

Fall 2006

Issue 1

In the beginning...

Could this idea have started in 1985 when Rev. Timothy Sweeney, Archabbot of St. Meinrad Archabbey, in Indiana asked Sr. Susan Mika for direction concerning responsible investment? Or did it really start in August 2003 when Sr. Susan and Sr. Bernadine Reyes shared a proposal with the prioresses? Or was it the year Sr. Susan and Sr. Rose Marie Stallbaumer of the Atchison Benedictines began working together on filing resolutions? October 12, 2005 at the NATRI Conference, many of the treasurers of Benedictine monasteries gathered to hear more information on formation of a Benedictine coalition for responsible investment. You can see there are many moments along the path to get to today...

The first organizing meeting was held May 24, 2006 by conference call. The following groups decided to found the coalition:

- **St. Scholastica Monastery in Fort Smith, Arkansas**
Represented by Sr. Ginger deGravelle and Ravi Thiagarajan
- **Benedictine Sisters Mount St. Scholastica in Atchison, Kansas**
Represented by Rose Marie Stallbaumer
- **Benedictine Sisters of Perpetual Adoration in Clyde, Missouri**
Represented by Sr. Valerie Stark
- **St. Scholastica Monastery in Boerne, Texas**
Represented by Sr. Susan Mika and Sr. Sylvia Ahr
- **Benedictine Sisters of Bristow, Virginia**
Represented by Sr. Henry Marie Zimmerman

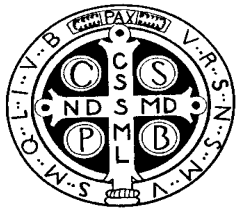
This group will be starting with the 2007 proxy season. Some possible actions include choosing a corporation to file a resolution with from stocks already held; possibly agree to buy stock for a particular company; selecting a Benedictine value to focus on to determine the type of issues to file resolutions on. The group will review the Securities and Exchange Commission requirements for filing a resolution and will concentrate on understanding the process and the cycle for doing the work of stockholder resolutions.

The other first is this newsletter. You will find in this first edition of Benedictine Coalition for Responsible Investment (CRI) newsletter, some of the activities Benedictines, their Oblates and Associates have been involved with for the 2006 shareholder resolutions. There are stories of Halliburton, Kimberly-Clark, Torchmark, Wal-Mart, AT&T—what an impact just a few can have! Some of the articles in this newsletter were originally published in the Socially Responsible Investment Coalition newsletter, volume 23. We realize that there are a number of Benedictine monasteries already participating in corporate responsibility and in other coalitions. We have not tried to list all those actions in this newsletter.

We are excited about what has been done. We are more excited about what is going to happen. We hope that you will support us; better yet join us in this ministry!

United,

**Benedictine Coalition for
Responsible Investment**



Benedictine Coalition for Responsible Investment

*Benedictine Sisters
Mount St. Scholastica*
Atchison, Kansas

St. Scholastica Monastery
Boerne, Texas

*Benedictine Sisters
of Virginia*
Bristow, Virginia

*Benedictine Sisters
of Perpetual Adoration*
Clyde, Missouri

St. Scholastica Monastery
Fort Smith, Arkansas

Our contact information:

BENEDICTINE COALITION FOR
RESPONSIBLE INVESTMENT
P.O. BOX 28037
SAN ANTONIO, TEXAS 78228
Sr. Susan Mika, OSB
210-348-6704 phone
email: snmika@texas.net

The Hopes for the Formation of this Coalition....

I believe that forming the Benedictine CRI is significant because it is another ministry that allows us as Benedictines to share our core value of Stewardship. We are called to steward the gifts of the Earth, especially the well being of its people. As Corporations move towards making a profit, it is essential for someone to move them towards care of the Earth and most especially care of the people who make the profits for them. "Where two or more are gathered in my name, there I Am", says to me that God will be with us as we move forward—together.

Sr. Sylvia Ahr
St. Scholastica Monastery
Boerne, Texas

We are excited to be a part of this new endeavor. It is energizing to put our Benedictine values into practice where it could make a bigger impact.

Sr. Valerie Stark
Benedictine Sisters of Perpetual Adoration
Clyde, Missouri



My hopes are:

1. That all Benedictine communities (women & men) in the United States become members of our coalition.
2. That we are successful in holding corporations accountable for their treatment of workers, including just wages.
3. That our Shareholder Resolutions will be successful in changing corporate behavior to be more socially responsible.

