room (206 Low Library); however, it was noted that, as no shareholder proposals were yet up for review, this meeting would likely be canceled if no speakers were secured for that date. The Committee further noted that the regular Committee meeting for Tuesday, February 20th was canceled; the Committee agreed to meet next for its joint meeting with the Trustees Subcommittee on Wednesday, February 21, 2007 at 6:00 pm in the Trustees Room (212 Low Library).

2006-2007 Calendar

There being no further business, the meeting was adjourned at 8:05 p.m.

Adjournment

Respectfully submitted,

Katy Hogan
Coordinator, SRI