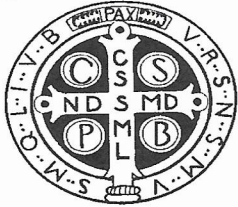


Benedictine Coalition for Responsible Investment



Mount St. Scholastica
Atchison, Kansas

St. Scholastica Monastery[®]
Boerne, Texas

*Benedictine Sisters of
Virginia* Bristow, Virginia

St. Scholastica Monastery
Chicago, Illinois

*Benedictine Sisters
of Perpetual Adoration*
Clyde, Missouri

*Benedictine Sisters of
Erie*, Pennsylvania

St. Scholastica Monastery
Fort Smith, Arkansas

*Benedictine Sisters
of Baltimore*
Lutherville, Maryland

*Benedictine Women
Holy Wisdom Monastery*
Madison, Wisconsin

St. Gertrude Monastery
Ridgely, Maryland

*Benedictine Sisters of
Florida*, St. Leo, Florida

Monasterio Pan De Vida
Torreon, Coahuila, Mexico

March 2013

Issue 11



WHY ENGAGE?

There are many events in our world that influence our perceptions. If we were to capture the newspaper captions of today, some might be:

- ♦ Pope Francis I is inaugurated; emphasizes the poor and acting with humility as a servant leader;
- ♦ Debate Continues over Immigration Rule Changes;
- ♦ States Debate Medicaid Expansion;
- ♦ Extremes in Weather Happening - Drought in Many Areas, much snow or storms in other areas as spring ushers in.

As we read the headlines, we see many of the issues which we follow and desire to make a difference in raising our voices, using our investments. The chasm between the rich and the poor of our planet continues to widen. Resources, such as clean, drinkable water take on a higher priority. The drought has caused much discussion about how best to plan for the future of growing crops and livestock. Voices can be drowned out by corporate lobbying monies which would prefer to keep the status quo. The effects of such practices as hydraulic fracturing are here to stay. How can the companies policies mitigate and minimize the long-term damages to the earth?

The Popes and bishops often speak of the poor/disenfranchised. We have a number of statements from our Benedictine leadership and the Rule about this, as well. Treat all things as if they were sacred vessels of the altar ... care for the sick and infirm ... treat all with dignity ... value the person.

As you can see from the contents of this newsletter, Benedictines are working hard to raise the issues in a variety of ways. Some issues cannot be raised on the proxy ballots of corporate America because they are deemed to be the purview of management, not the stockholders. Other questioned are ruled by the Securities and Exchange Commission (SEC) to be moot or already implemented by the company. The resolutions are statements to the companies on areas of concern. Religious shareholders filed resolutions about ending apartheid from 1971 until 1994. Change often does not come quickly! We are in this for the long-term. In 2020, when we reflect back on the issues raised today, what will our perception be?

As we enter our 10th year of reaching out to work together, we welcome Benedictine Sisters of Erie as a member.

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American Benedictine Academy (ABA) 2012 Conference

In August 2012, Sr. Susan Mika, OSB was invited to be a Keynote Speaker at the American Benedictine Academy. These are some excerpts from her presentation.

The Power of our Portfolios in this Global World

One premise of the ministry of corporate responsibility is that there is a **power** embedded in the portfolios which groups hold. If you own one share of the stock of a company, you are an owner of the company. If you do not like what the company is doing, you can raise your voice. It is part of the hidden power of the portfolio. Many groups have screens to let the portfolio managers know what to invest in or to avoid. One screen might be that the group would own no companies involved in abortion or those producing nuclear weapons or those with bad employment or environmental practices. The list can be lengthy. Many in this world do not own stocks and have no access to corporate power from that vantage point. Using stock ownership to raise questions is one way to speak truth to power. We want to be able to say that our investments are NOT working against us, against what we believe.

Every year, there is a cycle revolving around how shareholders interact with companies. The religious groups work together through the national group, the Interfaith Center on Corporate Responsibility, and meet several times to work on strategies for shareholders. Each group that participates then checks with the group the person represents to see if the group would be willing to file a shareholder resolution, to dialogue with the company, to go to annual shareholder meetings or to loan their proxy to groups attending the meetings. In deciding which actions to participate in, each monastery maintains its autonomy.