I feel that our coalition is a "Benedictine thing" to be doing because Benedict was concerned about justice and peace and seeing Christ in all people.

Sister Ginger DeGravelle
St. Scholastica Monastery
Fort Smith, Arkansas

Thanks for all the fine work you are doing in the line of socially responsible investment. We do want to participate in whatever way we are able. I take seriously my responsibility to vote proxies and am always happy when I see resolutions sponsored by religious communities, as I know to vote for those resolutions. I abstain on some of the resolutions simply because I have no idea how to vote.

Working together will make a difference.

Sr. Henry Marie Zimmerman
Benedictine Sisters of Virginia
Bristow, Virginia

This past year has been one of new experiences for me. High on the list was the opportunity to attend the Halliburton annual shareholder meeting in Duncan, Oklahoma. Not only did I attend the meeting but I also presented a shareholder resolution on human rights. Never in my wildest dreams could I see myself standing up at a shareholder meeting and speaking. Yet this experience has more strongly convinced me that our ownership of stocks carries with it much responsibility. We cannot expect to reap the benefits of stock earnings without being willing to pay the price of these earnings.

There was much security, tension, and close-mindedness at the Halliburton meeting. And yet, 23% of the shareholders voted in favor of the human rights resolution. I see this as a very clear sign of the strong impact religious and other social responsible groups are making on corporations across the country. Praise God that there are indeed many people with the courage to question the actions of corporations like Halliburton. I am grateful that we as Benedictines are adding our voice to this group.

Rose Marie Stallbaumer, OSB
Benedictine Sisters of Mount St. Scholastica
Atchison, Kansas

Benedictines at Work

TORCHMARK CORP.

Annual Meeting April 27, 2006 in Birmingham **Reported vote: 10.23%**

♦ **Stockholder Proposal on Inclusiveness on Board of Directors**

CHRISTUS Health of Houston, Texas; (Primary Filer)

RESOLVED: Shareholders request the Board:

1. In connection with its search for suitable Board candidates, to ensure that persons from racial minority groups are among those it considers for nomination to the Board.
2. To publicly commit itself to a policy of Board inclusiveness, including steps to be taken and a timeline for implementing that policy.
3. To report shareholders, at reasonable expense (and omitting proprietary information) by September 2006:
 - a. On its efforts to encourage diversified representation on the Board; and
 - b. Whether, in the nominating committee's charter or its procedures, diversity is included as a criterion in selecting the total membership of the Board.

TORCHMARK CORP—April 27, 2006

Sr. Lynn McKenzie, Benedictine Sister, Cullman, Alabama

Never having done anything like this before, it was quite an education for me and for Sr. Veronica, our immediate past prioress, who attended with me. We found it remarkable that such meetings are held and yet it seems that few shareholders (other than the company employees who came down from their upstairs offices and might own some stock) are in actual attendance. In fact, no votes were cast at the actual meeting.

After the less than a 30 minute meeting, including the brief remarks that I gave on behalf of the Christus proposal (definitely the longest part of the meeting!), Sr. Veronica and I both remarked that it is shocking that, in this day and time, a publicly held corporation would take such a stand to actually oppose the encouragement (not requirement, as I understood the proposal) of having racial diversity of the board. My remarks were met with polite silence and a few in attendance did at least greet us after the meeting. One asked if I would be back at next year's meeting and I replied "Probably." (As if to say, he and I knew that nothing is going to change without continuing to push for it, and, even then, it still might not.)

To look at the older, white male membership of the Board as they were introduced at the beginning of the shareholder meeting was quite startling. Only Jane Buchan, who I understand is one of the newest additions to the board, had a different makeup than the others in that she is female. But she, too, is white, so still no minority presence on the board. As I looked back at the official position of the Board in response to Christus' proposal on board diversity, I found myself thinking how they engage in wordplay that seems insincere at best. First of all, the Board's opposing statement lists the factors for becoming a member of the Board, which include the words: "age" and "diversity."

