February 5, 2009

Dear Mr. Weitz:

As members of the newly reconstituted Carleton Responsible Investing Committee (CRIC) we are pleased to inform you that we have completed our review of 2009 shareholder resolutions. We request that the Board of Trustees authorize the Carleton Fund Managers to vote in favor of the following 10 resolutions at the upcoming annual meetings:

1. Sustainability Initiatives including:
   a. Sustainability Reporting
      i. Mirant Corp.
      ii. Dover Corp
      iii. Safeway Inc.
   b. Compact Fluorescent Bulbs
      i. General Electric Company
      ii. Home Depot Inc.
   c. Mountain Top Removal
      i. Citigroup

2. Health Care Reform Principles
   a. American Express Company
   b. Home Depot Inc.

3. Right to Water
   a. Intel Corp.
   b. PepsiCo Inc.

Pursuant to our mandate, we present these resolutions having conducted independent research and following to the best of our ability the values of the Carleton community. 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.

As you can see, the three focus areas of this year’s resolutions are Sustainability, Health Care and The Right to Water. Please find attached, summaries of the resolutions, the committee’s arguments for supporting them as well as the text of the resolutions.

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

Committee Members:

Eilidh Higgins, student                         Mike Hemesath, faculty chair
Nora Mahlberg, student                        David Lefkowitz, faculty
Alexander Persaud, student                    David Schlosser, staff
Nathaniel Rosenblum, student chair            Shannon Schulz, staff
1. **Sustainability Initiatives**

   a. **Sustainability Reporting (Mirant, Dover and Safeway)**

   These proposals request that the companies supply shareholders with a report assessing either their current policies or plans concerning climate change. They do not contain any specific goals, but only that the companies disclose their practices to shareholders.

   Although these companies’ 2009 proxy statements have not yet been posted to the SEC website similar 2008 resolutions were opposed by management on these grounds:

   - They claim it as impractical saying the cost of these reports would be too high, and are logistically complicated.
   - They claim that they already have sustainable practices and thus do not need to be encouraged through reporting.

   Those objections notwithstanding, CRIC believes that without proper transparency, good practices can not be ensured. Furthermore we do not believe that the “cost of reporting” is a compelling reason to keep practices and policies which regard climate change hidden.

   Carleton College supports sustainable practices. This has been demonstrated in projects ranging from our new LEED certified gold residence hall to our wind turbine. Thus we believe these values should be reflected in our investments as well.

   b. **Compact Fluorescent Lamps (CFLs) (Home Depot and GE)**

   These proposals request that the companies make clearer the presence and quantity of mercury in CFLs. They encourage the companies to either label or otherwise educate and inform consumers of the content in CFLs.

   No response to these resolutions could be found for this report.

   CRIC does not believe that these recommendations would negatively affect the companies. The average CFL contains 5 milligrams of mercury which, if not properly recycled, end up in landfills and can pose an environmental and health threats. Owing to the toxic nature of mercury we believe that it is the responsibility of both companies which sell and produce these energy saving light bulbs to properly inform consumers and facilitate proper disposal of their product. Consumer safety for companies relying on their business is in the interest of the companies and their shareholders.

   c. **Mountain Top Removal (MTR) Coal Mining (Citigroup)**

   This proposal targets Citigroup's financing of companies using the practice of MTR to
mine coal. There is scientific consensus that MTR is an environmentally detrimental method of surface mining which causes extreme topographical and ecological changes. Supporting this resolution would be taking a clear stance against such destructive practice which have unclear economic benefits.

A similar resolution appeared in the 2008 proxy resolution which included a request to for the company to cease all new financing of coal burning plants. The 2009 resolution does not contain that stipulation but only requests a secession of MTR financing.

-Citigroup opposed the 2008 resolution on the grounds that they felt it was not in the best interest of shareholders to cease all financing of a certain sector (as stated that is not the case for the current resolution)
-They also claimed that through financing these companies they could better affect positive change regarding Greenhouse Gas emissions.