Tools of Good Works to be used in this ministry

Resolutions are one tool. After owning \$2,000 worth of the stock continuously for one year, shareholders are able to submit a 500 word "resolution" to a company. The resolution has a "Be It Resolved" clause which makes an "ask" to the company and its shareholders. This asks the company to take an action or to be more transparent about its practices. In the past nine years, the groups participating have filed many resolutions with companies. Some topics have included:

- Taking measures to reduce greenhouse gas emissions or to clean up the BP oil spill
- Challenging the ratio of Chief Executive Officer's pay and the lowest paid worker in the company
- Adopting Principles on Health Care Reform or a comprehensive Human Rights policy
- Publishing Reports on EEO-1 data or on expenditures for political lobbying
- Label Genetically-Modified Organisms and their products
- Asking how water impacts the company's business model
- Disclosure of liabilities for the banks – credit swaps, derivatives, misuse of funds
- Adopt Ethical Criteria for acceptance of Military Contracts
- Adopt a comprehensive Human Rights policy
- Report on the environmental consequences of hydraulic fracturing, 'fracking'.

In 2012, the monasteries in the coalition filed 33 resolutions with 30 companies.

Letters to companies or government agencies are another tool. In 2007, many Benedictine monasteries wrote to Christopher Cox, the Chairperson at the Securities and Exchange Commission (SEC) when the SEC proposed rules to weaken shareholder access to the proxy process. There were 38,000 responses generated by the socially responsible investment community, which included the religious shareholders. The SEC backed off some of the proposed new rules or weakening the current rules.



Speakers 2012 ABA conference-Duluth:
Weldon Nisly, ObOSB (Collegeville);
Colleen Maura McGrane OSB (Clyde);
Luke Devin OSB (Olympia); Susan Mika
OSB (Boerne)

American Benedictine Academy (ABA) 2012 Conference

Letters (cont.) Recently, a number of individuals from monasteries signed a petition to the International Olympic Committee (IOC) which controls the Olympics, to take more active steps to recognize that human trafficking takes place at many high profile sports events and to take steps to alleviate trafficking. For example, in 2011 and 2012, religious groups worked together to contact hotels around the Super Bowl sites in Dallas and Indianapolis, urging training of hotel employees to be able to spot suspicious activity and report it to law enforcement. At the Super Bowl in 2011, there were 133 arrests; up from 33 arrests at an earlier Super Bowl in Tampa.

Attending shareholder meetings is another strategy. Each year, the board of directors, executives of the company and shareholders gather to do the business of the company. This is where the shareholder resolutions are voted upon.

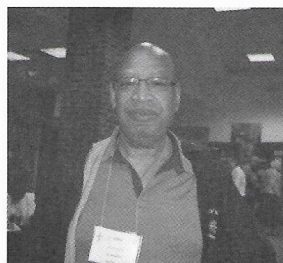
Dialogue is another strategy. Most of the **daily action** occurs in this venue. There are dialogues with many corporations. Sometimes, there are multiple dialogues with the same company. One example might be Walmart. There are issues relating to employment practices, to supply chain management in the factories which produce the products on the shelves, to using a standard measurement of progress (such as the Global Reporting Initiative) in all areas affecting the company, to define sustainability for the long-term. This dialogue has been happening for more than two decades. In 2007, Sr. Susan found herself in the middle of a controversy revealed in the Wall Street Journal. The article dated April 4, 2007 mentioned that she and the Boerne Sisters were on a "security threat list" that Walmart security personnel had compiled. It was a complete surprise for the Sisters to be targeted this way. This received so much press from all over the world and on the internet. On the part of religious shareholders, dialogue is a **long-term strategy**. While day-traders can be in and out of purchasing or selling a company stock in a few seconds on the internet, many religious groups hold shares for decades, if needed. An example of this was General Motors. In the 1980s, General Motors had 75,000 workers in the maquiladora factories in Mexico. GM was on a do-not-own list, if the group did not want to invest in defense contractors. Our Sisters in Boerne purchased the stock so we could be at the table in confronting the company about its environmental and workplace practices along the U.S. Mexico border. The Sisters saw this as the greater good at that moment – so that as long as we were raising the questions, we could own the stock, in spite of our criteria.

Voting your shareholder proxies is another tool. Voting on the business of the corporation, the board of directors and shareholder resolutions is essential. Shareholder resolutions filed under SEC Rule 14-a-8 must receive 3% of the vote the first year filed; 6% the second year filed; 10% the third year and every year thereafter. If the resolution does not receive the threshold needed, the issue cannot be raised for the next three years on the company's proxy ballot.

