



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



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Benedictine CRI Meeting Held **in Miami**

The annual meeting of the Benedictine CRI was held on November 8, 2007, from 12:30-2:00 at the National Association of Treasurers of Religious Institutes (NATRI) meeting in Miami. Twenty-five Benedictines and Trappists attended.

Sr. Rose Marie Stallbaumer began the meeting and welcomed the group. An email list was passed around to be updated. She distributed copies of the most recent newsletter as well as a handout with a brief history of the Benedictine CRI and noted that there are now eight communities that are members. Rose Marie outlined the possible levels of involvement in the coalition for each member. When a community becomes a member or expresses interest, Sr. Susan Mika will contact them to meet with them and explain the shareholder process in greater detail. A conference call of all the members was held to help the group get organized; annual meetings are held during the NATRI convention; and a periodic newsletter is distributed to all Benedictines whether they are members or not. Current membership dues are \$500/year.

A recent letter sent to all the communities resulted in a total of \$800 in donations from eight communities who are not currently members. Rose Marie thanked these communities and encouraged the group to consider either joining the coalition and/or contributing to the CRI.

Current members of the coalition were invited to comment on their involvement with the filing of shareholder resolutions. Sister Henry Marie of Bristow, Sister Valerie of Clyde, and Neal Smith with the Madison Benedictine Women have all filed resolutions. Neal has also attended a shareholder meeting this past year. Several members of the Fort Smith community attended the Wal-Mart shareholder meeting in June 2007 but were not present to tell us about it; they have also filed resolutions.

Rose Marie then welcomed Laura Berry, the Executive Director of the Interfaith Center on Corporate Responsibility (ICCR) and invited her to speak to the group. Laura gave a brief history of ICCR, noting its beginning at the time of the apartheid in South Africa and the first efforts of shareholders to bring about an end to the apartheid. Laura also told about the recent SEC resolution to limit the ability of shareholders to file resolutions with corporations. Laura pointed to over 22,500 letters and emails filed to save the shareholder rights. This is a powerful example of working together to make an impact. (An update is on page 2.)

In response to a question regarding whether it is better to join a regional CRI or the Benedictine CRI, Laura noted that the more networking we can do, the better. The more involvement of all is needed whether it be -- in filing resolutions, voting our proxies, or doing the corporation research and preparation of resolutions. The Benedictine CRI fills a gap -- in some areas of the country, no local coalitions exist.

SEC Tries to Weaken Shareholder Access to Proxy 38,000 respond to these changes!

In July 2007, the Securities and Exchange Commission proposed changes which would weaken or eliminate shareholder access to the proxy statements which corporations put out annually to their shareholders. During the 60-day comment period, there were nearly **38,000** responses. The SEC never had so many responses to their proposals – this was a record!

In the United States, the SEC makes the rules which govern shareholder resolutions. By being a shareholder, a person or group has the possibility of filing a stockholder resolution with the company to urge the company to make changes, adopt or expand a policy or take action. The Benedictine CRI members are exercising their right to file resolutions with companies in which they own stock.

Some of the SEC's proposed changes were:

- to raise the votes needed to re-submit resolutions. Currently, in the first year of submission, we need 3% of the shareholders to vote with us to continue; 6% the second year and 10% in the third year. The SEC proposed 10% for the first year, 15% the second year and 20% the third year. This would effectively stop many resolutions in the first year of submission.

We opposed this.

- To allow shareholders to nominate persons for the board of directors, if 5% of the investors band together to do so.

We opposed this.

- To substitute an electronic chat room for the right to file resolutions.

We opposed this.

(We said that chat rooms could be *additional* tools of communication.)

- To have comments on whether companies should be able to “opt-out” of the shareholder process by seeking a vote of the shareholders to give them that authority or, if empowered under state law, to have the Board of Directors vote to opt-out of receiving advisory resolutions.

We opposed this.