Notwithstanding these objections CRIC believes that we should vote in favor of this resolution. MTR not only poses a grave risk to the environment, but also is not the most productive use of land for the regions in the country which tend to be poor. A 2008 study from environmental consulting firm Downstream Strategies LLC concluded that wind farm development is a more economic land-use option than mountaintop removal coal mining in West Virginia. Furthermore, Citigroup competitor, Bank of America, has already announced they will "phase out financing of companies whose predominant method of extracting coal is through mountaintop removal.” The combination of the social and environmental degradation associated with the practice lead us to believe that Carleton should follow its values and not support MTR, or its financing by Citi.

2. Health Care Reform Principles (AMEX and Home Depot)

The CRIC recommends that the trustees vote in favor of the health care reform principles resolutions set forward by the shareholders of American Express and Home Depot. These resolutions urge said companies to adopt health care reform principles following the guidelines of the Institute of Medicine. Amid growing concern for health care in our country, Carleton's support of such recommendations would send a message that we stand on the side of adequate coverage for all. The principles set up by these resolutions are guidelines and would hopefully inform policy but are not stringent or binding standards.

-Opponents of this resolution may argue that the urging of a company to establish health care principles is micromanaging and may have adverse effects on the company’s revenue.
-Although these companies have not come out against this resolution before (it was not presented at their 2008 meetings) they may claim that the principles may alienate stakeholders who do not share those values, as did Ford Motor Co. in 2008

As these health care principles are not a mandate to alter a company’s specific actions, but a request to be guided by these values, CRIC does not find the first objection to be valid. Furthermore, standing by principles of universal and cheap health care for all would do much to
enhance the company's image, especially in these harder economic times.

With this resolution, CRIC believes that the shareholders of American Express and Home Depot have the opportunities to adopt a position that will both affect a positive change for employees of these companies and set an example of positive social change. Carleton already sets a good example by providing extensive coverage to its faculty and staff. We therefore believe that Carleton as a shareholder in American Express and Home Depot should vote in favor of these resolutions, and our shared values.

3. Right to Water (Pepsi and Intel)

CRIC proposes a vote in favor of the Water Use resolution offered by Pepsi and Intel shareholders. Both resolutions call for a policy articulating each company’s respect for and commitment to the right to water. This policy aligns well with shareholder interests, as it constitutes a socially responsible effort to increase public safety and environmental safeguarding. In our campus survey of 2007, CRIC found that 80% of respondents supported voting in favor of such a policy change. Furthermore the Board of Trustees voted for a similarly worded resolution for Coca Cola Co. in 2007.

-PepsiCo opposed this resolution at last year's meeting on the grounds that the company’s actions are proof of their commitment to the UN standards proposed by the resolution.

Although we agree that both Intel and Pepsi have commendable policies and practices with regards to water we believe this recommendation would give both companies the opportunity to adopt a position that will be in the long-term interest of the company and its investors. These resolutions will encourage positive social change for both consumers and the environment. PepsiCo conducts business in countries that have constitutional provisions protecting the Human Right to Water, and in countries which enforce the Human Right to Water through the right to healthy environment and life. Intel is recognized as a leader in water reclamation programs, has won water efficiency awards, and is known a thoughtful and engaged corporate citizen. It is in the interests of both companies to articulate their policies and to set a clear long term goals in order to uphold their reputations and shared values. Carleton and other investors benefit from such policies.
WHEREAS: In 2007, the Intergovernmental Panel on Climate Change found that “warming of the climate system is unequivocal” and that man-made greenhouse gas emissions are now believed, with greater than 90% certainty, to be the cause.

In 2006, combustion of coal caused approximately 35% of all greenhouse gas emissions generated by fossil fuels in the U.S.

In October 2007, representatives of 150 scientific and engineering academies located around the world, including the U.S. National Academy of Sciences, issued a report urging governments to lower greenhouse gas emissions by doubling energy research budgets to accelerate deployment of cleaner and more efficient technologies.

