

Benedictine **C**oalition for **R**esponsible **I**nvestment



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We continue to write history ...

The Benedictine Coalition for Responsible Investment (CRI) continues to grow and expand its efforts. We have been working on forming a Benedictine Coalition for several years. Since 2003, there are a number of groups which have spoken about working together to accomplish this ministry. During the timeframe of 2004-2007, several groups came together to make this coalition happen. We recognize that there are a number of other Benedictine groups which belong to other regional coalitions around the country. Other groups belong to socially responsible mutual funds. The goal is to have Benedictines recognize the power of their portfolio to hold corporations accountable in whatever ways are possible.

The chart of filings of 2007 resolutions on page 2 and 3 reflects all those Benedictine groups which are listed in the national Interfaith Center on Corporate Responsibility Proxy Book. More Benedictines are filing resolutions than in past years.

Those working together in the Benedictine CRI include the following:

- **Mount Saint 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**

New members have joined during this year and include the following groups:

- **Benedictine Sisters of Baltimore in Lutherville, Maryland**
- **Benedictine Women Holy Wisdom Monastery in Madison, Wisconsin**
- **Monasterio Pan De Vida in Torreon, Coahuila, Mexico**

As you can see from the articles in this newsletter, a number of the Benedictines participated in filing resolutions and going to annual stockholder meetings.

During the summer, the office begins to prepare for the next proxy season, by asking groups to think of what actions the group might want to participate in for the 2008 proxy season.

The journey continues....

United,
Benedictine Coalition for Responsible Investment

Benedictines at Work

Using their stock ownership, Benedictine congregations across the country are working on social justice issues from access to health care, corporate governance, global warming, promoting human rights, militarization of society, to water and food. Coordinated efforts with companies that begin with dialogue, sometimes follow through with filing a resolution. Such resolutions request that the company address these issues with specific concerns and timelines and are brought before all owners for a vote.

One example is the cost of healthcare. It is rising and making it difficult for companies to compete in the global market place. Many companies are cutting healthcare coverage and/or placing more financial burden on the employees. The resolutions filed are asking companies to report on implications of rising health care and the resolution presents an expectation that the company be involved in the public policy debate on universal healthcare.

As with all the resolutions filed, the effort can affect thousands of workers and their families across the globe.

COMPANY NAME	RESOLUTION	CONGREGATION FILED
ABBOTT LABORATORIES	SEPARATE CEO & CHAIR	~ BENEDICTINE SISTERS CHARITABLE TRUST BOERNE, TX ~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA ATCHISON, KS.
CATERPILLAR	SEPARATE CEO & CHAIR	~ CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
CHEVRON	HUMAN RIGHTS - DEVELOP AND ADOPT POLICIES	~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS ~ CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
COOPER INDUSTRIES	HUMAN RIGHTS - DEVELOP AND ADOPT POLICIES	~ CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
DELPHI	GLOBAL STANDARDS	~ CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
DOW	REPORT ON GENETICALLY ENGINEERED SEED	~ BENEDICTINE SISTERS OF FORT SMITH ST. SCHOLASTICA MONASTERY
DUPONT	REPORT ON GENETICALLY ENGINEERED SEED	~ BENEDICTINE SISTERS OF VIRGINIA ~CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
EXXON MOBIL	EMISSIONS REDUCTION - OIL & GAS COMPANIES	~BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA ATCHISON, KS ~BENEDICTINE SISTERS OF VIRGINIA
FEDERATED DEPARTMENT STORES	UNIVERSAL HEALTH CARE POLICY	~BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA ATCHISON, KS