The Benedictine CRI has published 11 **newsletters** detailing the work of the groups. Each newsletter has offered some reflections on the Signs of the Times through a Benedictine lens. Some of the topics which we have included: Economics Pastoral of the U.S. Catholic Bishops and the Prioresses' Document on Stewardship: "Of All Good Gifts". The actions of the groups have been highlighted. An example would be the resolutions filed each proxy season and the results of the voting on the resolutions.

These tools of good works are all the instruments by which this ministry happens.

**A few photos of those enjoying the gathering of the American Benedictine Academy
on August 5-8, 2012 in Duluth, Minnesota.**



Benedictines in the News

Benedictine Sisters spark media coverage of possible Citigroup break-up

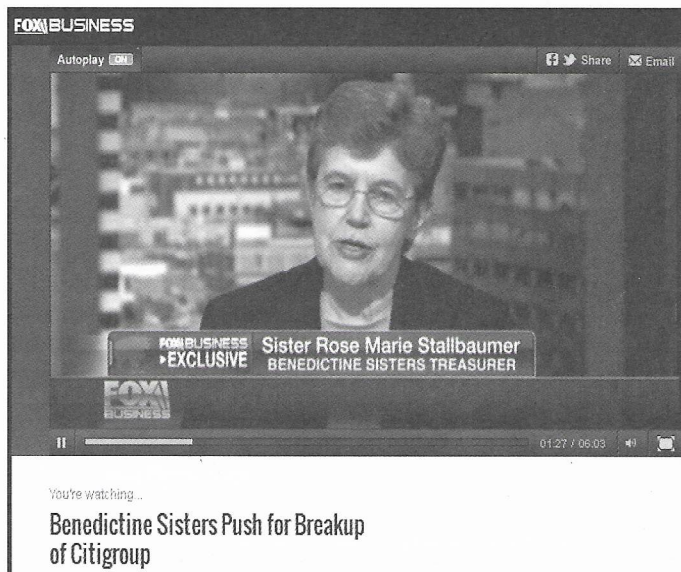
The Sisters from Mount St. Scholastica, Atchison, Kansas were the primary filers of a 2013 resolution with Citigroup, asking the Board to study breaking up the business: *The Board of Directors should promptly appoint a committee (the "Stockholder Value Committee") composed exclusively of independent directors to explore extraordinary transactions that could enhance stockholder value, including but not limited to an extraordinary transaction resulting in the separation of one or more of Citigroup's businesses.*

"Is Citigroup too big to fail?" This question has intrigued the media. Matt Patsky, President of Trillium Asset Management was featured in several interviews. Trillium is the firm which did the research and solicited the Sisters to be the primary filer.

Sr. Rose Marie Stallbaumer from Atchison was interviewed in Kansas City at Fox Studios on Friday, December 14, 2012 on Fox Business News with Liz Claman. "Although the Citigroup resolution was rejected by the SEC, I believe the publicity generated by the resolution was valuable. It kept the fact that there are still a number of too big to manage banks out there and the possibility of bank failures is still very real. There remains work to be done with the big banking industry."

From the Internet:

1. **Benedictine Nuns Take on Citi | Fox Business Video**
Matt Patsky, Trillium Asset Management CEO, on how Trillium filed a shareholder proposal with Citigroup for the Benedictine Nuns, asking the board to explore the idea video.foxbusiness.com/v/1972047668001/benedictine-nuns
2. **Nuns, union pension plan seek Citigroup breakup - FOX 35 News**
A proposed shareholder resolution filed on behalf of a group ... union pension plan seek Citigroup breakup - FOX 35 ... The proposal was filed by Trillium Asset ... www.myfoxorlando.com/...pension-plan-seek-citigroup-breakup
3. **Nuns, union pension plan seek Citigroup breakup - New York - a proposed shareholder resolution filed on behalf of a group of Benedictine nuns and a union pension fund asks Citigroup's board to ... Trillium is a Boston...**
www.myfoxny.com/...union-pension-plan-seek-citigroup-breakup



Benedictines at Work

Benedictine CRI Meeting - October 17, 2012, RCRI in Orlando

The annual meeting of the Benedictine CRI was held on October 17, 2012 at the RCRI national conference in Orlando with 25 Benedictines attending the meeting. Sister Rose Marie opened the meeting with a prayer and welcomed the group. The Benedictine CRI now has 12 members. This includes the Benedictines of: Boerne, Texas; Atchison, Kansas; Bristow, Virginia; Clyde, Missouri; Fort Smith, Arkansas; Lutherville, Maryland; Madison, Wisconsin; Ridgely, Maryland; St. Leo, Florida; Torreon, Mexico; Chicago, Illinois; Erie, Pennsylvania. Support of the Benedictine CRI: Others were encouraged to join the Benedictine coalition and/or to support the Benedictine CRI financially to help promote corporate responsibility work we do together.