If they are going to take into consideration age, why not also gender and race, since these are all types of discrimination recognized by federal employment laws (while not technically applicable, can analogize to these laws to see the importance of non-discrimination based on these factors). Secondly, in bold type, the Board quotes from their "Qualifications of Directors" as follows: "Directors should be selected so that the Board reflects appropriate diversity." Why does the word "diversity" need a qualifier such as "appropriate" or any other qualifier? Since I assume that this statement was already part of the "Qualifications of Directors" even prior to Dr. Jane Buchan's selection, I have to ask whether the board believes that having all white, male, older members is "appropriate" diversity.

Attending this meeting certainly got my wheels turning. I called a reporter at the Birmingham News to tell him I had attended the Torchmark shareholders meeting and had proposed that the Board include minority representation but that a majority of the shareholders rejected the proposal. The reporter said that the News might be interested and said that he would talk to reporters who regularly report on the business scene and would have one of them call me. Thank you and all your co-workers for continuing to bring these important issues before the boards and shareholders of corporate America. Whether it makes a difference or not, the members of the corporate boards need to be reminded what the larger world looks like!

Thanks for inviting me to take part in this.



Benedictines at Work

KIMBERLY-CLARK CORP.

Annual Meeting April 27, 2006 Irving, Texas

♦ **Sustainable Forestry (resolution)**

Those who filed:

Domini Social Investments; Basilian Fathers of Toronto; Calvert Asset Management Company; Grand Rapids Dominicans; School Sisters of Notre Dame, Milwaukee

RESOLVED: Shareholders request the Board to prepare a report, at reasonable cost and omitting proprietary information by November 1, 2006, assessing the feasibility of phasing out our company's use of non-Forest Stewardship Council-certified fiber within 10 years.

WAL-MART

2006 RESOLUTIONS

Ban Worker Intimidation	Omitted
Equal Employment Opportunity (EEO)	Withdrawn because after years of asking, Wal-Mart Published the EEO information on the Wal-Mart website
Equity Compensation Glass Ceiling	
Pay Disparity	3.60%
Product Safety	Omitted
Public Health Impact	Omitted
Sustainability Report	11%

I FEEL QUITE PROUD

Christy Frazer

Benedictine Oblate—Boerne, Texas

- Representing Domini Social Equity Funds at the Kimberly-Clark Corp Shareholder meeting to propose resolution.

My impressions of shareholder meetings are generally always the same. The corporation tends to welcome us all and usually their representatives are quite cordial. (I have never been treated negatively-I do know that others have had different experiences.) The meeting is handled in a textbook manner and there is little if ever ANY deviation for this formula. I found the Kimberly-Clark's meeting to follow my past experience. They were polite, informative and very cordial toward me.

When I have the opportunity to represent shareholders by reading a resolution, I find that I feel quite proud. It is rewarding to take part in a unique opportunity offered us by owning stock in these companies and using our economic power to transition management to responsible and just actions.

"We have the Rule in one hand the Wall Street Journal in the other."

Sr. Susan Mika, OSB

WAL-MART

Sr. Susan Mika, OSB and Sr. Pat Wolf, Executive Director-ICCR were interviewed by Greg Allen with National Public Radio about the pay disparity resolution at WAL-MART. The program aired on June 1 on the Day to Day program. Mr. Allen titled his program "Churches Plan Showdown over Wal-Mart Pay Gap" segment.

The Wal-Mart shareholder meeting was held Friday, June 2. The particular issue that Sr. Susan addressed was the pay gap between Wal-Mart CEO and lower level workers. A 2004 study showed a 1000—1 difference; \$17.5 million (CEO) vs. \$17,500 (worker) yearly income. This pay disparity proposal received a 3.60% vote in favor.

- THE POWER OF NUN -

G. Jeffrey MacDonald, a correspondent of the Christian Science Monitor, published an article "The power of nun: taking a lead role in shareholder activism". His article noted the work behind the scenes of social justice work with regards to religious groups.

He interviewed Sr. Susan Mika noting her as a Texan Benedictine and her work with Alcoa and their Mexico site. Her process in bringing attention to the working conditions included study of the issue and meeting with the CEO. Results were positive in that the management was changed at the Mexican site and worker's pay was increased.

HALLIBURTON

Annual meeting May 17, 2006 in Duncan, Oklahoma.

♦ Stockholder Proposal on Human Rights Review

CHRISTUS Health of Houston, Texas; the Benedictine Sisters of Mount St. Scholastica of Atchison, Kansas (Primary Filer) and The Catholic Funds of Milwaukee, Wisconsin notified Halliburton that they intended to present the resolution set to the Annual Meeting for action by the stockholders.