The Interfaith Center on Corporate Responsibility (ICCR) joined with many other groups to urge shareholders to act to protect shareholder rights. As a coalition of nearly 300 faith-based, institutional investors, ICCR urged letters to oppose the SEC initiatives that would:

- (1) severely curb the rights of shareholders to sponsor proxy resolutions and/or
- (2) limit or flat-out prohibit the ability of shareholders to nominate members of corporate boards.

ICCR's press release mentioned:

“The shareholder resolution process helps U.S. companies, it does not hinder them.

Shareholder resolutions have had a profound and beneficial impact on corporations, making them stronger and more competitive. The resolutions help to promote positive dialogue that results in improved corporate governance, greater accountability and more meaningful disclosure. These resolutions address a range of topics of concern to the investors who own these companies and have resulted in positive changes in company policies and practices, including in the area of executive compensation, environmental pollution, climate-related improvements, and minority/gender hiring practices, among others.

Shareholders of America's companies should be able to influence the selection of board members. ”

Benedictines at Work

SEC Continued from Page 2

The SEC met on November 28, 2007 to resolve the proxy access issues. Laura Berry, Executive Director of ICCR, stated, "I am delighted to report that the SEC chose not to weaken or eliminate our ability to file advisory resolutions – the process we have so long used as an important tool in our work to bridge the divide between morality and markets.

Our voices were heard and our work, in concert with our allies, had a tremendous impact."



Laura Berry
ICCR

The SEC did decide to adopt the policy of needing 5% of the stock to nominate to the board of directors—which many groups had opposed.

The members of the Benedictine CRI wrote letters and sent emails and participated in the www.SaveShareholderRights.org tool to make their voices and opposition known to the SEC. All of the various groups working together impacted this process in a historic manner. Thank you to all who took the time and made the effort to have our voices heard in the halls of power!

Compiled by Sr. Susan Mika, OSB

The Chambered Nautilus

In February 2008, the ICCR Strategic Planning Team began the ICCR meeting with Sr. Susan Vickers offering a reflection on the Nautilus; to remind everyone of change and growth. As a member of Interfaith Center for Corporate Responsibility, BCRI will be affected by ICCR's strategic plan which will be adopted in June 2008 at the ICCR annual meeting.

"All life is a spiral of change, a constant graceful curve toward purpose. There is a definite pattern to it all...Searching for the pattern is the heart of our human quest. If we're aware of that pattern, and where we are in it, we can identify the best choice to sustain us along the way. There is a clear analogy between the evolution of purpose and the natural evolution of the chambered nautilus shell. Each has a basic center of orientation that provides a coherent pattern of growth. Initially, the nautilus occupies only the smallest chamber at the center of the spiral. That is the whole shell. From its core, the nautilus keeps adding new chambers throughout its life, as it needs more space to grow. The nautilus is in the natural shape of a spiral. Think of your life as a nautilus with the many chambers behind you and many ahead, yet to be added. Each chamber has an opening and an emerging channel to the chamber next to it. The nautilus is a natural pattern for discovering our purpose in today's world. As we, too, move through different phases, or chambers, our purpose evolves. The old chambers feel cramped and lack room to stretch and breathe. We outgrow people, places and purpose. We move into new chambers to make way for the new to emerge.

From *The Power of Purpose* by Richard Leider

Closing prayer:

Like the pattern of the nautilus shell,
May we live our lives in a "constant graceful curve toward purpose".
May we each be faithful to our true calling.
May we claim the courage and the vision to create a future
Where life is nurtured and cherished.
May we work together and with others,
To build a strong, intentional, global community.
May we leave a legacy of peace, compassion, healing and hope.
Amen.