Sister Susan Mika distributed a packet of information. She gave an overview of the work of the Benedictine Coalition for Responsible Investment (CRI), noting that one of the beauties of the CRI is being a part of the larger Interfaith Center on Corporate Responsibility (ICCR) and sharing of research that happens at that level. ICCR has been active for 41 years.

How to File a Shareholder Resolution: Sr. Susan reminded the group that now is the time to begin filing resolutions. A handout outlining the process is included in our packets as is a calendar of the due dates for various companies with whom they hope to file. Member communities who have not submitted a list of the shares they own were asked to do so at this time. From this list, Sr. Susan and her staff will create a database. As resolutions are prepared, they will send a packet to the communities owning that particular stock. From this, we need to personalize the letter to our own community, run it on community stationery and mail it by the deadline to the company. We invite communities to determine what issues where they can take action. This helps us to focus filing resolutions in these areas.

Current Issues: Issues that ICCR and the Benedictine CRI are currently focusing on include working on political lobbying, water as a human right (Pepsi has agreed to this; Coca Cola has not), affordable health care, hydraulic fracturing (fracking) and climate change.

Success Stories: Sr. Susan shared several success stories.

- **BPA:** Progress has been made in raising awareness about products containing the chemical Bisphenol A (BPA); some water bottles and food containers indicate on their label that the bottle contains no BPA.

- **Human Trafficking:** ICCR members have worked hard to make an impact on human trafficking. In recent years, members have met with hotels located around the Super Bowl both in Dallas/Fort Worth and Indianapolis to train workers to watch for signs of human trafficking and to report these to the authorities. Kimberly, who works with Nix Event Planners with whom RCRI and LCWR have worked for many years, developed a Code of Conduct for Nix where they meet with hotel management when scheduling events to ask about policies on these important issues.

- **Sustainability Reports:** More companies have developed a Sustainability Report in response to shareholder resolutions and made steps toward lessening their environmental damage. Companies have worked with their supply chains/contract suppliers on this issue.

- **Maquiladoras in Mexico:** Sister Susan reported that the situation for the Maquiladora workers in Mexico has become more difficult and unsafe. She has worked with the Maquiladoras for many years, mentioned that work cannot be done in the same manner as before. The workers are at great risk, if they speak up. Martha Ojeda, the director -Coalition for Justice in the Maquiladoras, has been valiant in her efforts with the workers. Sister Susan encouraged us to consider financial support for this group and to remember them in our prayers.

- **The Power of our Portfolios in this Global World** - another handout - was written by Sister Susan and presented to the American Benedictine Academy in Duluth in August 2012. Members were encouraged to read and share the article with our communities.

Minutes submitted by Rose Marie Stallbaumer, OSB

ATTENDEES- members:

Benedictine Sisters of Perpetual Adoration, Clyde

Valerie Stark, OSB, treasurer
Wilmarie Ehrhardt, OSB

Benedictine Sisters of Florida

Roberta Bailey, OSB, prioress
Jean Abbott, OSB, treasurer

St. Scholastica Monastery, Boerne, TX

Sylvia Ahr, OSB, treasurer
Susan Mika, OSB

Mount St. Scholastica, Atchison, KS

Rose Marie Stallbaumer, OSB, treasurer
Lou Whipple, OSB, business manager
(also representing Monasterio Pan de Vida, Torreon, MX)

St. Scholastica Monastery, Fort Smith, AR

Regina Schroeder, OSB, procurator
Kimberly Rose Prohaska, OSB, sub-prioress

Benedictine Sisters of Virginia, Bristow

Veronica Joyner, OSB, treasurer
Henry Marie Zimmermann, OSB, assistant treasurer

Benedictine Sisters of Erie, PA

Diane Cook, OSB, treasurer
Anne Wambach, OSB, prioress
Linda Romey, OSB, Business manager

