Dear Mr. Weitz and Members of the Investment Committee:

As members of the Carleton Responsible Investment Committee (CRIC) we are pleased to inform you that we have completed our review of 2011 shareholder resolutions. We request that the Board of Trustees Investment Committee authorize the Carleton Fund Managers to vote in favor of the following 15 resolutions affecting 10 companies at the upcoming annual meetings:

**Environmental and Sustainability Issues**
Adopt Greenhouse Gas Reduction Goals - Report
1. Exxon Mobil Corporation
Hydraulic Fracturing (Toxic Chemicals)
2. El Paso Corp.
3. Exxon Mobil Corporation

**Human Rights and Worker Rights**
Code Protecting Children
4. Carnival Corporation, Inc.
Equal Employment Opportunity (EEO)
5. Home Depot, Inc.
Human Rights – Develop & Adopt Policies
6. Raytheon Company
Sexual Orientation Non-Discrimination
7. Exxon Mobil Corporation

**Corporate Governance**
Political Contributions
8. 3M (Sexual Orientation Discrimination)
9. EOG Resources, Inc.
10. Goldman Sachs Inc.
11. Home Depot Inc.
12. IBM (Global Warming)
13. Occidental Petroleum (Global Warming)
Separate Chair & CEO
14. Exxon Mobil Corporation
15. Goldman Sachs Inc.

Pursuant to our mandate, we present these resolutions having conducted independent research and following the values of the Carleton community to the best of our ability. To do so we based our recommendations on the responses of the survey done in the past and through our various contacts with our constituent groups.

Please find attached, summaries of the resolutions, the committee’s arguments for supporting them as well as the full texts of the resolutions and other supplemental material.

We hope that the board accepts our recommendations in the near future and instructs the Fund Managers to vote in favor of these proxy ballots. Please let us know if you require any additional information. Thank you for your time and your consideration.

**Committee Members:**
Christopher Clark (Staff)   Fred Rogers (ex officio)   David Schlosser (Staff)
Joe Concannon ’13   Amanda Savitt ’11   Joel Weisberg (Faculty)
Fadi Hakim ’13   Divya Sabanayagam ’11   Kristen Vellinger ’12 (Co-Chair)
Vivaan Misra ’12   David Tompkins (Faculty Co-Chair)
# Table of Contents

- **Summary of 15 Chosen Resolutions**.................................................................1

- **CRIC Reports on Resolutions**........................................................................4
  
  Environmental and Sustainability Issues
  1. Adopt Greenhouse Gas Reduction Goals (Exxon Mobil)..........................4
  2 - 3. Hydraulic Fracturing (El Paso Corp. and Exxon Mobil)..................5

  Human Rights and Workers Rights
  4. Code Protecting Children (Carnival Corp)..............................................6
  5. Equal Employment Opportunity (Home Depot Inc)..................................7
  6. Human Rights – Develop & Adopt Policies (Raytheon)..........................9
  7. Sexual Orientation Non-Discrimination (Exxon Mobil).........................10

  Corporate Governance
  8 - 13. Political Contributions (3M, EOG, Goldman Sachs, Home Depot, IBM, Occidental Petroleum).....................................................12
  14 – 15. Separate Chair & CEO (Exxon Mobil and Goldman Sachs)........14

- **Appendices**......................................................................................................16
  I. Appendices of Shareholder Resolutions & Company Responses (if available).................................................................16
  A. Adopt Greenhouse Gas Reduction Goals (Exxon Mobil)..........................16
  B. Hydraulic Fracturing-Toxic Chemicals (El Paso Corp.)........................17
  C. Hydraulic Fracturing-Toxic Chemicals (Exxon Mobil)........................17
  D. Code Protecting Children (Carnival Corp)............................................18
  E. EEO (Home Depot Inc)...........................................................................19
  F. Company Response: EEO (Home Depot Inc).........................................20
  G. Human Rights – Develop & Adopt Policies (Raytheon)......................21
  H. Sexual Orientation and Gender Discrimination (Exxon Mobil)............21
  I. Company Response 2010: Sexual Orientation and Gender Discrimination (Exxon Mobil Corporation)..................................................22
  J. Political Contributions-Sexual Orientation Discrimination (3M)...........22
  K. Political Contributions (EOG Resources)...............................................23
  L. Political Contributions (Goldman Sachs)..............................................24
  M. Company Response 2010: Political Contributions (Goldman Sachs).....25
  N. Political Contributions (Home Depot Inc)............................................26
  O. Political Contributions (IBM).................................................................26
  P. Political Contributions-Global Warming (Occidental Petroleum)........27
  Q. Separate Chair & CEO (Exxon Mobil Corp).........................................28
  R. Separate Chair & CEO (Goldman Sachs Group Inc)............................29
  S. Company Response: Separate Chair & CEO (Goldman Sachs)............30

  II. Appendices of Supplemental Materials.........................................................31
  T. CRIC Campus Survey Results 2010.........................................................31
  U. Statements on Greenhouse Gases, including Carleton’s Sustainability Values Statement and Initiatives..................................................34
  V. Policies (including Carleton’s) and Articles Related to Hydraulic Fracturing (Toxic Chemicals).......................................................34
  W. Codes Protecting Children...................................................................34
  X. Carleton Document in Support of Equal Employment Opportunity (EEO)....................................................................................35
  Y. Articles on Human Rights Policies - Raytheon......................................35
Summary of 15 Chosen Resolutions

Environmental & Sustainability

   THEREFORE, BE IT RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company's products and operations; and that the Company report to shareholders by September 30, 2011, on its plans to achieve these goals. Such a report will omit proprietary information and be prepared at reasonable cost.

2-3. Hydraulic Fracturing (Toxic Chemicals) – El Paso Corp. and Exxon Mobil Corporation
   THEREFORE BE IT RESOLVED: Shareholders request that the Board of Directors prepare a report by Fall 2011, at reasonable cost and omitting confidential information such as proprietary or legally prejudicial data, summarizing 1) known and potential environmental impacts of the Company’s fracturing operations; 2) policy options for our company to adopt, above and beyond regulatory requirements and our company’s existing efforts, to reduce or eliminate hazards to air, water, and soil quality from fracturing operations; and 3) management’s evaluation of the potential magnitude of material risks, short and long term, that this issue may pose to the company’s finances or operations.

Human Rights and Worker Rights

   RESOLVED: The shareholders request the Board of Directors adopt a human rights policy that includes prohibiting the sexual exploitation of minors, and to prepare a report by December 2011 to be made available to shareholders concerning the implementation of this policy, prepared at reasonable cost and omitting proprietary information.

   RESOLVED: The shareholders request that Home Depot prepare a diversity report, at reasonable cost and omitting confidential information, available to investors by September 2011, including the following:
   1. A chart identifying employees according to their gender and race in each of the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
   2. A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; and
   3. A description of any policies and programs oriented specifically toward increasing the number of managers who are qualified females or minorities.

   RESOLVED: Shareholders request management to review policies related to human rights to assess areas where Raytheon needs to adopt and implement additional policies and to report its findings by December 2011, omitting proprietary information and prepared at reasonable expense.

7. Sexual Orientation and Gender Discrimination (Exxon Mobil Corporation)
   RESOLVED: The Shareholders request that ExxonMobil amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity and to substantially implement the policy.

---

1 Summaries are combined for those resolutions which are almost identical.
Corporate Governance

RESOLVED: The shareholders request that the independent members of the Board of Directors provide a comprehensive report on 3M’s:
1. Policies and procedures for political contributions and expenditures (direct and indirect) made with corporate funds, and the process for assessing their potential impacts on the company’s public image, sales and profitability;
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referenda. The report shall include the following:
   a. An accounting through an itemized report that includes the identity of the recipient as well as the amount paid to each recipient of the Company’s funds that are used for political contributions or expenditures as described above; and
   b. The title of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure.

The report shall be disclosed to shareholders by Sept 2011.

RESOLVED, that the shareholders request that our Company provide a report, updated semi-annually, disclosing our Company’s:
1. Policies and procedures for expenditures made with corporate funds to trade associations and other tax-exempt entities that are used for political purposes ("indirect" political contributions or expenditures).
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referenda. The report shall include:
   a. An accounting through an itemized report that includes identity of recipient as well as amount paid to each recipient of our Company’s funds that are used for political contributions or expenditures as described above; and
   b. The title(s) of the person(s) in our Company who participated in making the decisions to make the political contribution or expenditure.

The report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee and posted on the Company’s website.

RESOLVED: Shareholders recommend that the Board of Directors adopt a policy under which the proxy statement for each annual meeting will contain a proposal describing:
• the company’s policies on electioneering contributions,
• any specific expenditures for electioneering communications known to be anticipated during the forthcoming fiscal year,
• the total amount of such anticipated expenditures,
• a list of electioneering expenditures made in the prior fiscal year, and
• providing an advisory shareholder vote on those policies and future plans.
RESOLVED: Shareholders request that the independent Board members institute a comprehensive review of IBM’s political spending policies and oversight processes, both direct and indirect, including through trade associations, and present a summary report by September 2011. The report may omit confidential information and limit costs. Items for review include:

- Review and disclosure of any direct and indirect expenditures supporting or opposing candidates, or for issue ads designed to affect political races, including dues and special payments made to trade associations, such as the U.S. Chamber of Commerce, or political and other organizations that can hide any contributions.
- Risks and responsibilities associated with serving on boards of and paying dues to trade organizations when positions of the trade association contradict the company’s own positions.
- Management and board oversight processes for all political spending, direct or indirect.

RESOLVED: The shareholders request that the independent members of the Board of Directors institute a comprehensive review of Occidental’s political expenditures and spending processes and present a summary report for investors by September 2011. Items for review include:

- The process used for determining the approval of expenditures supporting or opposing candidates and an assessment of the impact such expenditures may have on the company’s reputation, sales and profitability;
- Direct or indirect expenditures, including payments made to trade associations such as the U.S. Chamber of Commerce, social welfare organizations and political organizations, supporting or opposing candidates or for issue ads aimed at affecting political races;
- Expenditures for state-level ballot initiatives, including an analysis of the impact on the company and the environment of any such initiative;
- Oversight processes by management and the Board for all political spending.

14. Separate Chair & CEO – Exxon Mobil Corporation
RESOLVED: The shareholders request the Board of Directors of Exxon-Mobil to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy should be phased in for the next CEO transition. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

15. Separate Chair & CEO – Goldman Sachs, Inc.
RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors to be an independent member of the Board. This policy should be phased in for the next CEO transition. The policy should also specify (a) how to select a new independent Chair if a current Chair ceases to be independent during the time between annual meetings of shareholders; and, (b) that compliance with the policy is excused if no independent director is available and willing to serve as Chair.
CRIC Reports on Resolutions

The following CRIC reports on the above resolutions are organized by topic, so that more than one corporation may be included in a given item.

1. Adopt Greenhouse Gas Reduction Goals

As of 12/31/10, the value of our position in ExxonMobil: $273,688.16 (3743 shares)

Proposal Summary
Assumption
• Corporations, and especially large and influential corporations, have a responsibility to employ practices which do not adversely affect the environment or human health.

