

The Committee on Corporate Social Responsibility

February 3, 2010

Conference Call

Minutes of the Call

Attending: Harry VanBuren, Margareth Crosnier de Bellaistre, Kim Byham (Chair), Anita Sanborn, Chris Johnson, Lindsay Parker, Paul Neuhauser, Ben Webb, Mike Scott, Monrell Williams. Regrets: Pierre Whalon, Bill McKeown, Lolanda Lee, Michael Schut.

Prior to the order of the meeting there was a short discussion about secretarial needs. Ms. Crosnier de Bellaistre reported that a recording is being made of the call so that a transcript of the conversation could be made by Nancy Caparulo. The start time of the meeting was not noted. The Reverend Monrell Williams began the meeting with prayer at the Chair's request.

Mr. Byham referred to the memo concerning proxy voting recommendations that will be presented to Executive Council (EC) this month. Groupings were discussed for presentation purposes. Ms. Lee and Dr. VanBuren will discuss in their presentation to EC the committee's rationale behind decisions that were made.

CCSR will meet face-to-face in Charleston, West Virginia, on September 23, 24 and 25, the only such meeting of the triennium. Beginning the evening of the 23rd, the meeting will go all day Friday and half a day Saturday, allowing for adequate travel time. A site visit may be included as well as speakers working on issues related to mining.

Mr. Byham initiated a review of each item in the memo. Dr. VanBuren and Mr. Byham will attend the corresponding committee of the Church Pension Group (CPG) next week. .

Only those items that warranted discussion are listed here:

Item #6: Mr. Neuhauser recommends that CCSR vote no because "the CEO should *not* be responsible for succession planning – it is a board role." Ms. Parker agreed and comprehensive discussion covered the interpretation of this item. Mr. Byham called for a vote: the majority agreed that abstention would be appropriate. Mr. Neuhauser voted no. Further discussion covered supporting in writing the concept of succession planning with the Connecticut Retirement System but that their policy was not supported as it appears.

Some conversation looked at capitalizing (or not) the word 'resolution.' It was noted that there are different kinds of resolutions and that those having numbers from The General Convention should be capitalized (all agreed).

Item #11: Mr. Neuhauser objected to resolutions urging boards to take stances on national policies rather than policies of their own. He did not see the relevance of asking for a position on legislative issues unless an entity is impacted in a unique way. People should not be encouraged to make statements about public policy. Dr. VanBuren pointed out that companies had been

asked to endorse the healthcare resolution. Dr. VanBuren suggested, after reading ICCR's shareholder resolutions, having a class on drafting a resolution so that it is clear what the point actually is. Ms. Parker raised C-018 that says The Episcopal Church must take a stand on public policy. Through further discussion it was agreed that CCSR can support the issue but not the approach. Does this resolution speak to the particular issue in a way that the committee can approve. Ms. Parker raised the text of 1991 B041 (Lambeth) as a possible guide in decision-making. Dr. VanBuren will replace the existing text with that text.

Item #12: Noted - the FCC has adopted this and that the point is now moot.

Item #13: Mr. Neuhauser's opinion was that this is silly but he didn't really object to it, pointing out that risk management is the responsibility of the entire board, not a risk committee of the board. He was not enthusiastic about voting for it. Ms. Parker did not agree but supported the resolution. Another opinion was that the board is ultimately responsible, even if it means it appoints a board committee specific to risk management.

Item #17: Mr. Neuhauser's opinion was that it is inappropriate to dictate the skills of individual members. Ms. Parker supported that opinion, adding that it sets the wrong precedent and is not consistent with good corporate governance. Dr. VanBuren stated that there is no clear approach to companies on the issue of global warming. Vote: unanimously no.

Dr. VanBuren will re-order these items for the EC resolution so that all the no's and all abstentions are listed together with the explanations for the vote.

Item #24: Mr. Neuhauser pointed out that the resolution deals with two totally different subjects, energy use and quality of water. The focus is bottled water. Anita asked if meetings are sponsored and adopt some kind of sustainability focus. Ms. Crosnier de Bellaistre said that bottled water is no longer used at meetings.

Items #25, 26, 27: A resolution is needed that says EC will only have to address these issues once in the triennium. Mr. Neuhauser pointed out that the Tyson board will meet before EC meets. Mr. Byham changed the reference resolution to B007.

Item #29: related to predatory lending, a reference should be made in this direction.

Item #30: It was agreed that there is lack of clarity about what the resolution is actually about and what it can meaningfully accomplish. Long discussion ensued about the merits of this resolution, ultimately resulting in a Vote: 2 abstentions and the remainder yes.

It was thought helpful to see the 2008 and 2009 resolutions. Ms. Caparulo will be asked to find the ones pertaining to social issues and forward them to Dr. VanBuren.

Item #33: The resolution submitted to Chevron has been withdrawn because the company promulgated a human rights policy.

Item #35: This regards commitment to the human right to water and Ms. Parker suggested using the Lambeth resolution language about pollution. A156 from 2009GC also supports it.

Item #36: It was unclear what the resolution is trying to do. After some examination of the intent, it was agreed that Dr. VanBuren will check to see whether there has been a positive vote on this before and let the committee know. Mr. Neuhauser would not recommend a vote for it. Others felt further study is required. C12 supports studies on environmental policy being based on scientific findings. After thorough discussion, Mr. Neuhauser Moved: vote against this, subject to additional research from the past that Dr. VanBuren will do. VOTE: Yesses carried. Dr. VanBuren will communicate his findings, if any.

Item #37: A point of information was provided that TIAA-CREF has repealed that.

Item #38: The policy is different – it focuses on homosexuality rather than transgender. In 2009 we called on government to include transgender issues. Mr. Byham will check that and send to Dr. VanBuren. 2009 C048 (support for employment non-discrimination act that was passed)

Item #39: Mr. Neuhauser was not sure access is desired at the expressed level and suggested that asking for too much disclosure is a practical problem.

Item #40: Mr. Neuhauser met with Barton who is very upset about the Supreme Court decision.

Item #43: Again, it was unclear as to the focus here. Internet neutrality. Dr. VanBuren recommends abstain since the church doesn't have a policy. Basically, there is an economic dispute between internet service providers and content providers. Mr. Neuhauser recommended rather strongly that there be a no rather than abstain vote.

The docket having been concluded, discussion turned to the letter from Dr. Metcalf opposing activities relating to investment issues. Mr. Byham will respond.

Concluding conversation covered the September meeting, the focus of the Diocese of West Virginia concerning the environmental issues (mountaintop removal), and contacting Bishop Klumeyer to ascertain who might be a good presenter for the Committee.

ICCR members met this morning (2/3/10) about the by-laws amended to possibly allow 20% of the members to be non-faith-based.

Thrust of the meeting next week with CPG is that of following what this committee recommends.

This concluded the meeting (no time given).

Note: these minutes have been transcribed from a CD recording of the conference call.
Nancy Caparulo
2/09/10