Benedictine Sisters of Chicago, IL

Mary Ann O'Ryan, OSB, treasurer

Benedictine Sisters of Ridgely, MD

St. Gertrude Monastery
Mark A. Fontana, treasurer
Colleen Quinlivan, OSB, administrator
Eleanor Murray, OSB

Attendees:

Benedictine Sisters of Sacred Heart, Lisle, IL

Helen Jilek, OSB, treasurer
Mary Bratrsovsky, OSB, prioress

Sisters of St. Benedict of Ferdinand, IN

Jean Marie Ballard, OSB, treasurer

Benedictine Sisters of Cullman, AL

Tonette Sperando, OSB, treasurer

Immaculata Monastery

Rita Marie Tofflemire OSB, treasurer

Sisters of St. Benedict of Crookston MN

Dan Johanneck, business manager

2013 Shareholder Resolutions Filed

This is a list of 2013 resolutions filed, the issue and our members who filed:

AMAZON

Reducing Health Hazards - Lead Batteries
Benedictine Sisters, Atchison, Kansas

ABBOTT LABORATORIES

Lobbying Disclosure
Benedictine Sisters, Boerne, Texas
Benedictine Sisters, Bristow, Virginia

ALTRIA GROUP

Lobbying Disclosure
Pan de Vida Monastery, Torreon, Mexico

AT&T

Wireless Network Neutrality
Benedictine Sisters, Atchison, Kansas (primary filer)
Benedictine Sisters, Boerne, Texas
Benedictine Sisters, Bristow, Virginia
Pan de Vida Monastery, Torreon, Mexico

CATERPILLAR, INC

Adopt a Global Set of Standards
Benedictine Sisters of Boerne, Texas
Benedictine Sisters, Bristow, Virginia

Human Rights Report - Risk of Selling Bulldozers
Benedictine Sisters, Atchison, Kansas

CHEVRON

Impacts of Hydraulic Fracturing
Benedictine Sisters, Atchison, Kansas
Benedictine Sisters, Boerne, Texas
Benedictine Sisters, Bristow, Virginia

CITIGROUP

Strategic Alternatives to Citigroup's Structure
Benedictine Sisters, Atchison, Kansas (primary filer)
Benedictine Sisters, Bristow, Virginia
Pan de Vida Monastery, Torreon, Mexico

COCA COLA CO

Toxic Chemicals in Products - Bisphenol A (BPA)
Benedictine Sisters, Boerne, Texas

CONOCOPHILLIPS

Report on Greenhouse Gas Reduction Goals
Benedictine Sisters, Atchison, Kansas
Benedictine Sisters, Bristow, Virginia

DANAHER

Use of Mercury in Dental Amalgams
Benedictine Sisters, Baltimore, Maryland

DOW CHEMICAL

Genetically Modified Organisms: Herbicide Resistant
Benedictine Sisters, Bristow, Virginia
Pan de Vida Monastery, Torreon, Mexico

DUPONT

Lobbying Disclosure
Benedictine Sisters, Baltimore, Maryland
Benedictine Sisters, Bristow, Virginia

EBAY

Privacy and Data Security
Benedictine Sisters, Atchison, Kansas

EMERSON

Sustainability Report on Climate Change
Benedictine Sisters, Boerne, Texas

ENTERGY CORP.

Lobbying Disclosure
Benedictine Sisters, Bristow, Virginia

EOG RESOURCES

Risk Management for Shale Energy Operations (Fracturing)
Benedictine Sisters, Atchison, Kansas

EXXON MOBIL

Risk Management reporting for Natural Gas Extraction (Fracturing)
Benedictine Sisters, Boerne, Texas
Benedictine Sisters, Atchison, Kansas

Reduce Greenhouse Gas Emissions

Benedictine Sisters, Baltimore, Maryland
Benedictine Sisters, Bristow, Virginia

GENERAL ELECTRIC

Separate Chair and CEO
Benedictine Sisters, Bristow, Virginia
Pan de Vida Monastery, Torreon, Mexico

2013 Shareholder Resolutions Filed

GEO GROUP

Report on Human Rights

Benedictine Sisters, Atchison, Kansas

HOME DEPOT

Equal Employment Opportunity (EEO) Report

Benedictine Sisters of Boerne, Texas (primary filer)