Issue
• ExxonMobil emits greenhouse gases (GHGs) as a result of its operations.
• ExxonMobil has set no absolute targets for GHG emission reductions.
• GHGs are a potential threat to climate stability and human health (see Appendix U1).
• At this time, no comprehensive international or U.S. legislation exists governing the emission of GHGs.

Shareholder Requests:
• Adoption of quantitative goals aimed at reducing GHG emissions.
• Preparation of a report describing goals and plans for achievement.

Company Response
Because there has never been a resolution like this filed against ExxonMobil, no company response is available, however likely responses are:
• ExxonMobil is in compliance with all relevant environmental regulations.
• There are goals in place for both emission reductions and improvements in energy efficiency.
• Some practices cited in the resolution, including hydrocarbon flaring, are both expensive to reduce and important in safety operations.

CRIC’s Position
Whereas ExxonMobil has set goals for reducing their greenhouse gas emissions, these goals do not adequately reflect the dangers posed by these emissions. For example, hydrocarbon flaring, a process by which gases associated with crude oil extraction are burned, is part of ExxonMobil’s routine operations. Although they have committed to a reduction in flaring by 50% over 2007 levels, there are no deadlines in place to meet this goal (see Appendix U2). The EPA recently strengthened their regulations governing flaring, indicating both that flaring is a serious environmental concern, and that future legislation may require more substantial reductions in these operations.

Legislation governing the emission of greenhouse gases has been developed by Europe (see Appendix U3), as well as several other nations, and it is likely that legislation of this kind will be created in the next few years both in the United States and internationally. It would therefore be in ExxonMobil’s best interest financially to move toward instituting better environmental practices before legislation is instituted.

Lastly, this issue is of great importance to the Carleton community. Carleton’s Carbon Neutrality Value Statement affirms the college’s commitment to reduce its greenhouse gas emissions, and its Environmental Statement of Values emphasizes Carleton’s efforts toward increased sustainability (Appendix U4). In a 2010 survey, 89.5% of Carleton students, faculty, and staff said they would support a
resolution that encourages a company to enact policies that create greater transparency and full disclosure of their activities which may affect the environment (see Appendix T).

For the aforementioned reasons, CRIC recommends that we vote in favor of Exxon Mobil Corporation’s “Adopt Greenhouse Gas Reduction Goals” proposal.

2 - 3. Hydraulic Fracturing

As of 12/31/10, the value of our positions in:

- **El Paso Corporation**: $496,736 (36,100 shares)
- **Exxon Mobil Corporation**: $273,688.16 (3743 shares)

**Proposal Summary**

**Assumption**

- Corporations have a responsibility to employ practices which do not adversely affect the environment or the community in which they operate.
- Shareholders have a right to corporate transparency, especially where it concerns information related to human health.

**Issue:**

- El Paso Corporation and ExxonMobil Corporation use hydraulic fracturing.
- It has been shown that chemicals linked to hydraulic fracturing have been found in ground water and public water supplies in surrounding areas.
- Chemicals used in hydraulic fracturing represent a potential danger to residents in surrounding areas, including effects to sensory organs, the gastrointestinal system, and the liver. One chemical that may be used in the process, benzene, is a known carcinogen (see Appendix V1).
- Hydraulic fracturing may lead to environmental contamination of the communities in which it is conducted, including toxic spills, water quality degradation and air pollution.
- The 2005 Energy Policy Act stripped the EPA of its ability to regulate hydraulic fracturing.

**Shareholder Requests:**

- Report assessing:
  - The environmental impacts of their fracturing operations.
  - Potential policies addressing potential environmental health hazards.

**Company Response**

Because this resolution has never come up for a vote among shareholders of either El Paso Corporation or ExxonMobil, no company responses from these corporations are available, however likely responses are:

- Companies are already in compliance with environmental regulations.
- State policies offer sufficient regulation.
- Chemicals used in hydraulic fracturing are trade secrets, and must therefore not be disclosed.
- Both companies have good environmental records and a history of mitigation of environmental issues.
- A 2004 EPA report contested the dangers of hydraulic fracturing with respect to safe drinking water (see Appendix V2).
- Negotiation with shareholders has occurred in the past and may be possible.
CRIC’s Position

When companies have failed to establish good environmental standards it has resulted in litigation and bad publicity. This theme is prevalent in the history of the industry. A lawsuit in Alabama in 1994 resulted in the regulation and virtual shutdown of a coal bed methane operation (see Appendix V3). Another lawsuit was filed in November, 2009 against a comparable company in Pennsylvania related to hydraulic fracturing (see Appendix V4). These lawsuits are an unnecessary threat to both the companies and their investors that could be avoided were the companies to review the environmental impacts of their operations.

Future political action may bring about even greater costs if the companies continue to operate as they are doing. Legislation being considered in the US House and Senate, and the New York State legislature would improve hydraulic fracturing regulation (see Appendix V5). The Obama Administration is widening the EPA’s mandate, allowing the EPA broader powers of regulation. Furthermore, after the 2004 EPA study, which found no major problems with hydraulic fracturing, new findings have found chemicals attributable to hydraulic fracturing, and a new study is being conducted (see Appendix V6). Other companies are planning to release the chemicals used in hydraulic fracturing (see Appendix V7). We believe that creating a report would give our companies a proverbial “leg up” and allow them to stay competitive by providing an opportunity for them to develop and potentially implement cost-saving policies.

Lastly, this issue is of great importance to the Carleton community. Carleton’s Carbon Neutrality Value Statement affirms the college’s commitment to reduce its greenhouse gas emissions, and its Environmental Statement of Values emphasizes Carleton’s efforts toward increased sustainability (Appendix V8). In a 2010 survey, 89.5% of Carleton students, faculty, and staff said they would support a resolution that encourages a company to enact policies that create greater transparency and full disclosure of their activities which may affect the environment (see Appendix T).

For the aforementioned reasons, CRIC recommends that we vote in favor of El Paso Corporation and Exxon Mobil Corporation’s “Hydraulic Fracturing (Toxic Chemicals)” proposals.

4. Code Protecting Children

As of 12/31/2010, the value of our position in:

Carnival Corporation: $725,955.84 (15,744 shares)

Proposal Summary

Assumption:

- Corporations operating in countries with child exploitation face serious reputational risks if they are seen as responsible for, or complicit in, human rights violations such as child sex tourism (CST).
- Each year more than two million children are exploited in the global commercial sex trade, some as young as five years old.

Issue:

- Carnival is operating in some problematic countries where tourism may aggravate the demand for child prostitution, including Costa Rica, Dominican Republic, Mexico, and Brazil (see Appendix W1: 2010 TIP Report).
- ECPAT (End Child Prostitution and Trafficking), a UN funded organization, created a “Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism” for suppliers of tourism services, which outlines ways in which organizations can prevent this abuse from occurring. (See Appendix W2: The Code)
- As of today, Carnival Corp has not adopted a human rights policy, or any other policy addressing these concerns.
Shareholder Requests:
- Adopt a human rights policy that includes prohibiting the sexual exploitation of minors.
- Prepare a report by December 2011 concerning the implementation of this policy.

Company Response
As of this point, there is no company response. Potential responses may include:
- CST is not their concern, but instead the concern of the host countries, international institutions, and individuals.

CRIC’s Position:
While Carnival Corporation may not be directly responsible for CST, their presence in poorer countries fuels tourist industries, which often include CST. The truth is that the countries in which CST is most prevalent are often those without sufficient government structures to address these issues, meaning that children continue to be abused.

Other companies in the tourist industry, such as Carlson Hotels, Accor Hotels, and Air France have already signed onto The Code, and begun working on this issue, meaning that Carnival has the unique opportunity to be the first in the cruise industry to address this issue. Corporations addressing human trafficking and CST are becoming more and more prevalent, as are publicity campaigns around these issues, such as the recent campaign around the 2010 World Cup (see Appendix W3: Red Card), and the upcoming campaign for the 2011 Super Bowl (see Appendix W4).

Consequently, this means that not choosing to address this issue can have serious negative repercussions, especially given the growing number of NGOs and publicity campaigns around these issues. Were anything to happen, or were any group to target Carnival’s lack of a policy, it could have severe negative repercussions for both their public image and their share value.

In short, addressing this issue can only benefit Carnival, by proving that they are in accordance with UN standards (as evidenced by the UN Global Initiative to Fight Human Trafficking – Appendix W5), at the cutting edge of the industry, and that they are in compliance with their own commitment “[achieve] and [maintain] the highest standards of professional and ethical conduct” (see Appendix W6).

Lastly, in CRIC’s 2010 Campus Survey, 66.8% of respondents stated that they would strongly agree with a resolution “requiring companies to conduct operations in line with UN standards on human rights” (Appendix T).

For the aforementioned reasons, CRIC recommends that we vote in favor of Carnival’s “Code Protecting Children” proposal.

5. Equal Employment Opportunity

As of 12/31/10, the value of our position in:
Home Depot, Inc.: $298,010.00 (8500 shares)

Proposal Summary
Assumption:
- Equal Employment Opportunity (EEO) is both a fair employment practice and an investment issue. Companies with a good EEO record have a competitive advantage in recruiting and retaining employees.
- Home Depot customers are diverse; therefore, a similarly diverse work force is more likely to anticipate and respond effectively to consumer demand.
- Allegations of discrimination in the workplace burden shareholders with costly litigation that can damage a company’s reputation.
• Public disclosure of diversity data—specifically data on the most senior positions—is an effective incentive to develop and maintain programs designed to break the glass ceiling barriers.

• The Social Investment Forum and RiskMetrics concluded in a 2008 study of corporate disclosure of EEO data that corporate transparency on EEO progress is necessary to assess investment risk.

Issue:
• Home Depot has spent more than $100 million to settle discrimination lawsuits in the last 14 years. The most significant EEOC settlement of $87 million was in 1997. In 2004, Home Depot agreed to pay $5.5 million to settle charges of class-wide gender, race and national origin discrimination at more than 30 Colorado stores. In 2009, Home Depot paid $84,750 to settle charges related to a 2004 discrimination suit.
• Home Depot has failed to respond to repeated shareholder requests for EEO reporting.

Shareholder Requests:
• Report including:
  - A chart identifying employees according to their gender and race in each of the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
  - A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; and
  - A description of any policies and programs oriented specifically toward increasing the number of managers who are qualified females or minorities.

Company Response
• The Company has appointed a Vice President of Talent Management and Diversity, created the Corporate Inclusion Council, and maintained resource groups to focus on diversity issues affecting the Company.
• The Company supports affirmative action programs in each of its 2,000+ stores. Additionally, as required by law, the Company files an EEO-1 report with the Equal Employment Opportunity Commission annually.
• The Company does not believe that public dissemination of this information, which could be manipulated or misinterpreted by those with interests adverse to the Company, would further promote the goal of equal employment opportunity in any meaningful way.

CRIC’s Position:
Home Depot shareholder votes in favor of a diversity report surpassed 27%, 22%, and 25% in 2010, 2009 and 2008. This issue has been brought before Home Depot every year since 2005, and has consistently received between 22 and 30% of the votes in favor of the resolution. We do not feel that requiring Home Depot to create a diversity report will cause the company any undue financial hardship. The Company annually files an EEO-1 report with the EEO Commission and states in its own defense that it is already following these policies. A diversity study may contribute to halting Home Depot’s payments of over $100 million in the past 14 years in discrimination lawsuits.