Benedictines at Work

ABBOTT	HEALTHCARE PRINCIPLES	Benedictine Sisters of Mt. St. Scholastica, Atchison; Benedictine Sisters Bristow; Benedictine Sisters Boerne; Benedictine Sisters of Perpetual Adoration, Clyde;
APPLE	SAY ON PAY	Benedictine Sisters of Mt. St. Scholastica, Atchison
AT&T	POLITICAL CONTRIBUTIONS	Benedictine Sisters Boerne
BANK OF AMERICA	DISCLOSURE OF LIABILITIES	Benedictine Sisters of Mt. St. Scholastica, Atchison; St. Scholastica Monastery, Ft. Smith; Monasterio Pan de Vida in Torreon, Mexico
BOEING	FOREIGN MILITARY SALES	St. Scholastica Monastery, Ft. Smith
BRISTOL MYERS SQUIBB	HEALTHCARE PRINCIPLES	Benedictine Sisters Mt. St. Scholastica, Atchison; Monasterio Pan de Vida, Mexico
CASH AMERICA	ESTABLISH ANTI-PREDATORY LENDING PRACTICES	Benedictine Sisters Boerne
CATERPILLAR	FOREIGN MILITARY SALES	Benedictine Sisters Boerne; St. Scholastica Monastery, Ft. Smith; Benedictine Sisters of Perpetual Adoration, Clyde;
CHEVRON	HUMAN RIGHTS-DEVELOP AND ADOPT POLICIES	Benedictine Sisters, Atchison; Benedictine Sisters, Bristow; St. Scholastica Monastery, Ft. Smith; Benedictine Sisters of Perpetual Adoration, Clyde;
CITIGROUP	SAY ON PAY	Benedictine Sisters, Atchison; Benedictine Sisters, Bristow; Monasterio Pan de Vida, Mexico
CITIGROUP	DISCLOSURE OF LIABILITIES	Benedictine Sisters, Boerne
COCA COLA	SAY ON PAY	Benedictine Sisters, Atchison; Benedictine Sisters, Bristow; Benedictine Sisters Boerne
CONOCOPHILLIPS	FREE PRIOR AND INFORMED CONSENT	St. Scholastica Monastery, Ft. Smith
COOPER INDUSTRIES	HUMAN RIGHTS STANDARDS	Benedictine Sisters Boerne
DELPHI	HUMAN RIGHTS	Benedictine Sisters Boerne
DOMINION RESOURCES	GREENHOUSE GAS EMISSIONS REDUCTION	Benedictine Sisters Bristow
DOW CHEMICAL	GENETICALLY MODIFIED ORGANISMS	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters Bristow; St. Scholastica Monastery, Ft. Smith; Benedictine Sisters of Perpetual Adoration, Clyde;
DUPONT	HUMAN RIGHTS AMENDMENT	Benedictine Sisters Boerne; Monasterio Pan de Vida, Mexico

Benedictines at Work

COMPANY	ISSUE	FILER
EXXONMOBIL	OIL GAS EMISSIONS REDUCTION	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters Bristow
FORD	POLITICAL CONTRIBUTIONS	Benedictine Sisters of Mt. St. Scholastica, Atchison; Benedictine Sisters Bristow
GENERAL ELECTRIC	ETHICAL CRITERIA FOR MILITARY CONTRACTS	Benedictine Sisters Bristow; Benedictine Sisters Boerne; Letter of support: St. Scholastica Monastery, Ft. Smith
GENERAL MOTORS	AUTOMOTIVE-EMISSIONS REDUCTION	St. Scholastica Monastery, Ft. Smith; Benedictine Sisters Boerne
GOOGLE	HUMAN RIGHTS - INTERNET CENSORSHIP	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters of Perpetual Adoration, Clyde;
HALLIBURTON	HUMAN RIGHTS POLICY	Benedictine Sisters Mt. St. Scholastica, Atchison; St. Scholastica Monastery, Ft. Smith
HOME DEPOT	EEO	Benedictine Sisters Mt. St. Scholastica, Atchison; St. Scholastica Monastery, Ft. Smith; Benedictine Sisters Boerne; Benedictine Sisters of Perpetual Adoration, Clyde;
JOHNSON & JOHNSON	HEALTHCARE REFORM	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters Boerne; Monasterio Pan de Vida, Mexico
KOHL'S	HEALTHCARE REFORM	Letter of Support: Monasterio Pan de Vida, Mexico
LOCKHEED MARTIN	NUCLEAR WEAPONS AND DEPLETED URANIUM	Benedictine Sisters Mt. St. Scholastica, Atchison
MEDCO HEALTH	HEALTH CARE PRINCIPLES	Benedictine Sisters Boerne
MERCK	HEALTH CARE PRINCIPLES	Benedictine Sisters Boerne
OCCIDENTAL	SAY ON PAY	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters of Perpetual Adoration, Clyde;
PEPSICO	GENETICALLY MODIFIED ORGANISMS	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters Boerne
SOUTHERN COMPANY	EMISSIONS REDUCTION	Benedictine Sisters Boerne
TARGET	PRODUCT SAFETY	Benedictine Sisters Mt. St. Scholastica, Atchison
VALERO	SAY ON PAY	Benedictine Sisters Boerne
VISTEON	ADOPT AND DEVELOP HUMAN RIGHTS POLICY	Benedictine Sisters Boerne
WAL-MART	SAY ON PAY	Benedictine Sisters Mt. St. Scholastica, Atchison; Benedictine Sisters Boerne; St. Scholastica Monastery, Ft. Smith
WELLPOINT	ACCESS TO HEALTH CARE	Benedictine Sisters Mt. St. Scholastica, Atchison