RESOLVED: Shareholders request management to review its policies related to human rights to assess areas where the company needs to adopt and implement additional policies and to report its findings, omitting propriety information and prepared at reasonable expense, by December 6, 2006.

Reported vote: 23.34%

REFLECTIONS ON THE HALLIBURTON ANNUAL MEETING

Duncan, Oklahoma
May 17, 2006

On May 17, 2006 Sister Diana Seago and I attended the Halliburton annual shareholder meeting in Duncan, Oklahoma. This was my first experience attending a corporation's shareholder meeting as well as my first experience of presenting a resolution.

The over-riding impression I got from attending the meeting was a total lack of openness to dialogue by the company leadership. They obviously felt a strong need to protect themselves from any outside forces, whether that be the 150 protestors on the front lawn or the shareholders who came to present resolutions or to ask questions. It seemed that they must have been very fearful of any issues that might be raised by those presenting resolutions or asking questions. They acted as one acts when there is much to hide.

This protectiveness was manifested in a number of ways. The brevity of the meeting itself spoke of the tension present. The official meeting lasted only 35 minutes; another 30 minutes were given to reports and shareholder questions.

The security present at the meeting was extreme, with police and security everywhere you looked, men with rifles on the roof, a helicopter hovering over, a fenced-in area for protestors, several police cars at every entrance, an airport security system set so sensitive that my glasses set it off, and a bomb squad with bomb-sniffing dogs and a bomb detonator.

Very tight control over the meeting itself was maintained. Several security personnel hovered over our delegation of five and several others who were there to raise questions. There were printed out directions on "Conduct of the Annual Meeting" and a reminder at the beginning of the meeting that there were to be no questions until after the meeting was adjourned (that way the questions did not have to be recorded in the minutes!).



Suzanne Spears, Sr. Rose Marie Stallbaumer, Sr. Diana Seago (back row)
Mary Kay Craig, George Waring, Sr. Susan Mika

All questions had to be addressed to the chairman and limited to 3 minutes; when a question was addressed to the CFO who gave a financial report the chairman insisted on answering it himself. Staff members held microphones for all the shareholder presenters and those who asked questions; were they concerned that we might say or ask something they didn't want the rest of the shareholders to hear? By holding the microphones they could withdraw it at any time and we wouldn't be heard.

The refusal on the part of the secretary's staff to share with us the results of the vote on our resolution was frosting on the cake.

Only the results of the vote (which we did get two days later) on our human rights resolution, 23% in favor of the resolution, gave me reason to have hope. Praise God: there are indeed many people who question the actions of corporations like Halliburton. Let us continue to gain strength and continue to raise questions.

Rose Marie Stallbaumer, OSB
Atchison, KS

Benedictines at Work

HALLIBURTON ANNUAL MEETING—

Sr. Susan Mika, OSB
May 17, 2006

I traveled to Duncan, Oklahoma to attend the Halliburton annual meeting. The Benedictine Sisters of Atchison, Kansas were the primary filers. Christus Health and The Catholic Funds were co-filers. The Sisters of the Blessed Virgin Mary had purchased stock during the year. Our delegation consisted of Sr. Rose Marie Stallbaumer and Sr. Diana Seago- both Benedictines who drove from Atchison, Mary Kay Craig and her husband George who drove from Butte, Montana to represent the Sisters of the Blessed Virgin Mary, Suzanne Spears from Pawnee, Oklahoma and myself who represented Christus Health.

The security was exceptionally tight - police on the roof with security devices and video cameras, bomb-sniffing dogs, police from all over the state of Oklahoma to guard the shareholders and arrest protesters. We went through the registration table. We then went to an area to have our possessions looked over. We had to open each compartment of our purses. We then went through a security system like the airport. If we triggered the alarm, we were then gone over with a security wand. The meeting was quite matter-of-fact. Sr. Rose Marie presented the resolution, asking the company to review their human rights policies and give a report back to the shareholders. There were two other resolutions which the Carpenters Union presented. No votes were given. A woman from Mellon Bank announced that our resolution was defeated and one from the Carpenters Union passed (asking that the board of directors receive a majority vote in order to serve) and the third one was defeated. The meeting was adjourned. This does not happen at most annual meetings. The company then gave a report on its activities and took questions and answers. We will ask what will be on the record for the meeting. All the shareholders exited the meeting through one door in the convention center which was open. The board and other persons from the company were held back by security. Then, they left the meeting area.