We feel that the fact that Home Depot continues to refuse to create a diversity report and has received undue negative publicity for not doing so hurts the image of the company. In 2001, Home Depot began providing EEO information to investors upon request. Since then Home Depot reversed its policy on disclosure of this information. Putting EEO policies in writing and creating a diversity report would only enhance the perception of the company.
In the 2010 CRIC campus survey, over 58% of respondents agreed or strongly agreed that “Carleton's ‘Statement on Diversity’ commits the College to ‘creating a diverse campus community, including diversity of gender identities and sexual orientations’: I would support a resolution requiring companies to commit to similar diversity in their workplaces and executive boards’” (Appendix T).

Most importantly, Home Depot’s position contradicts Carleton’s Community, Equity, and Diversity Initiative (CEDI) statement: “The core principles of a liberal arts education are based on mutual respect, communication, and engagement, which commits us to create and affirm a culture of respect for people in all aspects of their lives…. Carleton affirms that the college and its community grow in understanding when established views are challenged” (Appendix X).

For the aforementioned reasons, CRIC recommends that we vote in favor of Home Depot’s Equal Employment Opportunity proposal.


As of 12/31/2010, the value of our position in:

**Raytheon Company:** $458,766 (9,900 shares)

Proposal Summary

Assumptions
- Raytheon does business in countries with human rights challenges including the Middle East, Israel, and the occupied Palestinian territories.
- As a result, Raytheon faces serious risks to reputation and shareholder value.

Issue
- Raytheon does not have a human rights policy and operates in countries with civil conflict, weak rule of law, endemic corruption, poor labor and environment standards.
- Several recognized international conventions, declarations and treaties set forth internationally recognized standards designed to protect human rights – civil, political, social environmental, cultural and economic – that should be reflected in Raytheon’s policies. These documents will help inform Raytheon’s development of a human rights policy.

Shareholder Requests
- Report reviewing policies related to human rights to assess areas where Raytheon needs to adopt and implement additional. The review should include:
  - Risk assessment to determine the potential for human rights abuses in locations, such as the Middle East, Africa, Asia and other civil strife/war-torn areas where our company has a presence.
  - A report on the current system in place to ensure that the company’s contractors and suppliers are implementing human rights policies in their operations, including monitoring, training, addressing issues of non-compliance and assurance that trafficking-related concerns, particularly in its extractive minerals supply chain, are being addressed.
  - Raytheon’s strategy of engagement with internal and external stakeholders.

Company Response
- There is no available response from Raytheon in regard to this proposal. However, likely responses may be:
- Raytheon is not responsible for the use of its products once sold.
- Raytheon cannot be held responsible for other countries’ inability to control arms trafficking.

CRIC’s Position

Arms trafficking is a serious issue, particularly in developing countries with weak governments (see Appendix Y1). Lack of control over international transfers of conventional arms significantly increases the likelihood of products manufactured by arms companies like Raytheon ending up in the hands of groups committing serious human rights violations.

This is an issue the UN, US Congress, and various human rights NGOs have addressed (see Appendix Y2). Prominent human rights organizations such as Oxfam International and Amnesty International successfully pushed for the development of an Arms Trade Treaty through the UN, which is scheduled for negotiation in 2012 (see Appendix Y3).

Growing awareness of this issue and movements toward increasing oversight and regulation leaves Raytheon vulnerable given some of the locations in which it operates. There is currently a greater push by NGOs towards supply chain traceability in all industries. Regardless of whether or not Raytheon considers themselves responsible for the use of their products, history has shown that if a company is in any way connected to human rights abuses, the effects can be disastrous (as evidenced by the 2006 outcry over forced labor in the pig iron supply chains of Nucor and other steel producers – see Appendix Y4).

Thus, creating and implementing a system to ensure Raytheon is in no way attached to human rights abuses can only serve to benefit the company and protect their long-term interests.

For the aforementioned reasons, CRIC recommends that we vote in favor of Raytheon’s “Human Rights – Develop & Adopt Policies” proposal.

7. Sexual Orientation Non-Discrimination

As of 12/31/10, the value of our position in:

- Exxon Mobil Corporation: $273,688.16 (73.12 times 3743 shares)

Proposal Summary
Assumption:
- Corporations that prohibit discrimination on the basis of sexual orientation and gender identity have a competitive advantage in recruiting and retaining employees.
- Employment discrimination on the basis of sexual orientation and gender identity diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. ExxonMobil will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

Issue:
- ExxonMobil does not explicitly prohibit discrimination based on sexual orientation and gender identity in its written employment policy.
- Over 89% of the Fortune 500 companies have adopted written nondiscrimination policies prohibiting harassment and discrimination on the basis of sexual orientation, as have more than 95% of Fortune 100 companies, according to the Human Rights Campaign. Nearly 70% of the Fortune 100 and 43% of the Fortune 500 now prohibit discrimination based on gender identity or expression.
Twenty-one states, the District of Columbia and more than 160 cities and counties, have laws prohibiting employment discrimination based on sexual orientation; 12 states and the District of Columbia have laws prohibiting employment discrimination based on sexual orientation and gender identity. Exxon Mobil has operations in, and makes sales to institutions in states and cities that prohibit discrimination on the basis of sexual orientation.

Shareholder Requests:
- The Shareholders request that ExxonMobil amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity and to substantially implement the policy.

Company Response
- As of yet, there is no response to the 2011 proposal. However, the same proposal has been proposed to Exxon Mobil every year from 2000 to 2010.
- Summary of Exxon Mobile’s response to the same resolution in 2010:
  - ExxonMobil values contribution values employees and is already committed to maintain a working environment free from harassment and discrimination; therefore, based on existing policies, the Board believes the proposal is unnecessary.
  - The Company administers all employee-related policies, programs, and practices in a nondiscriminatory manner as stated in the following documents:
    - Company policies on Equal Employment Opportunity (EEO) and Harassment in the Workplace in the Standards of Business Conduct.
    - A statement by the Chairman accessible to all employees on the Company intranet.
    - A harassment training material included in our Working Together booklet that includes an example specifically based on sexual orientation.
    - Annual reporting and compliance procedures, which includes a letter to all senior managers emphasizing their responsibilities regarding maintaining work environments free from harassment and discrimination.
  - The Company has amended its policies as appropriate in countries where national laws require specific language.

CRIC’s Position:
Exxon Mobil has consistently refused to take action or to put a tangible plan in place, despite resolutions from shareholders each year from 2001 to 2010. In 2009, this proposal failed to pass but received 39.3% of the vote; in 2008, 39.6%; in 2007, 37.8%. 2010 voting results were not made public. 2011 will be the eleventh year of this resolution.

We do not feel that requiring Exxon Mobil to amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity will cause the company any undue financial hardship. Exxon Mobil states in its own defense that it is already following these policies; therefore, requiring them to follow these same policies by putting them in writing would only be consistent with their stated existing policies.

We feel that the fact that Exxon Mobil refuses to put these policies in writing and has received undue negative publicity for not doing so hurts the image of the company. In fact, ExxonMobil’s record on this issue has won it the distinction of getting a zero rating in 2010—the lowest awarded—by the Human Rights Campaign (HRC), the leading advocate of LGBT rights in the United States, this year and in every year in the eight years the HRC has ranked companies.

89% of the other Fortune 500 companies have put these policies in writing; should Exxon Mobil do so, it would enhance the public perception of the company and contribute to its competitive edge.
Furthermore, proponents of this resolution state that for all of ExxonMobil’s positioning, it does not effectively ban discrimination and harassment based on sexual orientation or gender identity until it includes these classifications in its global policy. This request has been made for more than a decade in concert with other shareholder proponents from the social investing community.

Exxon Mobil’s position is in contrast to Carleton’s Community, Equity, and Diversity Initiative (CEDI) and its Statement on Diversity.

In the 2010 CRIC campus survey, over 58% of respondents agreed or strongly agreed that “Carleton’s ‘Statement on Diversity’ commits the College to ‘creating a diverse campus community, including diversity of gender identities and sexual orientations,’ and that they would support a resolution requiring companies to commit to similar diversity in their workplaces and executive boards.”

For the aforementioned reasons, CRIC recommends that we vote in favor of the Exxon Mobil “Sexual Orientation Non Discrimination” proposal.

8 - 13. Political Contributions

As of 12/31/10, the value of our positions in:

3M: $1,191,112.60 (13,802 shares)
EOG: $212,802.48 (2,328 shares)
Goldman Sachs: $253,585.28 (1,508 shares)
Home Depot: $298,010.00 (8,500 shares)
IBM: $411,515.04 (2,804 shares)
Occidental Petroleum: $302,834.70 (3,087 shares)

*The shareholder resolutions and available company responses are nearly identical, and we have therefore prepared a blanket recommendation for the companies listed above (3M, IBM and Occidental Petroleum are slight variations and thus have an extra paragraph.) Please see the appendix for the individual resolutions and company responses where available.

Proposal Summary

Issue

- A number of companies made political contributions recently and experienced very negative publicity for doing so. Shareholders are asking for more transparency on this issue.
- Over 75 S&P 500 companies now disclose political expenditures on their website, including half of the S&P 100. Shareholder resolutions urging such disclosure averaged more than 30% in favor in 2010, indicating strong concern.
- In the case of 3M, it “donated $100,000 to MN Forward, a group created in the wake of the Supreme Court decision to collect donations by corporations (Wall Street Journal 8/7/10) to influence the outcome of 2010 state races. MN Forward focuses on economic policies and appears to ignore a candidate’s other positions in making endorsements and contributions. MN Forward made campaign contributions to a Minnesota gubernatorial candidate who is a vocal opponent of same-sex marriage and full parenting rights for same-sex households. This triggered demonstrations, petitions, boycotts and considerable negative publicity for Target and Best Buy, which also made significant contributions to MN Forward.”

Shareholder Requests

- These resolutions call for an itemized report that lists the recipient and amount of any political contributions.
Company Response
No company has yet responded to these resolutions for the 2011 cycle. However:

- CRIC was able to find Goldman Sachs’ response to an identical resolution in 2010, and its Board recommended a vote against the resolution (which nonetheless received 37.23% in favor). Goldman Sachs does not contribute directly to political action committees or 527s, but does pay dues to trade organizations and industry groups, which do make political contributions. However, the Board feels that transparency on these contributions would be misleading, as these groups and organizations could make contributions that Goldman Sachs does not necessarily agree with, and thus feels that “disclosure of our dues to these organizations could misrepresent our approach to political contributions and would not provide our shareholders with meaningful information.”

CRIC’s Position
CRIC agrees that corporate political contributions are of increasing concern to investors and our democratic society more broadly. The issue is now particularly salient after the Supreme Court’s January 2010 *Citizens United* decision, which removed prohibitions against direct corporate political contributions. We argue that undisclosed political contributions can influence politicians to make political decisions that do not necessarily adequately reflect the needs of their constituents, but instead the companies giving them large amounts of money. Thus they can have consequences for the long-term economic health of the nation and can interfere in the democratic system. This resolution would provide an extra degree of transparency and accountability in both the financial and political realm. Moreover, CRIC feels that the negative publicity and boycotts of last year (e.g., WSJ, August 7, 2010, “Target Discovers Downside to Political Contributions”) can affect these companies’ bottom line, which of course negatively impacts our holdings.

