

## SUMMARY OF WALDEN'S 2009 SHAREHOLDER RESOLUTIONS

*Much of Walden's success in advocating for greater corporate social responsibility comes from constructive dialogues with companies over many years, entirely outside of the resolution process. Yet sponsoring shareholder resolutions remains another avenue for investors to influence company practices. These resolutions can be an important tool for change, as illustrated in this summary of 2009's shareholder resolutions.*

### CORPORATE GOVERNANCE

#### Executive Compensation

A shareholder advisory vote to ratify the compensation of executive officers, known as "Say on Pay," is now a mandate for the 400 Troubled Asset Relief Program (TARP) fund recipients. Walden withdrew resolutions at **Goldman Sachs**, **Hewlett-Packard\***, and **Intel** after they committed to grant shareholders the advisory vote. Those resolutions that went to ballot garnered remarkable shareholder support, a majority at **Hain Celestial** (62 percent), **Pfizer\*\*** (52 percent) and **Yum! Brands\*\*** (52 percent), as well as 43 percent at **General Electric\***, 44 percent at **IBM\***, and 42 percent at **Walt Disney**. Say on Pay resolutions at **General Mills**, **Microsoft\*** and **Procter & Gamble** are pending annual meetings in the fall.

#### Proxy Voting Policies

**State Street's** public stance touting corporate environmental and social performance as significant to long-term business success is contradicted by a proxy voting record that votes against all such shareholder proposals. Walden requested a review of State Street's proxy voting policies, including the economic merits of social and environmental resolutions addressing topics such as climate change. The SEC allowed State Street to omit the resolution on ordinary business grounds; however, we continue to raise our concerns directly with the Board.

#### Sustainability/ESG Reporting

Encouraging corporate transparency on ESG challenges and progress remains a high priority at Walden, including most recently with small cap companies that tend to disclose relatively little information. For the first time, all Walden resolutions requesting sustainability reports were withdrawn based on company commitments to commence or expand reporting at **DENTSPLY**, **Kadant**, **Saint Jude Medical**, **South Jersey Industries**, and **Stryker**.

### ENVIRONMENTAL IMPACT

#### Climate Change

A repeat resolution asked industry laggard **ExxonMobil\*** to adopt quantitative goals, based on current technologies, for reducing total greenhouse gas emissions from its products and operations. Continued strong shareholder support, at 29 percent this year, exerts ongoing pressure on management.

#### Oil Sands Development

31 percent of shares voted supported a resolution at **ConocoPhillips\*** requesting a report on the environmental impact of oil sands operations in Canada's boreal forest.

#### Recycling

Walden is co-leader of a successful multi-year effort to engage beverage companies on the efficacy of their container recycling programs. Our resolution asking **PepsiCo\*** to adopt publicly stated, quantitative goals for U.S. beverage container recovery and recycling was supported by 9 percent of shares voted.

### WORKPLACE POLICIES AND PRACTICES

#### Inclusive Nondiscrimination Policies

A resolution requesting that **Commercial Metals\*\*** amend its non-discrimination policy to include sexual orientation and gender identity and expression was supported by 44 percent of votes cast, one of the highest tallies ever on this issue. The same resolution was withdrawn at **Dionex** when it amended its policy to include gender identity.

#### Vendor Standards

Resolutions on labor standards and monitoring at two agricultural sector companies were withdrawn after successful negotiations. Both **Diamond Foods** and **United Natural Foods** agreed to develop a vendor code of conduct that includes agricultural suppliers.

### COMMUNITY RELATIONS

#### Human Rights

Freedom of association and privacy concerns associated with **Cisco Systems\*** operations in countries with poor human rights records prompted a resolution seeking an assessment of steps the company could reasonably take to mitigate the likelihood of complicity in violations of human rights.

*To strengthen our influence, Walden often collaborates with other concerned investors.*

*\*In order, these shareholder resolutions were led by: Communications Workers of America (co-led), William Steiner, Boston Common Asset Management, Dominican Sisters of Caldwell N.J., Calvert Asset Management, Trillium Asset Management, As You Sow (co-led), and Boston Common Asset Management..*

*\*\*In order, Walden assisted clients leading these resolutions: Reynolds Foundation, Home Missioners (co-led), and Pride Foundation (co-led).*