The Hidden Power of Our Portfolios

In this day and age, our newspapers, television and internet are filled with stories of people and companies that are going to trial, going to jail or paying fines for misconduct. In the midst of this, our Benedictine communities are striving to be corporately responsible with our monetary funds. There is a hidden power to the funds which we hold in our portfolios. We use these funds and the dividends to further all the many good works and ministries which we believe are an essential part of our mission. Do we know what we are funding by being invested in these companies? Do the community members, Council, Finance Committee ask questions like, "What are we saying "yes" to because we have certain holdings in the portfolio"? In the Rule, Chapter 31, Benedict is clear, "Treat all things as vessels of the altar." That care extends to the funds which are under our stewardship. We are here for the long haul – the Benedictine Order celebrated 1,500 years of existence in 1980.

Not all are familiar with the underlying power of stock holdings. For instance, if you hold one share of a company, you are an owner of that company. Owners help to set the direction of the groups. However, many think, "Someone else knows more about this company and its practices than I do. How could I make a difference? My group ONLY holds a few shares." If you hold \$2,000 worth of the stock for one year, you may file a stockholder resolution which is a legal document which is received into the Corporate Secretary's office and is regulated by the Securities and Exchange Commission.

In the formation of the Benedictine CRI, we thought about goals such as the following:

- To work together on actions around a particular company. Members of the Benedictine CRI filed resolutions, dialogued and attended annual meetings at Halliburton and Wal-Mart.
- To work together on actions around a particular topic. For instance, many have expressed an interest in what is happening to workers because of the increasing globalization – jobs being cut, jobs lost to Mexico and China, working conditions in factories.
- To work together on the Benedictine value of care for the earth and all its implications. Some of the groups bought Eco-palms for Palm Sunday from

Lutheran World Relief.

- To vote the proxies which we receive if we own shares in a company. By voting for the resolutions which call for social change and policy development, shareholders are calling forth long-term change in companies.
- To share the expertise and knowledge that is among us. The gifts and talents are being shared among us as Benedictines through working together to make change happen in corporations.

These concerns are part of our world today:

- How to deal with the increased militarization of our society,
- How to affect the impact of globalization/trade on workers of all countries,
- How to turn back the impact of climate change and global warming on our planet,
- How to remedy the lack of women/persons of color in high level positions in the corporate world, both in management and on boards of directors,
- How to deal with the continuing crisis of health care: the uninsured, access to prescription drugs, the AIDS/HIV pandemic in Africa,
- How to define sustainability for the long-term and sustainability for whom?
- How to answer questions about the long-term impact of genetically-modified agricultural products, such as corn and soybeans, in many of common products we eat.

The more we understand, the more we know we need to know. We continue to reflect on what more can we do – as shareholders, as Benedictines, as people on the only planet we have. These answers are not easy ones to live with or to be bold about. We seek to speak truth to power. We seek to be authentic to our charism. We seek to make our world a sustainable home for all.