Furthermore, in the case of 3M and MN Forward, there is a diversity angle to the resolution, as it focuses on a political contribution to an organization that does not support same-sex equality. Since Carleton explicitly supports this in its own “Diversity Statement,” CRIC feels that this touches on a clear Carleton value.

*The case of Occidental Petroleum and IBM are slightly different, as the resolutions focus on political contributions made in support of suspending a law requiring companies to cap emissions and cut carbon in gasoline so as to protect the environment. Both also ask for a review as well as a report. Here we feel our recommendation to support these resolutions links up additionally to Carleton values with respect to sustainability and the environment. Carleton has adopted an “Environmental Statement of Principles” that commits the college to be a “model of stewardship for the environment” and has set a goal to be carbon neutral in coming decades through its “Carbon Neutrality Value Statement.”

The 3M resolution addresses contributions made in support to MN Forward, an organization that supported a candidate who presented discriminatory policies against those of same-sex orientation. In this case, we feel that Carleton’s “Statement on Diversity,” and the Campus Survey results that indicated 58% support of company diversity policies support our recommendation of this resolution.

Despite these differences, all of these resolutions make the same request of the company, which is to review and report on political contributions.

*For the aforementioned reasons, CRIC recommends that we vote in favor of 3M, EOG Resources, Goldman Sachs, and Home Depot’s “Political Contributions” proposals, and IBM and Occidental Petroleum’s “Political Contributions – Global Warming” proposals.*
14 – 15. Separate Chair & CEO

As of 12/31/10, the value of our positions in:

- **Exxon Mobil Corporation**: $273,688.16 (3743 shares)
- **Goldman Sachs**: $253,585.28 (1,508 shares)

Proposal Summary

Assumption
- Institutions should have a separate chair of the Board of Directors and Chief Executive Officer (CEO) as there is a potential conflict of interest for a CEO to be her/his own overseer while managing the business.

Issue:
- Goldman Sachs and Exxon Mobil do not have a separate Chair & CEO.

Shareholder Requests:
- Adopt a policy to require the Chair of the Board of Directors to be an independent member of the Board. This policy should be phased in for the next CEO transition.
- The policy should also specify how to select a new independent Chair if a current Chair ceases to be independent during the time between annual meetings of shareholders.
- That compliance with the policy is excused if no independent director is available and willing to serve as Chair.

Company Response (Goldman Sachs)

- The Board does not have a policy on whether the role of Board Chairman and CEO should be separate or combined.
- The Board believes that the most effective leadership model for Goldman Sachs is to have the roles of CEO and Chairman combined. This structure helps to ensure clarity regarding leadership of the firm, allows the firm to speak with one voice and provides for efficient coordination of Board action, particularly in times of market turmoil or crisis.
- The combination of the Chairman’s ability to call and set the agenda for Board meetings with the CEO’s intimate knowledge of our business, including our risk management framework, provides the best structure for the efficient operation of our Board process and effective leadership of our Board overall.
- Goldman Sachs has an effective governance framework and sound governance practices in place to ensure the independence of its Board, address conflicts of interest and prevent improper influence of the Board by senior management.
- Goldman Sachs has designated a “Presiding Director” to ensure strong oversight and advise the Chairman on CEO on decisions made and facilitate communication between the Non-Employee Directors and the Chairman and CEO.

CRIC’s Position:

As a shareholder, the combined role of Chairman and CEO of Goldman Sachs and Exxon Mobil is of great concern. The role of the CEO is to manage the company and the role of the Chairman is to oversee the CEO and the management of the company. There is a conflict of interest for a CEO to be her/his own overseer while managing the business.

A single chair and CEO also allows for one person to be too dominant. Separating the roles will help increase accountability, as the CEO is not accountable to anyone under the combined role of CEO and Chair.

Additionally, most competing firms have incorporated a policy to separate the roles of the chair and the CEO. This indicates that companies are recognizing that separating the Chair and CEO is a sound corporate governance practice. Moreover, most of the large financial institutions that struggled during the
crisis such as Bear Stearns, Lehman, Citigroup, Bank of America, Washington Mutual and Wachovia had
one person in the combined role of Chair and CEO and therefore, it may not be the best structure during
market turmoil. Many companies have independent Chairs; by 2008 close to 39% of the S&P 500
companies had boards that were not chaired by their chief executive. An independent Chair is the
prevailing practice in the United Kingdom and many international markets.

The publishing of research supporting the separation of the Chair and the Director by Yale
University’s Millstein Center for Corporate Governance and Performance called “Chairing the Board”
clearly supports the case for separation of these positions. The report claims that chairing and overseeing
the Board is a time intensive responsibility and that a separate Chair leaves the CEO free to manage the
Company and build effective business strategies.

Furthermore, Businesses with separate chairman will help increase transparency and potentially
shareholder returns. Managing Goldman Sachs is a massively complex, challenging, and time-consuming
job; splitting the roles frees up the CEO to focus on the business. Shareholder resolutions urging
separation of CEO and Chair averaged 36.7% support in 2009 at 30 companies, an indication of strong and
growing investor support. Support for this shareholder proposal across the S&P 500 Index averaged 29% in
2010. To protect shareholders interests, it is important to have a separate Chair and CEO.

*For the aforementioned reasons, CRIC recommends that we vote in favor of Goldman Sach’s and
Exxon Mobil’s “Separate Chair and CEO” proposals.*
Appendices

I. Appendices of Shareholder Resolutions & Company Responses (if available)


WHEREAS: The US Securities and Exchange Commission issued new interpretative guidance in February 2010 clarifying what publicly traded companies should disclose regarding “climate risk.”

The U.S. Environmental Protection Agency (EPA) issued an endangerment finding under the Clean Air Act in December 2009. It cites carbon dioxide and five other greenhouse gases (GHGs) as plausible threats to human health and welfare, clearing the way for regulations to reduce GHG emissions. This endangerment finding states that, “in both magnitude and probability, climate change is an enormous problem.” ExxonMobil has acknowledged that “climate change poses risks to society and ecosystems that are serious enough to warrant action — by individuals, by businesses, and by governments.” Yet year after year, the company fails to take serious action in producing quantifiable targets to reduce its production and operational GHG emissions.

Energy markets expert Daniel Yergin, Chairman of Cambridge Energy Research Associates, notes that “climate change and putting a price on carbon will change the dynamics of the energy marketplace.”

While the details of U.S and international climate policy remain undecided, companies are strategically reducing emissions to ensure long-term fiscal security. Approximately 40% of global GHG emissions come from the production and use of oil and gas, meaning that any global effort to address climate change will require large reductions from our industry.

Shareholders’ repeated request for GHG reduction goals is consistent with ExxonMobil’s own Environmental Business Planning process, which is used “to identify key environmental drivers, set targets in key focus areas, and identify projects and actions to achieve these targets.” ExxonMobil has set specific targets for environmental performance in recent years, such as operations and refinery energy efficiency (10% by 2012), VOCs (5% reductions per year), upstream flaring volumes (23% cuts from 2008 baseline), and NOx and SO2 (70% reduction by 2012 from 2000 baseline).

Our Company has made incremental investments in energy efficiency and flaring reductions, the low-hanging fruit. But the time has clearly come for ExxonMobil to articulate a cohesive strategy for deeper emissions reductions. Proponents believe our Board has never sufficiently responded to shareholders in their request for a clear strategy for dealing with climate risk and opportunity, including articulating goals for reducing GHG emissions from ExxonMobil’s products AND operations.

It is widely agreed that research has understated the enormity of the impact of GHG emissions. Investors expect ExxonMobil to take leadership in developing solutions to this global challenge as the company plays such a critical role in energy markets.

THEREFORE, BE IT RESOLVED: Shareholders request that the Board of Directors adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from the Company's products and operations; and that the Company report to shareholders by September 30, 2011, on its plans to achieve these goals. Such a report will omit proprietary information and be prepared at reasonable cost.

WHEREAS, Onshore “unconventional” natural gas production often requires hydraulic fracturing, which typically injects a mix of millions of gallons of water, thousands of gallons of chemicals, and particles deep underground to create fractures through which gas can flow for collection. According to the American Petroleum Institute, “up to 80 percent of natural gas wells drilled in the next decade will require hydraulic fracturing.”

The potential impacts of those fracturing operations stem from activities above and below the surface -- including actions that are necessarily part of the life cycle of fracturing and extraction, such as assuring the integrity of well construction, and moving, storing, and disposing of significant quantities of water and toxic chemicals.

High profile contamination incidents, especially in Pennsylvania, have fueled public controversy. Pennsylvania’s Times-Shamrock Newspapers report “many of the largest operators in the Marcellus Shale have been issued violations for spills that reached waterways, leaking pits that harmed drinking water, or failed pipes that drained into farmers’ fields, killing shrubs and trees.”

Public officials in Pittsburgh, Philadelphia and New York City have called for delays or bans on fracturing. Pennsylvania, West Virginia, Colorado, Wyoming and New York State all tightened or are considering tightening regulations and permitting requirements, though state regulations remain uneven. The federal Environmental Protection Agency is studying the potential adverse impact that hydraulic fracturing may have on water quality and public health.


Proponents believe these potential environmental impacts and increasing regulatory scrutiny could pose threats to our company’s license to operate and enhance vulnerability to litigation. Proponents believe our company is not providing sufficient information on associated business risks. Proponents believe El Paso should protect its long-term financial interests by taking measures beyond the existing, inconsistent regulatory requirements to reduce environmental hazards and associated business risks.

THEREFORE BE IT RESOLVED: Shareholders request that the Board of Directors prepare a report by September 1, 2011, at reasonable cost and omitting confidential information such as proprietary or legally prejudicial data, summarizing 1. Known and potential environmental impacts of fracturing operations of El Paso; 2. Policy options for our company to adopt, above and beyond regulatory requirements and our company’s existing efforts, to reduce or eliminate hazards to air, water, and soil quality from fracturing operations; and 3. Management’s evaluation of the potential magnitude of material risks, short and long term, that this issue may pose to the company’s finances or operations.

Supporting Statement: Proponents believe policies explored should include, for example, additional efforts to reduce toxicity of fracturing chemicals, recycle waste water, monitor water quality prior to drilling, cement bond logging, and other structural or procedural strategies to reduce environmental hazards and financial risks. “Potential” includes occurrences that are reasonably foreseeable and worst case scenarios. “Impacts of fracturing operations” encompass the life cycle of activities related to fracturing and associated gas extraction.

C. Hydraulic Fracturing (Toxic Chemicals): 2011 – Exxon Mobil Corporation

WHEREAS: Exxon Mobil is the largest natural gas company in the country.

Onshore “unconventional” natural gas production often requires hydraulic fracturing, which typically injects a mix of millions of gallons of water, thousands of gallons of chemicals, and particles deep underground to create fractures through which gas can flow for collection. According to the American Petroleum Institute, “up to 80 percent of natural gas wells drilled in the next decade will require hydraulic fracturing.”
The potential impacts of those fracturing operations stem from activities above and below the earth’s surface -- including actions that are necessarily part of the life cycle of fracturing and extraction, such as assuring the integrity of well construction, and moving, storing, and disposing of significant quantities of water and toxic chemicals.