In October 2006, a report authored by former chief economist of The World Bank, Sir Nicolas Stern, estimated that climate change will cost between 5% and 20% of global domestic product if emissions are not reduced, and that greenhouse gases can be reduced at a cost of approximately 1% of global economic growth.

In May 2007, Standard and Poors indicated that energy efficiency is likely to emerge as a major part of the solution to climate change, and warned that the global power system “can’t do without coal, but it also can’t continue to burn coal in its current form.”

In October 2008, McKinsey & Company reported that, “Efforts to reduce climate change can profoundly affect the valuation of many companies, but executives so far seem largely unaware.”

Nineteen U.S. states have established statewide emissions reduction goals and a majority of U.S. states have entered into regional initiatives to reduce emissions, including all five states in which Mirant owns power plants.

As of September 2008, the U.S. Senate was considering at least nine proposals for a national cap-and-trade system to regulate and reduce greenhouse gas emissions.

In recent years, AEP, Progress Energy, DTE Energy, Alliant Energy, and Southern Company have issued comprehensive reports to shareholders concerning implications of climate change for their businesses.

Mirant Corporation owns several thousand megawatts of coal, oil, and natural gas power generation, which emit tens of millions of tons of carbon dioxide per year.

RESOLVED: Shareholders request a report [reviewed by a board committee of independent directors] on how the company is responding to rising regulatory, competitive, and public pressure to significantly reduce carbon dioxide and other emissions from the company's and operations. The report should be provided by November 1, 2009 at a reasonable cost and omit proprietary information.

Supporting Statement: We believe that management best serves shareholders by carefully assessing and disclosing to them all pertinent information on the societal impacts of the company’s operations, including its greenhouse gas emissions. We believe taking early action to reduce emissions and prepare for anticipated standards could provide competitive advantages, while inaction and opposition to climate change mitigation efforts could leave companies unprepared to deal with the realities of a carbon constrained economy.
WHEREAS, in 2007, the Intergovernmental Panel on Climate Change’s Fourth Assessment Report stated it is “very likely” that anthropogenic greenhouse gas emissions have heavily contributed to global warming. Furthermore, “there is substantial economic potential for the mitigation of global greenhouse gas emissions over the coming decades, that could offset the projected growth of global emissions or reduce emissions below current levels.”

WHEREAS, the 2006 Stern Review on the Economics of Climate Change, led by the former chief economist at the World Bank, “… estimates that if we don’t act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, now and forever.” Yet, investment of 1% global GDP each year is enough for appropriate mitigation.

WHEREAS, increasingly investors believe that there is an intersection between climate change and corporate financial performance. According to a February, 2007 report by Lehman Brothers, The Business of Climate Change, “companies which are aware of the impact their business practices have on the overall environment, including climate change, and proactively take actions to mitigate any unfavorable impact, may create a significant competitive advantage compared with companies which, through a lack of awareness, become blindsided by regulations.”

WHEREAS, information from corporations on their greenhouse gas emissions and climate change policy is essential to investors as they assess the strengths of corporate securities in the context of climate change and the need for greenhouse gas emissions reductions.

WHEREAS, the Carbon Disclosure Project (CDP) representing 385 institutional investors with trillions of dollars in assets under management requested corporations to disclose their greenhouse gas emissions in 2007 and 2008.

WHEREAS, in 2007 and 2008 Dover Corporation did not respond to the CDP and disclose investment-relevant information concerning its greenhouse gas emissions and climate change.

WHEREAS, more than 250 S&P 500 companies have responded to the CDP, including other manufacturers such as 3M, Ingersoll Rand, and Eaton.

WHEREAS, leading companies such as Johnson Controls, DuPont, and UPS have recognized the advantages that a forward-looking approach to climate change may provide and have disclosed strategies such as carbon sequestration, alternative fuel use, efficient product distribution, and process efficiency improvements, to save energy and reduce emissions.

WHEREAS, companies such as General Electric and Baxter International have described the opportunity of addressing climate change in a responsible manner, as resulting in new product development, external recognition, rewards and energy savings.