Benedictines at Work

COMPANY NAME	RESOLUTION	CONGREGATION FILED
GENERAL ELECTRIC	ETHICAL CRITERIA FOR MILITARY CONTRACTS	~BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS ~ CONGREGATION OF BENEDICTINE SISTERS BOERNE, TX
GENERAL MOTORS	EMISSIONS REDUCTION - AUTOMOTIVE INDUSTRY	~ BENEDICTINE SISTERS OF FORT SMITH-ST. SCHOLASTICA MONASTERY; ~BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS; ~ CONGREGATION OF BENEDICTINE SISTERS, BOERNE, TX
HALLIBURTON	HUMAN RIGHTS - DEVELOP AND ADOPT POLICIES	~BENEDICTINE SISTERS OF FORT SMITH-ST. SCHOLASTICA MONASTERY; ~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA ATCHISON, KS (LETTER)
MERRILL LYNCH & CO	EXECUTIVE COMPENSATION	~ BENEDICTINE SISTERS OF PERPETUAL ADORATION, CLYDE, MO.
PEPSICO	LABEL PRODUCTS OF GENETIC ENGINEERING	~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS ~ * BENEDICTINE SISTERS OF MT. ANGEL, MOUNT ANGEL, OREGON ~ CONGREGATION OF BENEDICTINE SISTERS, BOERNE, TX
PFIZER	EXECUTIVE COMPENSATION	~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS ~ * BENEDICTINE SISTERS OF MT. ANGEL, MOUNT ANGEL, OREGON
TARGET	UNIVERSAL HEALTH CARE POLICY	~BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS
TXU	EMISSIONS REDUCTION - ELECTRIC POWER COMPANIES	~ BENEDICTINE SISTERS CHARITABLE TRUST, BOERNE, TX
VISTEON	HUMAN RIGHTS - DEVELOP AND ADOPT POLICIES	~ CONGREGATION OF BENEDICTINE SISTERS, BOERNE, TX
WAL-MART STORES	PAY DISPARITY	~ BENEDICTINE SISTERS OF FORT SMITH-ST. SCHOLASTICA MONASTERY ~ BENEDICTINE SISTERS OF MOUNT ST. SCHOLASTICA, ATCHISON, KS ~ CONGREGATION OF BENEDICTINE SISTERS, BOERNE, TX
WAL-MART STORES	UNIVERSAL HEALTH CARE POLICY	~ * BENEDICTINE SISTERS OF MT ANGEL, MOUNT ANGEL, OREGON

CLEAR CHANNEL

DR. ANNA FALKENBERG,
Oblate OSB and pre-novitiate candidate

I volunteered to help out by attending the Clear Channel Annual Meeting of Shareholders in San Antonio. The all-male board sat on the first row facing the Mays family (two brothers and father). The meeting was conducted by one of the Mays brothers who read very fast from a prepared script. Given the pace of his reading, determining when the resolutions should be presented was difficult, but I raised my hand at the appropriate time. Actually, there was another shareholder resolution presented but I read the other three.

I presented a resolution on behalf of the Unitarian Universalist Association of Congregations on Executive pay requesting a "say on pay" in the form of an advisory vote to ratify the compensation each year of the named Executive officers. I also presented a resolution on corporate political contributions and trade association payments on behalf of the As You Sow Foundation. The third resolution was on behalf of the New York City Comptroller calling for the creation of an Independent Compensation Committee.

The meeting was adjourned after less than twenty minutes and I observed someone at the back who seemed to have results. The other presenter went back and requested his tally. So I did the same. The company official seemed ready to comply but in the midst of his giving me the information, the same employee who had met me at the beginning of the meeting came up and asked the other person not to give me any more information.

The votes were very significant percentages:

50.25% establishment of an independent compensation committee.

36.00% report on political contributions

48.00% having a say on executive compensation

HALLIBURTON

SR. SUSAN MIKA, OSB

The delegation members who attended the Halliburton annual shareholders' meeting in Houston, were: Sr. Gwen Farry from Chicago, Sisters of the Blessed Virgin Mary - BVM; Mary Kay Craig and George Waring from Butte, Montana - BVM associates; Donna Meyer from Houston, Christus Health; Jose Enriquez and Sr. Ceil Roeger from the Houston Dominicans and Sr. Susan Mika.

Security was very tight. There were guards with dogs at the entrance to the Woodlands Resort. Everyone had go through airport—like security machines, handbags searched compartment by compartment. Many were "wanded", as well. The meeting lasted less than half an hour. There were a number of groups co-filing this resolution: the Sisters of the Incarnate Word and Blessed Sacrament, Corpus Christi; the Oblates of Mary Immaculate. The Sisters of the Sorrowful Mother in Wisconsin had asked us to represent them, as well. Two Benedictine groups were involved: the Sisters from Fort Smith, Arkansas and Atchison, Kansas.

Sr. Susan was able to question Mr. David J. Lesar, the CEO, in front of the shareholders during the question and answer period of the meeting. Halliburton had not met with the religious shareholders this proxy season to discuss the Human Rights resolution.

When pressed in front of the board and shareholders, Mr. Lesar committed the company to meet. Mr. Lesar had greeted the delegation going into the meeting. Sr. Susan had asked him the same question at that time and he had not made a commitment. When another shareholder approached Mr. Lesar to greet him, Sr. Susan was **physically** moved out of the way by one of Mr. Lesar's bodyguards.