Afterwards, we went up to the assistant to the Corporate Secretary to get the actual vote. He said he did not have it. The woman from Mellon Bank had left the room. Another person came up to see what we were speaking about. He said that the vote would be available June 30th in the 10Q report. We told them that this is a matter of public record and this had not happened to us before.

The CEO of Halliburton gathered in the hall to answer reporters questions for a few minutes. At the end of the interview, he left the area surrounded by 8-10 security guards, most in plain clothes. Members of our delegation spoke to the press and handed out copies of Sr. Rose Marie's speech, contact numbers and an article from the New York Times which talked about Halliburton running away from Houston to have their annual meeting in Duncan. Because we did not know the vote total, we could only explain to the press that we needed 3% of the vote to be considered successful.

The protesters had been told that if they left the protest area, they would be arrested. When we drove by to try and park the car and get into the meeting, the police had asked if we were shareholders or protesters. There were 16 or 17 protesters arrested. We were told that if we went into the protest area as shareholders, we would be arrested. The elementary school across the street from the convention center took the day off school. When Sr. Diana asked someone at the registration table why this was so, they said something like -- we wouldn't want the children to see this. She commented - "See what? Democracy in action?"

The next day, when back at the office, I sent Halliburton an email, again asking for the vote, stating that it is a matter of public record. The following afternoon, we got an email from the company. The Human Rights resolution had received over **23%**, with another 11% in abstentions. There were 77,000,000 shares voting **for** the resolution. This was very encouraging.

REPORT ON FRAUD PREVENTION	OMITTED
SEXUAL ORIENTATION	05-17-06
DEVELOP AND ADOPT HUMAN RIGHTS POLICY	23.34% VOTE

◆ HALLIBURTON SAYS ALL IS OK IN OKLAHOMA EVENT	Houston Chronicle 05-17-06
◆ PROTESTORS FOLLOW HALLIBURTON TO DUNCAN, OKLAHOMA	Houston Business Journal 05-17-06

Benedictines at Work

ON AT&T—ANNA FALKENBURG

Associate—Benedictine Sisters
Boerne, Texas

I was pleased to be able to present a shareholder resolution for SRIC at the AT&T annual meeting in San Antonio. I looked forward to a new experience and my chance to "speak truth to power." Once at the meeting location, I could have been easily intimidated after passing by the mounds of donuts and coffee and heading into the "belly of the beast," as it were. I noticed the walls hung with banners, decorated as symbols of corporate power with the newest marketing slogans. The stage was flanked by the American flag and the AT&T flag: same size, same level.

Of course, the Board of Directors were ensconced on their raised platforms on stage across from the corporate managerial team. AT&T employees with headsets roamed around the microphones set up for speakers on the floor (one wonders whom they were talking to) and plain clothes Security guards patrolled on the perimeter. This presence seemed incongruous with the audience, who looked mostly retired and dressed in casual clothes.

The Chair/CEO stood at a podium in the center and later moved to a stool on the stage, speaking casually with his Texas accent and affable manner, but choosing not to reply to several of the more pointed comments and questions.

My small part, reading a resolution on excessive executive compensation I had not written to an audience which for the most part had already voted, seemed to be just a futile exercise. I put my energy into the reading and without being too dramatic emphasized the lines which mentioned corporate executives' greed. I was hoping at least someone was listening. The resolution received some applause and I enjoyed my brief time in the spotlight, speaking truth to power and taking a small role in the work of seeking justice through corporate responsibility. My remarks were quoted in the *San Antonio Express News* the next day. Although I needed none, after this display of AT&T power, I had further affirmation of the compensation disparity issue as I left the meeting and noted the shareholders getting into their older model cars and a VIP escorted out to his new Porsche SUV.