RESOLVED: Shareholders request that within 6 months of the 2009 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, describing how Dover is assessing the impact of climate change on the corporation, and the corporation’s plans to disclose this assessment to shareholders.
WHEREAS: Investors increasingly seek disclosure of companies' social and environmental practices in the belief that they impact shareholder value. Many investors believe companies that are good employers, environmental stewards, and corporate citizens are more likely to be accepted in their communities and to prosper long-term. According to Innovest, an environmental investment research consultant, major investment firms including ABN-AMRO, Neuberger Herman, Schroders, T. Rowe Price, and Zurich Scudder subscribe to information on companies' social and environmental practices.

Sustainability refers to development that meets present needs without impairing the ability of future generations to meet their own needs. The Dow Jones Sustainability Group defines corporate sustainability as "a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."

Globally, over 1,900 companies produce reports on sustainability issues (www.corporateregister.com), including more than half of the global Fortune 500 (KPMG International Survey of Corporate Responsibility Reporting 2005).

Companies increasingly recognize that transparency and dialogue about sustainability are elements of business success. For example, Unilever’s Chairman stated in a 2003 speech, “So when we talk about corporate social responsibility, we don't see it as something business "does" to society but as something that is fundamental to everything we do. Not just philanthropy or community investment, important though that is, but the impact of our operations and products as well as the interaction we have with the societies we serve.”

An October 6, 2004 statement published by social research analysts reported that they value public reporting because “we find compelling the large and growing body of evidence linking companies’ strong performance addressing social and environmental issues to strong performance in creating long-term shareholder value…We believe that companies can more effectively communicate their perspectives and report performance on complex social and environmental issues through a comprehensive report than through press releases and other ad hoc communications.” (www.socialinvest.org)

RESOLVED: Shareholders request that the Board of Directors issue a report to shareholders, by June 30, 2010, at reasonable cost and omitting proprietary information, on the Company’s sustainability policies and performance, including multiple, objective statistical indicators.

Supporting Statement: The report should include the Company’s definition of sustainability, as well as a company-wide review of company policies, practices, and indicators related to measuring long-term social and environmental sustainability.

We recommend that the Company use the Global Reporting Initiative's Sustainability Reporting Guidelines ("The Guidelines") to prepare the report. The Global Reporting Initiative (www.globalreporting.org) is an international organization with representatives from the business, environmental, human rights, and labor communities. The Guidelines provide guidance on report content, including performance in six categories (direct economic impacts, environmental, labor practices and decent work conditions, human rights, society, and product responsibility). The Guidelines provide a flexible reporting system that permits the omission of content that is not relevant to company operations. Over 900 companies use or consult the Guidelines for sustainability reporting.
WHEREAS, compact fluorescent lamps (CFL) manufactured by General Electric Co. are positive, energy-saving products that save up to 75% in energy costs and last far longer than incandescent bulbs. However, CFLs contain mercury and therefore pose health risks to consumers when broken requiring appropriate package labeling and risk disclosure.

Ed Yandek, chairman of the National Electrical Manufacturers Association (NEMA) Lamp Section Technical Committee has stated that “it is to the lighting industry's advantage to limit the total mercury content of CFLs and to work with all stakeholders so that CFLs are managed in an environmentally responsible manner at end-of-life.”

We appreciate that General Electric’s lighting division is working to limit the amount of mercury in bulbs and has signed on to NEMA's voluntary commitment to limit mercury in CFLs.

Current technology requires mercury for operation of fluorescent lamps, but accidental exposure to mercury in the bulbs through consumer breakage poses potential threats to environmental health. Overexposure to mercury can result in respiratory failure, affect kidney and brain functions, and cause long-term neurobehavioral problems in children whose mothers were exposed during pregnancy (http://www.oehha.ca.gov/air/toxic_contaminants/pdf_zip/Mercury_postSRP3.pdf p 1).