The resolution asking for a report on the Halliburton Human Rights policies received a very high vote—24.69%. We needed 6% to continue to raise the question.

HALLIBURTON—MAY 12, 2007

VOTING RESULTS ON
HUMAN RIGHTS RESOLUTIONS

IN FAVOR 24.69% ABSENCES 16.28%

WAL-MART

SR. BERNADINE REYES, OSB
Benedictine Sisters, Boerne

After the Wall Street April 4th article, the publicity that was generated from the article and the writing of the letter to Lee Scott, CEO of Wal-Mart, I decided I wanted to attend the Wal-Mart shareholders Board meeting with Sr. Susan Mika. I wanted to see and experience the hub of this operation.

I did not know what to expect, but I was surprised that Wal-Mart executives spent a full day on Thursday, meeting with nine people, most of whom did Corporate Responsibility for different entities. What I heard that day was Wal-Mart reporting to this group about their benefits and their practices world wide. The Corporate Responsibility group listened and challenged the reports. They even asked that reports be re-worked and re-submitted.

My overall reflection of this day was that this Corporate Responsibility group had a relationship with Wal-Mart personnel.

The shareholder meeting the next day left me with a very different impression. We and some 18,000 Wal-Mart employees from every country where they have stores, were entertained by dancers, musicians, acrobats, comedians, and singers; to name a few, Sinbad, Jordin Sparks, and Jennifer Lopez. They highlighted employees and gave statistics. The focus of the gathering was more about company spirit than accountability to their shareholders. We were there six hours and the eleven people presenting resolutions, each had three minutes. Interestingly, as the crowd was leaving and after the meeting was adjourned, there seemed to be a question and answer time for shareholders who had seats on the floor of the arena.

There was quite a contrast between the two days. The first day there seemed to be a pretty fair movement towards some dialogue. The second day, well, I just don't have words to describe the message that came across to shareholders.

I am glad I went to these meetings. I have always had the utmost respect for the work of corporate responsibility, and this meeting reinforced that respect.

WAL-MART

SR. CATHERINE MARKEY, OSB
St. Scholastica Monastery-Fort Smith, Arkansas

These were my direct impressions of the Wal-Mart annual meeting:

- 1) There was too much entertainment.
- 2) There was little time for serious questions which were taking place on the floor one by one rather than in the Board meeting.
- 3) The shareholders' proposals were clear, but no time to ask for information on them; they were simply stated. If you were voting at the meeting, you had little time to digest what was being stated.
- 4) It was more hoop-a-la rather than substance.
- 5) It was a disappointment for me and not a serious consideration of shareholders' comments and the proposals.



Attending the Wal-Mart Shareholder Meeting at the University of Arkansas Arena in Fayetteville, Arkansas: Top to bottom Daniel Neilson, David Schilling, Sr. Barbara Aires, Suzanne Spears, Sr. Bernadine Reyes, Margaret Weber, Sr. Rosalie Ruesewald, Sr. Catherine Markey, Sr. Susan Mika. Photo Taken by: Kathy Jarvis.

WAL-MART

SR. ROSALIE RUESEWALD
St. Scholastica Monastery—Fort Smith, Arkansas

I attended the Wal-Mart annual shareholders meeting. What an extravaganza!

What surprised me:

- 1) the number of countries represented (and represented in large numbers).
- 2) the way the "associates" have been taken in by the "family" talk.
- 3) the hours of very expensive entertainment and the 3-minute limit to the shareholders who were presenting their resolutions.

What I learned: we can't depend on someone else to ask the questions which are not popular. We must keep on asking the hard questions.

My impression: *David and Goliath are at it again!*

BOERNE BENEDICTINES A POSSIBLE SECURITY THREAT TO WAL-MART?

BY: SR. SUSAN MIKA, OSB

On April 4th, 2007, the Wall Street Journal published an article by Ann Zimmerman and Gary McWilliams, entitled, "Inside Wal-Mart's 'Threat Research' Operation". Bruce Gabbard, a fired Wal-Mart employee, who dealt with security, had showed a January 2007 memo to these reporters who wrote:

"Wal-Mart also directed its surveillance operations at critical shareholders. According to a January 2007 memo reviewed by The Wall Street Journal, security units were asked to "do some preliminary background work on the potential threat assessment" of those submitting proposals to its June shareholder meeting, particularly those whose resolutions the company was trying to block. The list included proposals from a Boerne, Texas, religious group; the New York City Controller's office; and Sydney Kay, an 85-year-old, retired science teacher who submitted a resolution requiring that board nominees own at least \$5 million in Wal-Mart stock, and his 93-year-old sister Hilda Kaplis."