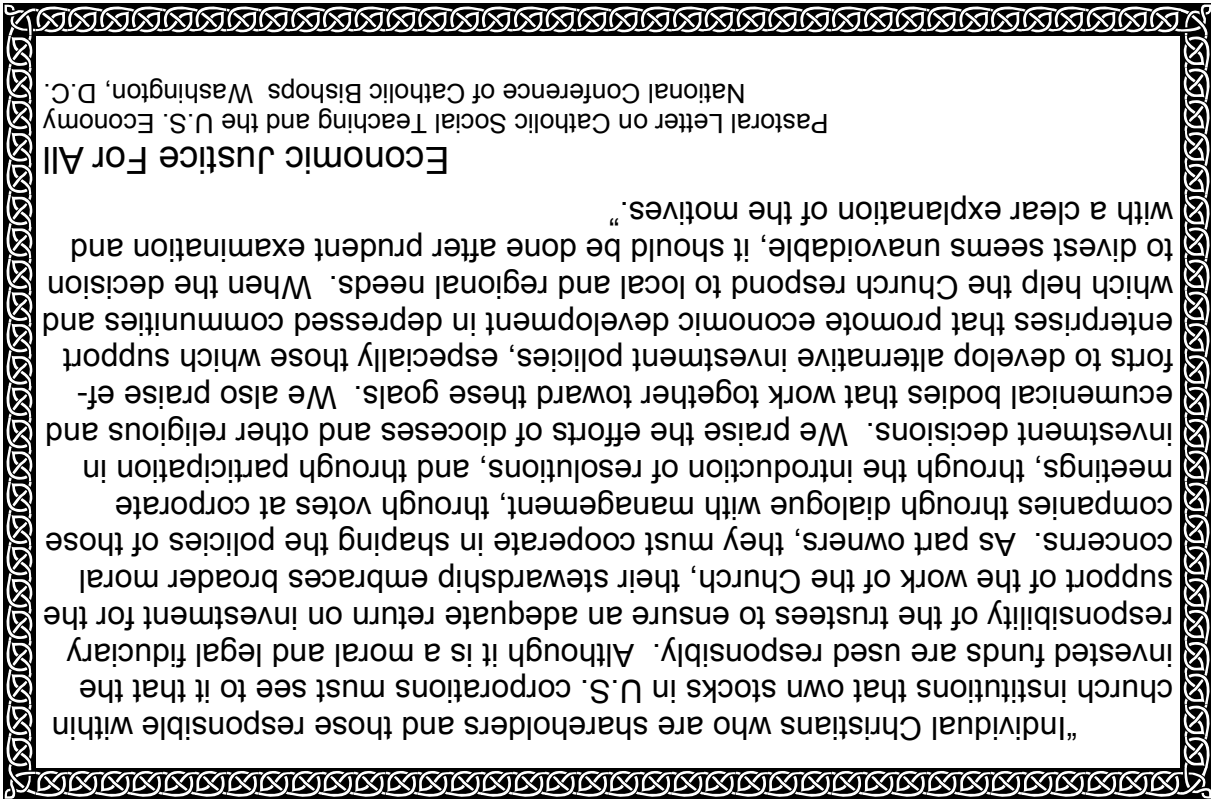
AT&T	DIRECTOR COMPENSATION	10.90%
	EXECUTIVE COMPENSATION	11.90%
	POLITICAL CONTRIBUTIONS	15.20%

BENEDICTINE COLLEGE HOSTS SOCIAL JUSTICE WEEK

The Benedictine College in Atchison, Kansas hosted a Social Justice Week inviting students and the College's professors to become more aware of the corporate practices February 22 & 23, 2006. The sponsors included Sr. Theresa Torres, OSB; Dr., John F. S. Bunch, Ph.D. - Associate Professor Business Administration Coordinator and Richard J. Coronado-Associate Professor of Economics (pictured below). The students were amazed to see all the companies which were being addressed.



Sr. Susan Mika, OSB from Benedictine Sisters of Boerne, Texas spoke on 'Holding Corporations Accountable'. Sr. Susan stimulated a discussion with questions, such as—What corporations influence my life everyday? Do I know the practices of these corporations? Who makes the items I use in my daily life? What are the working conditions of factories where these products are produced? What are the consequences of owning stock in companies? What are the consequences of trade agreements which have been negotiated? What can I do to educate myself of this topic? Do I say that I cannot make a difference because I am only one person? How can you as students, be involved in this movement to hold corporations accountable? She also provided "eye opening" information in regards to a comparison of U.S. city wages versus Mexico border city and human rights.



Benedictine **C**oalition for **R**esponsible **I**nvestment
P.O. Box 28037
San Antonio, Texas 78228