EPA has established a level of safe exposure of mercury in the air at 300nanograms/cubic meter. The Centers for Disease Control consider minimal risk to be at 200nanograms/cubic meter. Studies indicate that a broken CFL with 5mg of mercury can produce mercury vapor levels well in excess of these levels – from 8,000 to 150,000nanograms/cubic meter (http://mpp.cclearn.org/wp-content/uploads/2008/08/final_shedding_light_all.pdf pp 4, 6, 7).

Consumers need disclosure of the precise amount of mercury present in each individual lamp, not an average or range, in order to make informed purchasing decisions based on environmental impact and potential threat to human health. Packaging should also include information on clean-up procedures to be followed by consumers when bulbs break as recommended by Environmental Protection Agency (EPA).

RESOLVED: Shareholders request the company to adopt a policy of labeling its CFL products to disclose the precise amount of mercury contained in each fluorescent and mercury-containing lamp, and to provide information on special procedures for safe clean-up recommended by EPA if lamps break during normal service or handling.

Supporting Statement: Providing mercury content information on the package will give GE brand products a potential advantage over its competition. It will provide a valuable service to consumers in situations where CFL breakage could pose health threats to family members or pets. Providing clean up information with each package allows consumers to be informed and ready to follow proper procedures before accidents happen, eliminating the need for urgent calls to local authorities after product breakage.
WHEREAS compact fluorescent lamps (CFL) manufactured for Home Depot are positive, energy-saving products that save up to 75% in energy costs and last far longer than incandescent bulbs. However, CFLs contain mercury and therefore pose health risks to consumers when broken requiring appropriate package labeling and risk disclosure.

Ed Yandek, chairman of the National Electrical Manufacturers Association (NEMA) Lamp Section Technical Committee has stated that “it is to the lighting industry's advantage to limit the total mercury content of CFLs and to work with all stakeholders so that CFLs are managed in an environmentally responsible manner at end-of-life.”

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Some public health experts assert that consumers need disclosure of the amount of mercury present in each individual lamp, not a broad average or range, in order to make informed purchasing decisions based on environmental impact and potential threat to human health. Others assert that packaging should also include information on clean-up procedures to be followed by consumers when bulbs break as recommended by Environmental Protection Agency (EPA).

RESOLVED: Shareholders request the company to issue a report, at reasonable expense and omitting confidential information, on policy options to reduce consumer exposure and increase consumer awareness regarding mercury and any other toxins contained in its private label n:vision brand products.

Supporting Statement: Proponents believe the report should, among other things, discuss policy ideas such as the labeling of mercury levels in products, providing consumers with information on cleanup procedures, and whether Home Depot policy could be shaped to help drive development of non-mercury, energy saving, lighting alternatives. We believe providing mercury content information on the package could give Home Depot’s n:vision brand products a potential advantage over its competition and provide a valuable service to consumers in situations where CFL breakage could pose health threats to family members or pets. Providing clean up information with each package would allow consumers to be informed and ready to follow proper procedures before accidents happen, eliminating the need for urgent calls to local authorities after product breakage.
WHEREAS: Citigroup is a diversified financial services company providing banking, investment, investment banking, credit card and consumer finance services, with a stated commitment to environmental and social sustainability as a matter of good business practice:

“We analyze the potential impacts of our business activities and take action to reduce environmental risk and impact.”
http://www.citigroup.com/citigroup/environment/index.htm

Citigroup’s Position Statement on Climate Change acknowledges:

“Climate change poses significant risks to the global economy that require urgent action. The burning of fossil fuels to meet energy needs, loss of forests, and other activities are increasing the concentration of greenhouse gases (GHG) and contributing to climate change.” http://www.citigroup.com/citigroup/environment/climate position.htm

Citigroup has invested in and financed alternative energy, and calls for “early and aggressive actions,” starting now, “to avert increasingly costly and irreversible impacts” of climate. Citigroup also set a goal of reducing greenhouse gas (GHG) emissions from its facilities and its real estate portfolio by 10%, by 2011. However, Citi has not adopted GHG reduction goals for its energy or utility portfolio, as has its competitor, Bank of America.