The Boerne, Texas religious group is the Benedictine Sisters who have a long history of raising questions with Wal-Mart, dating back to 1990. This article raised many concerns for all the shareholders who were filing stockholder resolutions with Wal-Mart. Were background checks done? What type of surveillance would Wal-Mart have initiated? The Interfaith Center on Corporate Responsibility posted a press release on its website (iccr.org), deploring this alleged surveillance and called for a return to discussing the core issues such as: sustainable wages and health benefits for employees, monitoring of suppliers, core labor and human rights.

On April 12, the Benedictine Sisters sent a strongly-worded letter to Lee Scott, the CEO of Wal-Mart, saying they were deeply disappointed, shocked and appalled that such actions might be taken against the Sisters. They asked for access to any materials which might have been compiled. They insisted that the dialogue resume on the substantial issues which religious investors have been raising with Wal-Mart for two decades. They asked for an apology. Wal-Mart apologized only for the way the Sisters were characterized in the Wall Street Journal – as "critical" shareholders, defending their right to do surveillance. On April 20, Lee Scott faxed a "form" letter and the results of an internal investigation into the incident, saying that "some of the most disturbing assertions reported in the Wall Street Journal article simply are not true."

The story has a life of its own. The Financial Times of London, Associated Press, Reuters and many others followed the back-and-forth between Wal-Mart and the outrage for several weeks. Local media, KSAT and KENS TV stations in San Antonio, had broadcasts on this. The question which so many asked repeatedly is, "Why would Wal-Mart do this to the nuns? Why would the company be that paranoid?" KENS posted the story to the MySanAntonio.com webpage, as "**Wal-Mart labels Boerne nuns a security threat**". Many were able to view the video footage through the internet. A San Antonio Express News cartoonist, Leo Garza, captured the absurdity of the situation in his cartoon on May 8, 2007, Nacho Guarache.



African Safari

Rose Marie Stallbaumer, OSB

In August 2006, I had the opportunity of a lifetime. Sister Michael Mack of the Pittsburgh Benedictines and I were asked by our Federation to travel to Africa to visit and work with six indigenous communities of Benedictine women in South Africa, Namibia, and Tanzania. Our task was to share with them the Benedictine approach to finances and to give them some basic finance tools.



But it was we who had a lesson to learn from Benedict and our African sisters. They truly know what it means to share the resources of this earth with one another and with those in greater need, not counting the return. All six of the communities we visited struggle with finances. Educating their many young members is a high priority even as their ministries bring in very little income. The sisters simply minister to the needs of the people without concern for remuneration. When I asked how many of the members earned a full salary the answer was never more than twelve members, even in the communities of 400 sisters. As a result, their income does not cover their expenses.

We found the monasteries to be the center of the village and the people's lives. It was there that the people came for health care, to place a child in an orphanage, to receive an education, to have their grain ground into flour. It is because of the efforts of the Benedictine communities that many improvements, such as electricity and water, are brought to the villagers.



I was saddened by the awareness of the effects of environmental degradation and global warming on their lives, and even more saddened to know that I, as an American living in our wealthy materialistic society, play a big part in this. The Sisters told stories of the environmental changes, such as the November rains not coming until January leaving the sisters to purchase much of their maize and wheat to have food enough for the year.

Back in my office in Kansas I have fond memories of my African safari. I often find myself wondering how we could do more to support our Benedictine Sisters there. One day I was reading a brochure from *Shared Interest*, a NATRI exhibitor, who invests in South Africa, offering small business loans to villagers. I was delighted to find stories from the province of Limpopo and KwaZulu-Natal, both places I had visited in South Africa. I invite you to consider this as one more way to be socially responsible and to touch the lives of our sisters and brothers around the world.



Many are looking for sturdy bags for shopping or meeting gifts. These fired Maquiladora (factory) workers have started their own just maquiladora in Piedras Negras, Mexico.

WAYS TO GET INVOLVED

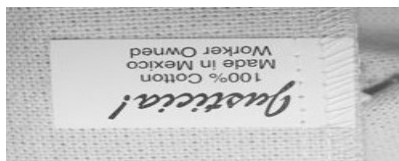
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 Photos by Kelsey Urbanczyk

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