High profile contamination incidents, especially in Pennsylvania, have fueled public controversy. Pennsylvania’s Times-Shamrock Newspapers report “many of the largest operators in the Marcellus Shale have been issued violations for spills that reached waterways, leaking pits that harmed drinking water, or failed pipes that drained into farmers’ fields, killing shrubs and trees.”

Pittsburgh banned natural gas drilling and public officials in Philadelphia and New York City have called for delays or bans on fracturing. The New York State Assembly approved a temporary moratorium on natural gas drilling and Pennsylvania, West Virginia, Colorado, and Wyoming all tightened or are considering tightening regulations and permitting requirements, though state regulations remain uneven. The federal Environmental Protection Agency is studying the potential adverse impact that hydraulic fracturing may have on water quality and public health.

A multi-sectoral assessment for investors, “Water Disclosure 2010 Global Report,” noted the existence of reputational risks from water management for the oil and gas sector. Proponents believe these potential environmental impacts and increasing regulatory scrutiny could pose threats to Exxon Mobil’s license to operate and enhance vulnerability to litigation. Proponents believe our company is not providing sufficient information on key business risks associated with hydraulic fracturing operations. Proponents believe Exxon Mobil should protect its long-term financial interests by taking measures beyond the existing, inconsistent regulatory requirements to reduce environmental hazards and associated business risks.

Therefore be it resolved:
Shareholders request that the Board of Directors prepare a report by October 2011, at reasonable cost and omitting confidential information such as proprietary or legally prejudicial data, summarizing: 1) Known and potential environmental impacts of Exxon Mobil’s fracturing operations; and 2) Policy options for our company to adopt, above and beyond regulatory requirements and our company’s existing efforts, to reduce or eliminate hazards to air, water, and soil quality from fracturing operations.

Supporting Statement: Proponents believe policies explored should include, for example, additional efforts to reduce toxicity of fracturing chemicals, recycle waste water, monitor water quality prior to drilling, cement bond logging, and other structural or procedural strategies to reduce environmental hazards and financial risks. “Potential” includes occurrences that are reasonably foreseeable and worst case scenarios. “Impacts of fracturing operations” encompass the life cycle of activities related to fracturing and associated gas extraction.


WHEREAS: We believe corporations operating in countries with repressive governments, weak rule of law, endemic corruption, child exploitation, or poor labor standards face serious risks to their reputations and share values if they are seen as responsible for, or complicit in, human rights violations.

Each year more than two million children are exploited in the global commercial sex trade, some as young as five years old. The average age is 14. Child sex tourism (CST) is the practice of foreigners sexually exploiting children in another country. It is an organized multi-million dollar industry that includes tour guides, websites and brothel maps.

Problem countries include Cambodia, Thailand, Costa Rica, Mexico, Dominican Republic, Brazil, India and others. At least 32 countries have extraterritorial laws that allow the prosecution of their citizens for CST crimes committed abroad, including the U.S.

Carnival describes itself as a global cruise company and one of the largest vacation companies in the world. It conducts cruises to ports in some problematic countries where tourism areas may be a source for aggravated demand for child prostitution, and is therefore exposed to potential risks to its reputation.

Parts of the travel and tourism industry are addressing CST. In 1996, the International Hotel & Restaurant Association (IH&RA), recognizing that child sex abusers may attempt to use hotels as locations to commit their crimes, passed a resolution condemning sexual exploitation of children and urging that members consider measures, including signing The Code, to prevent use of their premises for commercial sexual exploitation of children. IH&RA members signing The Code include Carlson Hotels, Accor Hotels and Air France.

The Code includes all the critical elements for establishing a company-wide policy with proposed language, includes resources like an operations manual to train personnel, requires procedures to enforce such policies including monitoring and reporting, and has suggested agreement language for supplier and licensee contracts.

We believe a company associated with incidents of CST Tourism could suffer substantial negative impacts to its reputation and adverse publicity. We believe commercial advantages may accrue to our company by adopting an effective policy addressing the commercial sexual exploitation of children.

RESOLVED: The shareholders request the Board of Directors adopt a human rights policy that includes prohibiting the sexual exploitation of minors, and to prepare a report by December 2011 to be made available to shareholders concerning the implementation of this policy, prepared at reasonable cost and omitting proprietary information.

Supporting Statement: We believe our company’s basic policies should be comprehensive, transparent, verifiable and address the provisions contained The Code cited above. They should also provide training of all company employees and educate customers on the policy. Your support for this resolution will encourage our company to address this important subject of child sex tourism.


WHEREAS: Equal employment opportunity (EEO) is a fair employment practice and an investment issue. We believe that companies with a good EEO record have a competitive advantage in recruiting and retaining employees. Moreover, we believe Home Depot customers are increasingly diverse; therefore a similarly diverse work force is more likely to anticipate and respond effectively to consumer demand. EEO reporting has economic relevance.

Home Depot shareholder votes in favor of a diversity report surpassed 27%, 22%, and 25% in 2010, 2009 and 2008, respectively – sending a consistent signal to management that shareowners desire increased accountability.

The Company annually files an EEO-1 report with the Equal Employment Opportunity Commission. Hence, this information could be made available to shareholders at a minimal additional cost.

Allegations of discrimination in the workplace burden shareholders with costly litigation that can damage a company’s reputation. Home Depot has paid out more than $100 million to settle discrimination lawsuits in the last 14 years. The most significant EEOC settlement of $87 million was in 1997. In 2004, Home Depot agreed to pay $5.5 million to settle charges of class-wide gender, race and national origin discrimination at more than 30 Colorado stores. In 2009, Home Depot paid $84,750 to settle retaliation charges related to a 2004 discrimination suit.

RESOLVED: The shareholders request that Home Depot prepare a diversity report, at reasonable cost and omitting confidential information, available to investors by September 2011, including the following:
1. A chart identifying employees according to their gender and race in each of the nine major EEOC-defined job categories for the last three years, listing numbers or percentages in each category;
2. A summary description of any affirmative action policies and programs to improve performance, including job categories where women and minorities are underutilized; and
3. A description of any policies and programs oriented specifically toward increasing the number of managers who are qualified females or minorities.

**Supporting Statement:** In 2008, the U.S. Equal Employment Opportunity Commission reported racial minorities comprised 34% of private industry, but just 12% of executives and managers. Likewise, women represented 48% of the workforce, but just 29% of executives and managers. Employment and advancement barriers persist.

Several major U.S. corporations provide diversity reports with detailed EEO information including Wal-Mart, Hewlett-Packard, Nike, Costco, Intel, and AllState.

In 2001, Home Depot began providing EEO information to investors upon request. Since then Home Depot reversed its policy on disclosure of this information.

We agree with a recommendation of the 1995 bipartisan Glass Ceiling Commission that "public disclosure of diversity data—specifically data on the most senior positions—is an effective incentive to develop and maintain innovative, effective programs to break the glass ceiling barriers."

The Social Investment Forum and RiskMetrics concluded in a 2008 study of corporate disclosure of EEO data that corporate transparency on EEO progress is necessary to assess investment risk.

Home Depot has demonstrated leadership on many corporate social responsibility issues. We ask the company to again demonstrate leadership in diversity by committing to EEO disclosure.

F. **Company Response: EEO – Home Depot 2011**

The Company recommends that you vote against this proposal, which shareholders rejected at six previous annual meetings. The Company does not believe adoption of this proposal would enhance its unwavering commitment to equal opportunity in any meaningful way. This commitment is evidenced by the Company's creation of an Inclusion Council to focus on diversity issues affecting the Company and the establishment of a hotline to promote the anonymous reporting of concerns regarding the Company's Business Code of Conduct and Ethics. The Company also has appointed a Vice President of Diversity and Inclusion to provide focused leadership and to develop an inclusive work environment in which all associates are valued, respected and supported to do their best work. The Company's commitment to diversity is further evidenced through affirmative action programs in each of its 2,000+ stores and the quality of associates that serve customers each day. In addition, the Company prepares and files its EEO-1 report with the Equal Employment Opportunity Commission each year. The Company does not believe that public dissemination of this information, which could be manipulated or misinterpreted by those with interests adverse to the Company, would further promote the goal of equal employment opportunity in any meaningful way. Having demonstrated its leadership and support for the real issues presented by this proposal, the Company does not believe that adoption of the proposal would enhance its values or its unwavering commitment to equal employment opportunities.

**WE (The Company) RECOMMEND THAT YOU VOTE AGAINST THE ADOPTION OF THIS SHAREHOLDER PROPOSAL.**

WHEREAS, Raytheon, as a global corporation, faces increasingly complex problems as the international social and cultural context within which Raytheon operates changes. Corporations operating in countries with civil conflict, weak rule of law, endemic corruption, poor labor and environmental standards face serious risks to reputation and shareholder value when they are seen as responsible for, or complicit in, human rights violations. Raytheon does business in countries with human rights challenges including the Middle East, Israel and the occupied Palestinian territories. We believe some of these challenges come as a result of the use of our products.

Our company’s Code of Ethics does not address major corporate responsibility concerns such as human rights. Without a human rights policy with key performance indicators, Raytheon faces reputation risks by operating in countries where rule of law is weak and human rights abuses well documented, e.g. Afghanistan and in the Middle East. (U.S. State Department Advancing Freedom and Democracy Report, www.state.gov/g/drl/rls/afdr/)

Several international conventions, declarations and treaties set forth internationally recognized standards designed to protect human rights – civil, political, social, environmental, cultural and economic – that should be reflected in Raytheon’s policies. These include the Universal Declaration of Human Rights, the Fourth Geneva Convention, The Hague Conventions, International Covenant on Civil and Political Rights, the core labor standards of the International Labor Organization, and the International Covenant on Economic, Cultural and Social Rights. We believe these documents will help inform Raytheon’s development of a human rights policy.

RESOLVED: Shareholders request management to review policies related to human rights to assess areas where Raytheon needs to adopt and implement additional policies and to report its findings by December 2011, omitting proprietary information and prepared at reasonable expense.

Supporting Statement: We recommend the review include:
1. Risk assessment to determine the potential for human rights abuses in locations, such as the Middle East, Africa, Asia and other civil strife/war-torn areas where our company has a presence.
2. A report on the current system in place to ensure that the company’s contractors and suppliers are implementing human rights policies in their operations, including monitoring, training, addressing issues of non-compliance and assurance that trafficking-related concerns, particularly in its extractive minerals supply chain, are being addressed.
3. Raytheon’s strategy of engagement with internal and external stakeholders.
   We urge you to vote FOR this proposal.