Where will our voices be heard? Our portfolio holdings give us a key, unique position. As shareholders, we can raise up our concerns to the corporate boardrooms and continue to press corporations to be more accountable and responsible.

Parts of this article were originally published in the Benedictines Magazine, 2005.

Benedictines at Work



June 2007— Those attending the Wal-Mart Annual Meeting in Fayetteville, Arkansas included: Sr. Bernadine Reyes OSB (Boerne, TX); Suzanne Spears (Pawnee, OK); Sr. Susan Mika OSB (Boerne, TX); Rev. David Schilling (ICCR staff—New York); Sr. Rosalie Ruesewald OSB (Fort Smith, AR); Sr. Catherine Markey OSB (Fort Smith, AR)

photo—Kathy Jarvis

Wal-Mart Meeting

On November 7, 2007, religious shareholders met in Bentonville, Arkansas with Wal-Mart's, CEO Lee Scott and those who directly report to him for two hours. The meeting was to discuss whether the efforts of the Interfaith Center on Corporate Responsibility (ICCR) have made any difference over the past 17 years. Lee Scott's answer was that this group of his direct report persons meets with him 12 times a year and that no one, no group, no topic gets 2 hours of their time.

ICCR questions included: wages and benefits; monitoring of the factories which supply Wal-Mart, lobbying efforts on universal health care options.

Alcoa Pilot Project

For the past 18 months, religious shareholders have been meeting with the Chief Executive Officer (CEO) of Alcoa Electric and Electronic Services, Walt Frankiewicz (located in Michigan), his staff and a small group of Alcoa maquiladora (factory) workers in Ciudad Acuna and Piedras Negras, Mexico. These dialogues are to allow for an open exchange of problems and suggestions for improvement. They take place at a neutral site – outside the factory setting. Workers' identities are protected, so there will not be any retaliation against them. Religious shareholders have met with Alcoa and workers on a regular basis since 1995.

Photo taken by: Michelle Tarantino, student at the Communications Art High School in San Antonio who traveled with Sr. Susan Mika, OSB to the border towns to meet with some who work in the maquiladora factories. The worker cannot be named.



Mount St. Scholastica
 Atchison, Kansas
St. Scholastica Monastery
 Boerne, Texas
Benedictine Sisters
of Virginia
 Bristow, Virginia
Benedictine Sisters
of Cepetual Adoration
 Clyde, Missouri
St. Scholastica Monastery
 Fort Smith, Arkansas
Benedictine Sisters
of Baltimore
 Lutherville, Maryland
Benedictine Women
Stacy Wisdom Monastery
 Madison, Wisconsin
Manasteria San De Vida
 Torreon, Coahuila, Mexico

Human Rights: The Minimum Conditions for Life in Community
 80. The full range of human rights has been systematically outlined by John XXIII in his encyclical *Peace on Earth*. His discussion echoes the United Nations Universal Declaration of Human Rights and implies that internationally accepted human rights standards are strongly supported by Catholic teaching. These rights include the civil and political rights to freedom of speech, worship and assembly. A number of human rights also concern human welfare and are of a specifically economic nature. First among these are the rights to life, food, clothing, shelter, rest, medical care, and basic education. These are indispensable to the protection of human dignity. In order to ensure these necessities, all persons have a right to earn a living, which for most people in our economy is through remunerative employment. All persons also have a right to security in the event of sickness, unemployment, and old age. Participation in the life of the community calls for the protection of this same right of employment, as well as the right to healthful working conditions, to wages, and other benefits sufficient to provide individuals and their families with a standard of living in keeping with human dignity, and to the possibility of property ownership. These fundamental personal rights - civil and political as well as social and economic - state the minimum conditions for social institutions that respect human dignity, social solidarity and justice. They are all essential to human dignity and to the integral development of both individuals and society, and are thus moral virtues.
 From *Economic Justice for All, Pastoral Letter on Catholic Social Teaching and the U.S. Economy*, 1986, National Conference of U.S. Catholic Bishops.

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