Benedictine Sisters, Atchison, Kansas

Benedictine Sisters, Bristow, Virginia

IBM

Report of Lobbying Expenditures

Benedictine Sisters, Baltimore, Maryland

Reducing Health Hazards from

Manufacturing & Recycling Lead Batteries

Benedictine Sisters, Boerne, Texas

Hewlett Packard

Review and amend Human Rights Policies

Benedictine Sisters, Boerne, Texas

JP MORGAN CHASE

Lobbying Disclosure

Pan de Vida Monastery, Torreon, Mexico

KROGER - Human Rights Policy

Pan de Vida Monastery, Torreon, Mexico

PEPSICO

Label Genetically Engineered Products

Benedictine Sisters, Bristow, Virginia

PFIZER

Lobbying Disclosure

Benedictine Sisters, Boerne, Texas

REGIONS FINANCIAL CORPORATION

Practices around Payday Lending

Benedictine Sisters, Atchison, Kansas

SPECTRA ENERGY CORP

Fugitive Methane Emissions (from Fracking) Report

Benedictine Sisters, Bristow, Virginia

3M

Report on Lobbying Expenditures

Benedictine Sisters, Baltimore, Maryland

Benedictine Sisters, Boerne, Texas

VERIZON COMMUNICATIONS

Reducing Health Hazards from

Manufacturing & Recycling Lead Batteries

Benedictine Sisters, Bristow, Virginia

Report on Lobbying Expenditures

Benedictine Sisters, Baltimore, Maryland

WALMART - Design program to accept (used electronics) e-waste at stores

Benedictine Sisters of Boerne, Texas

WELLS FARGO

Practices around Payday Lending

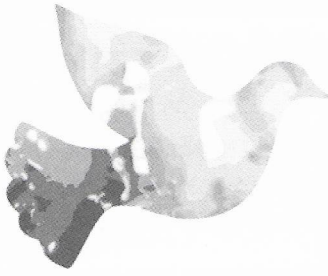
Pan de Vida Monastery, Torreon, Mexico

Some of the issues which are raised in the shareholder resolutions:

- ⇒ What are the health effects ...
 - of the use of Bisphenol A (BPA) in products?
 - of the use of mercury in dental amalgams?
- ⇒ How much are companies spending on lobbying expenses and what are they lobbying for or against?
- ⇒ What policies are in place through the company...
 - is there a comprehensive human rights policy?
 - for energy companies, is there a commitment to look at the risks associated with fracking and review practices in view of new regulations and safety concerns?
- ⇒ What practices do banks embrace when it comes to payday lending? What interest rates are standard? Are certain segments of the population "targeted" for loans?
- ⇒ What goals have companies established and/or met to reduce greenhouse gas emissions?
- ⇒ Right to know ... labeling of genetically-modified organisms; practices for recycling lead batteries; privacy and data security.

A Message on Water Rights

We stand with the ICCR Principles on water rights, as follows:



1. Water is sacred. It belongs to the Earth and to all life that inhabits our planet.
 2. It is imperative that the Earth's freshwater be protected and conserved.
 3. Every person has the right to sufficient, safe, acceptable (clean), physically accessible, and affordable water for personal and domestic use.
 4. It is everyone's duty to use water sparingly and with great care so that all living things may share in this sacred resource.
 5. Corporations must implement sustainable water stewardship policies that are both environmentally and socially sustainable and that respect the universal human right to water
- For more, visit: www.iccr.org/resources/2012/2012WaterStatementOfPrinciples.pdf

Water as Sacred:

The sanctity of water is acknowledged by virtually every faith tradition. Used in rituals of celebration, purification, initiation, and to mark rites of passage, the power of water as a life-giving source permeates and unites the doctrines of every religion, culture, and tribe. As a people of faith, ICCR members have long advocated for protection of the planet's water as a moral mandate and a matter of both environmental and social justice. Good water stewardship requires responsible planning for resources, helping companies develop sustainable water practices is a strategic priority for ICCR members and a core component in our corporate engagements.

Water as a Human Right:

Water is a human right recognized by the members of the United Nations General Assembly and Human Rights Council (UNHRC). The member states of the UNHRC appointed the Special Rapporteur on the human right to water and sanitation, and established the mandate to assist governments and stakeholders, including corporations, to respect, protect, and fulfill the human right to water."

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

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