H. Sexual Orientation Non Discrimination: 2011 – ExxonMobil Corporation

WHEREAS: ExxonMobil does not explicitly prohibit discrimination based on sexual orientation and gender identity in its written employment policy;

Over 89% of the Fortune 500 companies have adopted written nondiscrimination policies prohibiting harassment and discrimination on the basis of sexual orientation, as have more than 95% of Fortune 100 companies, according to the Human Rights Campaign. Nearly 70% of the Fortune 100 and 43% of the Fortune 500 now prohibit discrimination based on gender identity or expression;

We believe that corporations that prohibit discrimination on the basis of sexual orientation and gender identity have a competitive advantage in recruiting and retaining employees from the widest talent pool;

According to an October, 2009 survey by Harris Interactive and Witeck-Combs, 44% of gay and lesbian workers in the United States reported an experience with some form of job discrimination related to sexual orientation; an earlier survey found that almost one out of every 10 gay or lesbian adults also stated that they had been fired or dismissed unfairly from a previous job, or pressured to quit a job because of their sexual orientation;
Twenty-one states, the District of Columbia and more than 160 cities and counties, have laws prohibiting employment discrimination based on sexual orientation; 12 states and the District of Columbia have laws prohibiting employment discrimination based on sexual orientation and gender identity;

Minneapolis, San Francisco, Seattle and Los Angeles have adopted legislation restricting business with companies that do not guarantee equal treatment for gay and lesbian employees;

Our company has operations in, and makes sales to institutions in states and cities that prohibit discrimination on the basis of sexual orientation;

National public opinion polls consistently find more than three quarters of the American people support equal rights in the workplace for gay men, lesbians and bisexuals; for example, in a Gallup poll conducted in May 2009, 89% of respondents favored equal opportunity in employment for gays and lesbians;

RESOLVED: The Shareholders request that ExxonMobil amend its written equal employment opportunity policy to explicitly prohibit discrimination based on sexual orientation and gender identity and to substantially implement the policy.

Supporting Statement: Employment discrimination on the basis of sexual orientation and gender identity diminishes employee morale and productivity. Because state and local laws are inconsistent with respect to employment discrimination, our company would benefit from a consistent, corporate wide policy to enhance efforts to prevent discrimination, resolve complaints internally, and ensure a respectful and supportive atmosphere for all employees. ExxonMobil will enhance its competitive edge by joining the growing ranks of companies guaranteeing equal opportunity for all employees.

I. Company Response 2010: Sexual Orientation Non Discrimination-ExxonMobil Corporation

The Board recommends you vote AGAINST this proposal for the following reasons:

ExxonMobil is committed to having a workplace that facilitates the maximum contribution from all of our employees. While there are many factors that are important to creating this type of environment, one of the most significant is having a workplace that is free from any form of harassment or discrimination.

The Board has reviewed in detail ExxonMobil’s existing global policies that prohibit all forms of discrimination, including those based on sexual orientation and gender identity, in any Company workplace, anywhere in the world. In fact ExxonMobil’s policies go beyond the law and prohibit any form of discrimination. Based on these existing all-inclusive, zero-tolerance policies, the Board believes the proposal is unnecessary.

The Corporation’s Equal Employment Opportunity (EEO) and Harassment in the Workplace policies, which are included in the Standards of Business Conduct (Standards), constitute the foundational documents of our employment nondiscrimination policy. The EEO communication initiatives, training programs, and investigating and stewardship processes explicitly state that any form of discrimination or harassment in the workplace based on sexual orientation will not be tolerated, and more broadly, that no form of discrimination or harassment in the workplace will be tolerated. It is these elements, as a totality, that constitute ExxonMobil’s policies.


Supporting Statement: The Supreme Court’s Citizens United decision in January 2010 legalized the use of corporate funds to directly pay for ads supporting or opposing candidates and to contribute to state or local elections.

In September 2010, 3M donated $100,000 to MN Forward, a group created in the wake of the Supreme Court decision to collect donations by corporations (Wall Street Journal (8/7/10) to influence the outcome of 2010 state races. MN Forward focuses on economic policies and appears to ignore a candidate’s other positions in making endorsements and contributions. MN Forward made campaign contributions to a Minnesota gubernatorial candidate who is a vocal opponent of same-sex marriage and full parenting rights for same-sex households. This triggered demonstrations, petitions, boycotts and considerable negative publicity for Target and Best Buy, which also made significant contributions to MN Forward.

The shareholders believe this example illustrates the risks posed by corporate political expenditures, whether made directly or indirectly, and the serious reputational consequences that could negatively affect the company and shareholder value.

Corporate political spending is of increasing concern to investors and corporations. Over 75 S&P 500 companies now disclose political expenditures on their website, including half of the S&P 100. Shareholder resolutions urging such disclosure averaged more than 30% in favor in 2010, indicating strong investor concern. As long-term shareholders of 3M, we support transparency and accountability regarding direct and indirect political contributions to candidates, political parties, political organizations or ballot referenda; independent expenditures; and electioneering communications on behalf of a federal, state or local candidate.

In the aftermath of Citizens United, we believe the Board should review 3M’s policies and practices regarding political spending and report results to shareowners, with particular attention to the potential risk of such contributions to our company’s reputation and competitiveness.

RESOLVED: The shareholders request that the independent members of the Board of Directors provide a comprehensive report on 3M’s:
1. Policies and procedures for political contributions and expenditures (direct and indirect) made with corporate funds, and the process for assessing their potential impacts on the company’s public image, sales and profitability;
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referenda. The report shall include the following:
   a. An accounting through an itemized report that includes the identity of the recipient as well as the amount paid to each recipient of the Company’s funds that are used for political contributions or expenditures as described above; and
   b. The title of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure.

The report shall be disclosed to shareholders by Sept 2011.


RESOLVED, that the shareholders of EOG Resources request that our Company provide a report, updated semi-annually, disclosing our Company’s:
1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referenda. The report shall include:
a. An accounting through an itemized report that includes identity of recipient as well as amount paid to each recipient of our Company’s funds that are used for political contributions or expenditures as described above; and
b. The title(s) of the person(s) in our Company who participated in making the decisions to make the political contribution or expenditure.

The report shall be presented to the Board of Directors’ audit committee or other relevant oversight committee and posted on the EOG Resources website.

Supporting Statement: As long-term shareholders of EOG Resources, we support transparency and accountability in corporate spending on political activities. These include any activities considered intervention in any political campaign under the Internal Revenue Code, such as direct and indirect political contributions to candidates, political parties, or political organizations; independent expenditures; or electioneering communications on behalf of federal, state or local candidates.

Disclosure is consistent with public policy, in the best interest of EOG and its shareholders, and critical for compliance with federal ethics laws. Moreover, the Supreme Court’s Citizens United decision recognized the importance of political spending disclosure for shareholders when it said “[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way. This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages.” Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

EOG Resources contributed at least $13,000 in corporate funds since the 2002 election cycle. (CQ: http://moneyline.cq.com/pml/home.do and National Institute on Money in State Politics: http://www.followthemoney.org/index.phtml.)

However, relying on publicly available data does not provide a complete picture of our Company’s political expenditures. For example, EOG’s payments to trade associations used for political activities are undisclosed and unknown. In many cases, even management does not know how trade associations use its company’s money politically. The proposal asks EOG to disclose all of its political spending, including payments to trade associations and other tax exempt organizations for political purposes. This would bring EOG in line with a growing number of leading companies, including Aetna, American Electric Power and Microsoft that support political disclosure and accountability and present this information on their websites.

Our Company’s Board and its shareholders need complete disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical governance reform.

L. Political Contributions: 2011 – Goldman Sachs Group Inc

RESOLVED, that the shareholders of Goldman Sachs (“Company”) hereby request that the Company provide a report, updated semi-annually, disclosing the Company’s:
1. Policies and procedures for expenditures made with corporate funds to trade associations and other tax-exempt entities that are used for political purposes ("indirect" political contributions or expenditures).
2. Indirect monetary and non-monetary expenditures used to participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referenda.

The report shall include:

a. An accounting through an itemized report that includes the identity of the recipient as well as the amount paid to each recipient of the Company’s funds that are used for political contributions or expenditures as described above; and
b. The title(s) of the person(s) in the Company who participated in making the decisions to make the political contribution or expenditure.
The report shall be presented to the board of directors’ audit committee or other relevant oversight committee and posted on the Company’s website.

Supporting Statement: As long-term shareholders of Goldman Sachs, we support transparency and accountability in corporate political spending. These activities include direct and indirect political contributions to candidates, political parties or political organizations; independent expenditures; or electioneering communications on behalf of a federal, state or local candidate.

Disclosure is consistent with sound public policy, in the best interest of the company and its shareholders, and critical for compliance with federal ethics laws. Absent a system of accountability, company assets can be used for policy objectives that may be inimical to the long-term interests of the company and its shareholders, and may pose risks to both.

Goldman Sachs adopted a policy prohibiting the use of corporate funds for political contributions and electioneering communications. Indirect political spending, however, presents the same risks that led Goldman Sachs to adopt policies prohibiting direct political spending. In fact, these risks may be greater, because the company exercises no control over how these organizations spend its money.

Without disclosure, trade associations and other tax exempt entities often engage in political activities without the knowledge of their corporate funders, and without any oversight. They are free to use corporate funds as they see fit, and potentially at odds with their corporate funders’ policies, practices and interests.

The proposal therefore asks the Company to disclose all of its payments to trade associations and other tax exempt organizations used for political purposes. More than half of the S&P 100 has committed to adopting the model of political transparency and accountability we are seeking, including Microsoft, American Express and Merck.

The Company’s Board and its shareholders need complete disclosure to be able to fully evaluate the political use of corporate assets. We urge your support for this critical corporate governance reform.

M. Company Response 2010: Political Contributions-Goldman Sachs Group Inc.

WHEREAS, the Supreme Court ruling in Citizens United v. Federal Election Commission (Citizens United) interpreted the First Amendment right of freedom of speech to include certain corporate political expenditures involving “electioneering communications,” and striking down elements of the previously well-established McCain-Feingold law;

WHEREAS Citizens United is viewed by some as having eroded a wall that has stood for a century between corporations and electoral politics (e.g., New York Times editorial, “The Court’s Blow to Democracy” on January 21, 2010);

WHEREAS, the Shareholders’ Protection Act (H.R.4790) pending in Congress in response to Citizens United would amend the Securities Exchange Act of 1934 to require in each public company’s annual proxy statement a description of the specific nature of any expenditures for political activities proposed by the issuer for the forthcoming fiscal year not previously approved, to the extent known to the issuer, and including the total amount of such proposed expenditures, and providing for a separate shareholder vote to authorize such proposed expenditures;

WHEREAS, in July 2010 Target Corporation donated $150,000 to the political group Minnesota Forward, which was followed by a major national controversy with demonstrations, petitions, threatened boycotts and considerable negative publicity;

WHEREAS, Home Depot founder and retired CEO Bernie Marcus voiced his opinion in the Wall Street Journal (“Bad Labor Law Is a Path to Economic Ruin” 08/26/08) that companies should use corporate, and thus shareholder, resources for political means;

WHEREAS, proponents believe The Home Depot should establish policies that minimize risk to the firm’s reputation and brand through possible future missteps in corporate electioneering;

WHEREAS, The Home Depot has a firm nondiscrimination policy which states, “The Company prohibits discrimination or harassment on account of race, color, sex (gender), age, religion, national origin, sexual orientation, gender identity of expression, disability, protected veteran…status, or any other basis prohibited under applicable law.” Furthermore, Home Depot has a complete Values Guide which emphasizes our commitment to “creating shareholder value,” “respect[ing] all people,” and to “understand the impact of our decisions…accept responsibility for our actions;”

RESOLVED: Shareholders recommend that the Board of Directors adopt a policy under which the proxy statement for each annual meeting will contain a proposal describing: the company’s policies on electioneering contributions, any specific expenditures for electioneering communications known to be anticipated during the forthcoming fiscal year, the total amount of such anticipated expenditures, a list of electioneering expenditures made in the prior fiscal year, and providing an advisory shareholder vote on those policies and future plans.