Citigroup's greatest impact on climate change and the environment arises from its financing of businesses, such as electric power from coal-burning plants, that emit substantial greenhouse gases (e.g., carbon dioxide) and other pollutants. Recognizing the importance of climate risk, Citigroup signed the Carbon Principles, committing it to an enhanced diligence process for financing coal-burning power plants. In signing the Carbon Principles Citigroup has shown leadership on a critical environmental issue, as it did in signing the Equator Principles on social and environmental risk in international project finance.

Citigroup, however, continues to provide financing for companies engaged in mountain top removal (MTR) coal mining, which in addition to having serious adverse impacts on communities, the environment, and public health, will increase long-term GHG emissions.

MTR devastates the environment. Trees are clear-cut; the tops of mountains are blasted away to reveal coal seams and the resulting rubble is dumped into the valleys below, filling streams and destroying water resources. Between 1992 and 2012, the EPA estimates MTR will have destroyed approximately 7% of Appalachian forests in coal mining regions studied. http://www.epa.gov/Region3/mtntop/pdf/mtm-vf_fpeis_full-document.pdf

Deforestation is the second leading source of GHG emissions worldwide.
http://www.gsfc.nasa.gov/gsfc/service/gallery/fact_sheets/earthsci/green.htm

Scientists estimate carbon sequestered in Appalachian forests exceeds 2.75 billion metric tons. (Forest Ecology and Management, Vol. 222, Issues 1-3, pp 191-201.) The carbon sequestration lost in forests destroyed by MTR each year is roughly equivalent to the annual emissions from two 800 mega-watt coal-fired power plants.

Citigroup's financing of activities that significantly contribute to the destruction of this carbon sink and to global climate change undermine its warnings that climate change is a threat to the functioning of the global economy. Such financing is inconsistent with the environmental leadership Citigroup has shown in signing the Carbon Principles and the Equator principles and damages our banks credibility as a responsible corporate citizen.

RESOLVED: Shareholders request Citigroup’s board of directors amend its GHG emissions policies to cease all financing of MTR coal mining.
RESOLVED: Shareholders of American Express (the “Company”) urge the Board of Directors (the “Board”) to adopt principles for health care reform based upon principles reported by the Institute of Medicine:

1. Health care coverage should be universal.
2. Health care coverage should be continuous.
3. Health care coverage should be affordable to individuals and families.
4. The health insurance strategy should be affordable and sustainable for society.
5. Health insurance should enhance health and well being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable.

Supporting Statement: The Institute of Medicine, established by Congress as part of the National Academy of Sciences, issued five principles for reforming health insurance coverage in a report, Insuring America's Health: Principles and Recommendations (2004). We believe principles for health care reform, such as those set forth by the Institute of Medicine, are essential if public confidence in our Company’s commitment to health care coverage is to be maintained.

Access to affordable, comprehensive health care insurance is the most significant social policy issue in America according to polls by NBC News/The Wall Street Journal, the Kaiser Foundation and The New York Times/CBS News. In our opinion, health care reform also is a central issue in the presidential campaign of 2008.

Many national organizations have made health care reform a priority. In 2007, representing “a stark departure from past practice,” the American Cancer Society redirected its entire $15 million advertising budget “to the consequences of inadequate health coverage” in the United States (The New York Times, 8/31/07).

John Castellani, president of the Business Roundtable (representing 160 of the country's largest companies), has stated that 52 percent of the Business Roundtable’s members say health costs represent their biggest economic challenge. "The cost of health care has put a tremendous weight on the U.S. economy," according to Castellani, "The current situation is not sustainable in a global, competitive workplace.” (BusinessWeek, July 3, 2007)

The National Coalition on Health Care (whose members include some of the largest publicly-held companies, institutional investors and labor unions) also has created principles for health insurance reform. According to the National Coalition on Health Care, implementing its principles would save employers presently providing health insurance coverage an estimated $595-$848 billion in the first 10 years of implementation.