Supporting Statement: Proponents recommend that the annual proposal also contain management’s analysis of potential issues of congruency with stated company values or policy, and risks to our company’s brand, reputation, or shareholder value. “Expenditures for electioneering communications” means spending directly, or through a third party, at any time during the year, on printed, internet or broadcast communications, which are reasonably susceptible to interpretation as in support of or opposition to a specific candidate.

O. Political Contributions: 2011 IBM

WHEREAS: Political spending by companies is increasingly controversial, heightened by the recent Citizens United Supreme Court decision, which allows companies to make independent expenditures in favor of or in opposition to, a candidate’s election campaign.

Corporate expenditures supporting a contentious 2010 ballot initiative suspending California’s Global Warming Solutions Act added fuel to the controversy, as did Target and Best Buy contributions for a controversial candidate for Governor in Minnesota.
Over the last five years, corporate political spending has become a major investor concern. Investors asked hundreds of companies to disclose their policies establish board oversight and disclose all direct and indirect expenditures for political purposes. More than seventy-five S&P 500 companies now disclose their political expenditures and policies on their website. Shareowner proposals urging such disclosure averaged more than 30 percent of votes in 2010, indicating strong investor support.

Many companies are updating their political spending policies. For example, Morgan Stanley stated it will not make direct or indirect independent political expenditures.

Left out of many company commitments, however, is transparency around payments to trade associations and other tax-exempt groups for political purposes.

IBM is on the board of the US Chamber of Commerce, which announced it will spend $75 million in political campaigns in 2010. The Chamber, allegedly on behalf of the business community, lobbies, speaks publicly and puts political dollars to work which effectively challenge IBM’s positions on environmental issues. IBM has strong environmental policies and urges companies in its supply chain to follow suit.

Yet as a Chamber board member, it is our understanding that IBM does not seek to influence or challenge the Chamber’s environmental positions.

IBM also has clear policies prohibiting political spending, but does not challenge the Chamber on its partisan political activities. These inconsistencies could be harmful to IBM’s reputation.

The Chamber’s website states: “Directors determine the U.S. Chamber’s policy positions on business issues and advise the U.S. Chamber on appropriate strategies to pursue. Through their participation in meetings and activities held across the nation, Directors help implement and promote U.S. Chamber policies and objectives.” As a Chamber board member IBM certainly may be perceived as supporting its policies.

RESOLVED: Shareholders request that the independent Board members institute a comprehensive review of IBM’s political spending policies and oversight processes, both direct and indirect, including through trade associations, and present a summary report by September 2011. The report may omit confidential information and limit costs. Items for review include:

* Review and disclosure of any direct and indirect expenditures supporting or opposing candidates, or for issue ads designed to affect political races, including dues and special payments made to trade associations, such as the U.S. Chamber of Commerce, or political and other organizations that can hide any contributions.

* Risks and responsibilities associated with serving on boards of and paying dues to trade organizations when positions of the trade association contradict the company’s own positions.

* Management and board oversight processes for all political spending, direct or indirect.

P. Political Contributions—Global Warming: 2011 – Occidental Petroleum Corporation

WHEREAS: The issue of “political spending” by companies is increasingly controversial, heightened by the Citizens United Supreme Court decision which allows companies to make independent expenditures for or in opposition to candidates.

Using shareholder money to support a controversial ballot initiative in California has added to the controversy.

In Occidental’s case, the company’s significant involvement in political campaigns includes support for Proposition 23 in California. Occidental contributed at least $300,000 promoting Proposition 23, which would suspend a law requiring companies to cap their emissions and cut carbon in gasoline to protect the environment until state unemployment falls to and remains at 5.5% or lower for 4 consecutive quarters.

This requirement would have the effect of killing the law, as this happened only 3 times over the last 40 years. The debate about Proposition 23 has split the business community and many oil majors remain neutral.
Some believe the attempt to roll back this law, which sets an economy-wide cap on greenhouse gases, will harm employment and investment in clean technologies, a growth area for California. It would also cause California to lose investment and jobs to countries like China or Germany that have strong commitments to clean energy policy.

Some investors are profoundly concerned that shareholder funds are being used in confrontational and controversial political initiatives of this sort. Furthermore, they are concerned management may use the open door of the Citizens United decision to intervene in controversial election contests that could harm the Occidental brand. In the past 5 years, investors increasingly voted for political spending disclosure resolutions, as demonstrated by the average 30% vote for such proposals in 2010. Disclosure and oversight of political spending, both directly and indirectly, is considered good governance.

Since Occidental management is using shareholder monies for political spending on initiatives and potentially for candidates, we believe it prudent to undertake a comprehensive review of the implications of such expenditures on our company’s reputation and business competitiveness.

In the aftermath of Citizens United, we believe the Board should review Occidental’s policies and practices regarding political spending and report results to shareowners.

RESOLVED: The shareholders request that the independent members of the Board of Directors institute a comprehensive review of Occidental’s political expenditures and spending processes and present a summary report for investors by September 2011. Items for review include:

* The process used for determining the approval of expenditures supporting or opposing candidates and an assessment of the impact such expenditures may have on the company’s reputation, sales and profitability;
* Direct or indirect expenditures, including payments made to trade associations such as the U.S. Chamber of Commerce, social welfare organizations and political organizations, supporting or opposing candidates or for issue ads aimed at affecting political races;
* Expenditures for state-level ballot initiatives, including an analysis of the impact on the company and the environment of any such initiative;
* Oversight processes by management and the Board for all political spending.

Q. Separate Chair & CEO: 2011 – Exxon Mobil Corporation

RESOLVED: The shareholders request the Board of Directors of Exxon-Mobil to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. This policy should be phased in for the next CEO transition. Compliance with this policy is waived if no independent director is available and willing to serve as Chair.

Supporting Statement: We believe:

- The role of the CEO and management is to run the company.
- The role of the Board of Directors is to provide independent oversight of management and the CEO.
- There is a potential conflict of interest for a CEO to be her/his own overseer while managing the business.

Numerous institutional investors recommend separation. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place.

Board members have also demonstrated a preference for separation. According to a 2010 corporate governance survey of 400 board members by Sullivan & Cromwell LLP, approximately 70% of respondents believe the head of management should not concurrently be the head of the board. In 2009, Yale University’s Millstein Center for Corporate Governance and Performance published a Policy Briefing paper “Chairing the Board,” arguing the case for a separate, independent Board Chair.

The report was prepared in conjunction with the “Chairmen’s Forum” composed of a group of Directors. “A separate CEO and Chairman should improve corporate performance and lead to more
competitive compensation practices,” said Gary Wilson, former Chair at Northwest Airlines, a Yahoo Director and a member of the Forum.

The report stated that chairing and overseeing the Board is a time intensive responsibility and that a separate Chair leaves the CEO free to manage the company and build effective business strategies.

An independent Chair also avoids conflicts of interest and improves oversight of risk. Any conflict in this role is reduced by clearly spelling out the different responsibilities of the Chair and CEO.

Many companies have separate and/or independent Chairs. By 2008, close to 39% of the S&P 500 companies had boards that were not chaired by their chief executive. An independent Chair is the prevailing practice in the United Kingdom and many international markets.

Shareholder resolutions urging separation of CEO and Chair averaged approximately 37% support in 2009 at 30 companies and 29% with 36 companies in 2010, an indication of strong investor support.

An independent Chair and vigorous Board can improve focus on important ethical and governance matters, strengthen accountability to shareowners and help forge long-term business strategies that best serve the interests of shareholders, consumers, employees and the company. Conversely a combined CEO Chair role potentially establishes an “imperial CEO”, lessening accountability.

To foster a simple transition, we are requesting that this policy be phased in and implemented when the next CEO is chosen.

We urge a vote FOR this resolution. A separate independent Chair can enhance investor confidence and strengthen the integrity of the Board.

R. Separate Chair & CEO: 2011 – Goldman Sachs Group Inc.

RESOLVED: The shareholders request the Board of Directors to adopt as policy, and amend the bylaws as necessary, to require the Chair of the Board of Directors to be an independent member of the Board. This policy should be phased in for the next CEO transition. The policy should also specify (a) how to select a new independent Chair if a current Chair ceases to be independent during the time between annual meetings of shareholders; and, (b) that compliance with the policy is excused if no independent director is available and willing to serve as Chair.

Supporting Statement: We believe:

• The role of the Chief Executive Officer (CEO) and management is to run the company.
• The role of the Board of Directors is to provide independent oversight of management and the CEO.
• There is a potential conflict of interest for a CEO to be her/his own overseer while managing the business.

An independent Chair can improve the board’s oversight of management and risk and strengthen accountability to shareowners.

While Goldman Sachs’ Corporate Governance Guidelines state only that the board shall select its chairman and the Company’s chief executive “in any way it considers in the best interests of the Company,” other leading companies have specified criteria for evaluating board leadership.

For example, in the “Policy on Determining the Leadership Structure of the Board of Directors,” Time Warner has established the processes the Board and its committees will follow on an annual basis and in advance of leadership changes. Criteria to be considered include the view of the Corporation’s stockholders, the practices at companies in the U.S. and abroad, trends in governance, and academic studies on board leadership.

Companies are recognizing increasingly that separating the Chair and CEO is a sound corporate governance practice. Many of Goldman Sachs’ competitors have separated the positions, including Citigroup, Bank of America, and Morgan Stanley.

Board members have also demonstrated a preference for separation. According to a 2010 corporate governance survey of 400 board members by Sullivan & Cromwell LLP, approximately 70% of respondents believe the head of management should not concurrently be the head of the board.
Numerous institutional investors recommend separation. For example, California’s Retirement System CalPERS’ Principles & Guidelines encourage separation, even with a lead director in place. In the U.K. and other international markets, an independent Chair is the prevailing practice.

Yale University’s Millstein Center for Corporate Governance and Performance Policy Briefing paper “Chairing the Board (2009),” argued that overseeing the Board is time intensive whereas a separate Chair allows the CEO to manage the company and build effective business strategies.

Support for this shareholder proposal across the S&P 500 Index averaged 29% in 2010. As of 2009, 21% of S&P 500 companies have an independent board chair, compared with 11% in 2001.

We urge a vote FOR this resolution.

S. Company Response 2010: Separate Chair & CEO-Goldman Sachs Group Inc.

Directors’ Recommendation

OUR BOARD UNANIMOUSLY RECOMMENDS A VOTE AGAINST THE SHAREHOLDER PROPOSAL.

As discussed above under Item 1. Election of Directors, our Board does not have a policy on whether the role of Board Chairman and CEO should be separate or combined. Instead, our Board selects our Chairman and the CEO by considering the best interests of Goldman Sachs. After careful consideration, our Board has concluded at this time that the adoption of a policy mandating an independent Chairman would not be in the best interests of Goldman Sachs or our shareholders.

Our Board believes that the most effective leadership model for our firm at this time is to have the roles of CEO and Chairman combined. As described more fully under Item 1. Election of Directors, this structure helps to ensure clarity regarding leadership of the firm, allows the firm to speak with one voice and provides for efficient coordination of Board action, particularly in times of market turmoil or crisis. The combination of the Chairman’s ability to call and set the agenda for Board meetings with the CFO’s intimate knowledge of our business, including our risk management framework, provides the best structure for the efficient operation of our Board process and effective leadership of our Board overall. This structure avoids potential confusion as to leadership roles and duplication of efforts that can result from the roles being separated, especially in complex firms like ours where the information necessary to make critical decisions is often in flux. It also assists our CEO in managing our firm and dealing with third parties more effectively on a day-to-day basis.

Our Board, when appropriate, assesses and deliberates the merits of this structure. However, our Board does not believe that Goldman Sachs should adopt a policy limiting our Board’s flexibility in determining the appropriate structure. The members of our Board have the best information to evaluate how the capabilities of Goldman Sachs’ directors and senior management can be most effectively structured to meet our needs.

Goldman Sachs has an effective governance framework and sound governance practices in place to ensure the independence of its Board, address conflicts of interest and prevent improper influence of our Board by senior management. Our Board, both directly and through our Corporate Governance and Nominating Committee, has put in place several measures to help ensure strong oversight by our Non-Employee Directors, including the designation of the Chair of our Corporate Governance and Nominating Committee as our Board’s “Presiding Director.” As described more fully under Item 1. Election of Directors, in addition to presiding at the executive sessions of the Non-Employee Directors, the Presiding Director’s duties include, among other things, advising the Chairman and CEO of decisions reached, and suggestions made, at executive sessions, presiding at each Board meeting at which the Chairman is not present, reviewing the agenda, schedule and materials for each Board and Board committee meeting and executive session, and facilitating communication between the Non-Employee Directors and the Chairman and CEO. Our Board will continue to monitor, as appropriate, whether the responsibilities of our Presiding Director should be enhanced or modified to improve the effectiveness of our corporate governance practices.

Our Board unanimously recommends a vote AGAINST the shareholder proposal. Unless a contrary choice is specified, proxies solicited by our Board will be voted AGAINST the shareholder proposal.
II. Appendices of Supplemental Materials

T. 2010 CRIC Campus Survey

1. I am a...

<table>
<thead>
<tr>
<th>Role</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>29.0%</td>
<td>102</td>
</tr>
<tr>
<td>Faculty Member</td>
<td>29.0%</td>
<td>102</td>
</tr>
<tr>
<td>Staff Member</td>
<td>42.0%</td>
<td>148</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question Type</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>answered question</td>
<td>352</td>
</tr>
<tr>
<td>skipped question</td>
<td>9</td>
</tr>
</tbody>
</table>

2. Foreign Military Engagement: I would support a resolution that requires companies directly engaged in foreign military engagements to review their conduct.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.6% (20)</td>
<td>3.1% (11)</td>
<td>20.3% (73)</td>
<td>33.4% (120)</td>
<td>37.6% (135)</td>
<td>3.94</td>
<td>359</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question Type</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>answered question</td>
<td>359</td>
</tr>
<tr>
<td>skipped question</td>
<td>2</td>
</tr>
</tbody>
</table>

3. Human Rights: I would support a resolution requiring companies to conduct operations in line with UN standards on human rights.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.2% (8)</td>
<td>2.5% (9)</td>
<td>3.1% (11)</td>
<td>25.4% (91)</td>
<td>66.8% (239)</td>
<td>4.52</td>
<td>358</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Question Type</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>answered question</td>
<td>358</td>
</tr>
<tr>
<td>skipped question</td>
<td>3</td>
</tr>
</tbody>
</table>
4. Sustainability and the Environment: I would support a resolution requiring companies to either improve their environmental practices or increase transparency in regard to any activities which may adversely affect the environment.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4% (12)</td>
<td>0.8% (3)</td>
<td>6.5% (23)</td>
<td>32.7% (116)</td>
<td>56.6% (201)</td>
<td>4.38</td>
<td>355</td>
</tr>
</tbody>
</table>

answered question 355

skipped question 6

5. Health Care: I would support a resolution requiring companies to adopt more comprehensive health care policies.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.6% (20)</td>
<td>4.7% (17)</td>
<td>17.2% (82)</td>
<td>31.4% (113)</td>
<td>41.1% (148)</td>
<td>3.98</td>
<td>360</td>
</tr>
</tbody>
</table>

answered question 360

skipped question 1

6. Executive Compensation: I would support a resolution requiring companies to improve transparency and accountability in regard to executive compensation.

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2% (8)</td>
<td>2.8% (10)</td>
<td>14.5% (52)</td>
<td>32.9% (118)</td>
<td>47.6% (171)</td>
<td>4.21</td>
<td>359</td>
</tr>
</tbody>
</table>

answered question 359

skipped question 2
7. Sudan Divestment: I would support Carleton College's divestment of funds from companies doing business with or supporting the government of Sudan.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your rating:</td>
<td>1.9% (7)</td>
<td>2.2% (8)</td>
<td>26.4% (95)</td>
<td>34.4% (124)</td>
<td>35.0% (126)</td>
<td>3.98</td>
<td>360</td>
</tr>
<tr>
<td>answered question</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>360</td>
</tr>
<tr>
<td>skipped question</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

8. Diversity: Carleton's "Statement on Diversity" commits the College to "creating a diverse campus community," including diversity of "gender identities and sexual orientations." I would support a resolution requiring companies to commit to similar diversity in their workplaces and executive boards.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Rating Average</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your rating:</td>
<td>6.4% (23)</td>
<td>8.9% (32)</td>
<td>26.3% (94)</td>
<td>29.9% (107)</td>
<td>28.5% (102)</td>
<td>3.65</td>
<td>358</td>
</tr>
<tr>
<td>answered question</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>358</td>
</tr>
<tr>
<td>skipped question</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

9. I believe the role of the Carleton Responsible Investment Committee should be (please check all that apply):

<table>
<thead>
<tr>
<th>Role</th>
<th>Response Percent</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing endowment transparency</td>
<td>77.9%</td>
<td>264</td>
</tr>
<tr>
<td>Researching and recommending actions on shareholder resolutions</td>
<td>66.4%</td>
<td>225</td>
</tr>
<tr>
<td>Drafting guidelines for Carleton's investments</td>
<td>63.7%</td>
<td>216</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>10.6%</td>
<td>36</td>
</tr>
</tbody>
</table>

(Available for download at http://apps.carleton.edu/governance/cric/investmentcommittee2010/surveyresults2010/)
U. Statements on Greenhouse Gases

1. Article, ScienceDaily “Greenhouse Gases Pose Threat to Public Health, EPA Finds”
2 Exxon Mobil Carbon Disclosure Project 2009:
http://www.exxonmobil.com/Corporate/Files/energy_climate_cdp.pdf
5. Carleton College Sustainability Initiatives: https://apps.carleton.edu/campus/sustainability/initiatives/

V. Policies and Articles Related to Hydraulic Fracturing (Toxic Chemicals)

1. CDC, “Facts About Benzene”
2. EPA Evaluation of Impacts to Underground Sources of Drinking Water by Hydraulic Fracturing of Coalbed Methane Reservoirs, “Ch. 4: Hydraulic Fracturing Fluids”
http://www.epa.gov/safewater/uic/pdfs/cbmsstudy_attach_uic_ch04_hyd_frac_fluids.pdf
3. Article in Drilling Contractor, “Alabama lawsuit poses threat to hydraulic fracturing across US”
http://www.iadc.org/dcpi/dcj-anfeb00/j-coalbed.pdf
4. Article in Reuters, “Pennsylvania lawsuit says drilling polluted water”
http://www.reuters.com/article/idUSTRE5A80PP20091109
5. NY State Department of Environmental Conservation, “Gas well drilling in the Marcellus Shale”
http://www.dec.ny.gov/energy/46288.html
6. EPA, “Hydraulic Fracturing”
http://water.epa.gov/type/groundwater/uic/class2/hydraulicfracturing/index.cfm
7. Houston Examiner, “Halliburton to disclose chemicals used in hydraulic fracture fluids”
http://www.examiner.com/energy-industry-in-houston/halliburton-to-disclose-chemicals-used-hydraulic-fracture-fluids
8. Carleton College Statement of Values (Sustainability)
https://apps.carleton.edu/campus/sustainability/resources/values/

W. Codes Protecting Children

1. From the Department of State’s 2010 Trafficking in Persons Report (available online at http://www.state.gov/g/tip/rls/tiprpt/2010/index.htm)
- Brazil: “Child sex tourism remains a serious problem, particularly in resort and coastal areas in Brazil’s northeast. Child sex tourists typically arrive from Europe and, to a lesser extent, the United States.” (p. 90)
- Costa Rica: “child sex tourism is a serious problem, particularly in the problems of Guanacaste, Limon, Puntarenas [where Carnival ships dock], and San Jose. Child sex tourists arrive mostly from the United States, Germany, Sweden, and Italy.” (p. 121)
- Dominican Republic: “Child sex tourism is a problem, particularly in coastal resort areas, with child sex tourists arriving year-round from various countries.” (p. 134)
- Mexico: “Child sex tourism continues to grow in Mexico, especially in tourist areas such as Acapulco and Cancun, and northern border cities like Tijuana and Ciudad Juarez. Most child sex tourists are from the United States, Canada, and Western Europe, although some are Mexican citizens.” (p. 233)

   **The Code of Conduct** ([www.thecode.org](http://www.thecode.org))

   THE SIX CRITERIA -- Suppliers of tourism services adopting the code commit themselves to implement the following six criteria:

   1. To establish an ethical policy regarding commercial sexual exploitation of children.
   2. To train the personnel in the country of origin and travel destinations.
   3. To introduce a clause in contracts with suppliers, stating a common repudiation of commercial sexual exploitation of children.
   4. To provide information to travellers by means of catalogues, brochures, in-flight films, ticket-slips, home pages, etc.
   5. To provide information to local "key persons" at the destinations.
   6. To report annually.


4. **Anti-Trafficking Campaign for 2011 Super Bowl**: Petition Text [http://humantrafficking.change.org/petitions/view/ask_the_super_bowl_host_committee_to_stand_up_and_protect_children](http://humantrafficking.change.org/petitions/view/ask_the_super_bowl_host_committee_to_stand_up_and_protect_children)


X. **Document in Support of Equal Employment Opportunity (EEO)**

   **Carleton’s Statement on Diversity**: [http://apps.carleton.edu/governance/diversity/diversity_statement/](http://apps.carleton.edu/governance/diversity/diversity_statement/)

Y. **Articles on Human Rights Policy - Raytheon**


5. **Article, Seattle Times**, “Enslaved workers make charcoal used to make basic steel ingredient” [http://seattletimes.nwsource.com/cgi-bin/PrintStory.pl?document_id=2003534098&zsection_id=2002119995&slug=slavery21&date=20070121](http://seattletimes.nwsource.com/cgi-bin/PrintStory.pl?document_id=2003534098&zsection_id=2002119995&slug=slavery21&date=20070121)