We believe that the 45.7 million Americans without health insurance result in higher costs to our Company, as well as all other U.S. companies that provide health insurance to their employees. Annual surcharges as high as $1,160 for the uninsured are added to the total cost of each employee’s health insurance, according to Kenneth Thorpe, a leading health economist at Emory University. Moreover, we feel that increasing health care costs further reduce shareholder value when it leads companies to shift costs to employees, thereby reducing employee productivity, health and morale.
RESOLVED: Shareholders of Home Depot (the “Company”) urge the Board of Directors (the “Board”) to adopt principles for health care reform based upon principles reported by the Institute of Medicine:

1. Health care coverage should be universal.
2. Health care coverage should be continuous.
3. Health care coverage should be affordable to individuals and families.
4. The health insurance strategy should be affordable and sustainable for society.
5. Health insurance should enhance health and well being by promoting access to high-quality care that is effective, efficient, safe, timely, patient-centered, and equitable.

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WHEREAS, Intel uses vast quantities of water in its semiconductor manufacturing process and operates in water-scarce areas of the world like Israel and the American Southwest.

Water is used to clean silicon wafers during fabrication and packaging. One Intel manufacturing plant in Chandler, AZ uses over 600 million gallons of water per year, while worldwide; Intel reports it used 7.5 billion gallons of water in 2007;

Intel is recognized as a leader in water reclamation programs, has won water efficiency awards, and is known a thoughtful and engaged corporate citizen;

Even though Intel’s worldwide water use has increased at a rate less than its production growth (according to the Global Environmental Management Initiative), Intel’s water use is still a concern. Because it operates in countries that enforce the Human Right to Water through the assurance of a healthy environment and life as well as in countries that have constitutional provisions protecting this right, its water usage and respect for local communities will remain under scrutiny;

The UN High Commissioner for Human Rights has issued a report on the scope of the human rights obligations related to equitable access to safe drinking water and sanitation, and her comments place responsibility for ensuring this level of access not only on governments, but on corporations as well;

We believe that global corporations operating without strong human rights and environmental policies face serious risks to their reputation and share value if they are seen to be responsible for or complicit in human rights violations, specifically the violation or erosion of the Human Right to Water;

We believe that significant commercial advantages may accrue to our Company by adopting a comprehensive Human Right to Water policy, including enhanced corporate reputation, improved employee recruitment and retention, improved community and stakeholder relations, and reduced risk of adverse publicity, consumer boycotts, divestment campaigns, and lawsuits;

BE IT RESOLVED that the shareholders request that the Board of Directors create a comprehensive policy articulating our Company’s respect for and commitment to the Human Right to Water.

Supporting Statement: Proponents believe the policy should address potability, volume, physical accessibility and affordability of water. In defining “human rights,” proponents suggest that the Board could use the Universal Declaration of Human Rights as a nonbinding benchmark or reference document.
WHEREAS, water is the number one ingredient in our company’s beverage products, and therefore water quality and quantity is vital for PepsiCo’s success;

PepsiCo utilizes natural water resources in the global community to benefit the creation and development of our beverage products;

In 2003, our company’s water-use license was revoked in Pudussery, India due to claims that PepsiCo bottling plants were over-consuming and depleting community groundwater;

Over-consuming and depleting community groundwater is a direct violation of the Human Right to Water that the UN Committee on Economic, Social and Cultural Rights defines as all people’s right to safe, sufficient, acceptable, physically accessible and affordable water for personal and domestic use;

PepsiCo conducts business in countries that have constitutional provisions protecting the Human Right to Water, and in countries which enforce the Human Right to Water through the right to healthy environment and life;

The UN High Commissioner for Human Rights has issued a report on the scope of the human rights obligations related to equitable access to safe drinking water and sanitation, and her comments place responsibility for ensuring this level of access not only on governments, but on private water providers and bottlers;

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We believe that significant commercial advantages may accrue to our company by adopting a comprehensive Human Right to Water policy, including enhanced corporate reputation, improved employee recruitment and retention, improved community and stakeholder relations, and reduced risk of adverse publicity, consumer boycotts, divestment campaigns, and lawsuits;

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