

SRIC Annual Report

Socially Responsible Investment Coalition

JUSTICE AND PEACE THROUGH CORPORATE RESPONSIBILITY

Summer 2020 – Volume 39

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INSTITUTIONAL MEMBERS

Benedictine Sisters

Brigidine Sisters

Catholic Diocese of Fort Worth

CHRISTUS Health

Congregation of Divine Providence

Dominican Sisters

Marianist Province of the U.S.

Missionary Oblates of
Mary Immaculate

Providence Trust

Sisters of Charity of the Incarnate Word
Houston, Texas

Sisters of Charity of the Incarnate Word
San Antonio, Texas

Sisters of the Holy Spirit and
Mary Immaculate

Sisters of the Incarnate Word and
Blessed Sacrament

MISSION

SRIC members are called to build a more sustainable world by seeking justice and peace through engagements which help transform corporate policies and actions.

SRIC STAFF

Anna Falkenberg,
Executive Director

Ruben Lopez,
Administrative Assistant

Karen Walker,
SRIC Volunteer

VISIT OUR WEBSITE

<https://sric-south.org/>

A Message from the Director

None of us could have expected the onslaught and destruction of our way of living, which we were to experience from a microscopic virus attacking the globe with ferocity, speed and strength. The overwhelming healthcare challenges of Covid-19 would also shine a glaring light on inequality in our country especially racial inequity. In response to these challenges, we as investors mobilized quickly into a broad coalition and collaborated on writing letters asking companies to respond to these impacts on their operations. We have summarized our efforts and some of the results below.

Investor Statement On Coronavirus Response

A statement, organized by Domini Impact Investments, the Interfaith Center on Corporate Responsibility (ICCR) and the New York City Comptroller's Office, urges the business community to provide paid leave to all employees ♦ prioritize health and safety among workers ♦ maintain employment of a well-trained and committed workforce ♦ maintain supplier/customer relationships in place ♦ observe financial prudence.

Call For Pharma Companies To Adopt A Collaborative Approach To Covid-19

Actions investors recommend to consider are share compounds, assets and data with researchers ♦ widely register products ♦ support governments' decisions ♦ issue voluntary licenses ♦ support low- and middle-income countries ♦ commit to enhance manufacturing and supply chains ♦ advocate for the U.S. government. Investors sent letters to CEOs of fourteen pharmaceutical companies including: **AbbVie, Bristol-Myers Squibb, Gilead, GSK, Eli Lilly, Johnson & Johnson, Merck and Pfizer.**

Investor Letter To Apparel And Footwear Brands Urging Them To Safeguard Workers

Investor's requested key steps to protect Bangladesh's garment workers: promptly pay suppliers for existing orders ♦ prioritize worker health and safety ♦ voluntary-only overtime ♦ no punishment of suppliers for Covid-related delays. Investors sent letters to 43 apparel and footwear brands including: **Adidas, Gap, Nike, Walmart, Amazon and Skechers.**

Investors Call For Increased Protections For Meat Workers

ICCR's joint statement recommended measures to include: enforce physical distancing and reduce line speed ♦ provide wage increases and full paid sick-leave for all workers who test positive for the virus ♦ support workers' rights ♦ rigorous testing before/after shifts. The statement was directed towards the following processing companies: **Hormel, JBS, Pilgrim's Pride, Sanderson Farms and Tyson Foods.**

How Retailers, Food And Beverage Companies Mitigate Covid-19 Risks

Investors asked companies to address short-term demands on the food supply chain by: strengthening accessibility and affordability of food products ♦ ensuring worker, customer, visitor and vendor safety ♦ ensuring the quality of food donations and incorporating healthy guidelines into donation policies. Investors letters were sent to: **Campbell's Soup, Coca-Cola, General Mills, Kellogg's, Kraft Heinz, Mondelez, Nestle, PepsiCo, Unilever, Kroger, Target and Dollar Tree.**

Investor Statement To Address Systemic Racism

Racial Justice Investing (RJI) Coalition asks investors to take action by: committing to actively include Black voices in investor spaces and company engagements ♦ commit to integrating racial justice into investment decision-making and engagement strategies ♦ reinvest in communities ♦ use the investor voice to advance anti-racist public policy. Companies like **Walmart, Comcast, Target, Verizon, Facebook, Amazon, Google, Bank of America, Coca-Cola, Disney, P&G, GM, McDonald's, Starbucks and Apple** have made public statements against racism and injustice and announced donations.



SRIC Board Meeting Updates

September
2019

Anna Falkenberg, Ph.D., Executive Director of Socially Responsible Investment Coalition (SRIC) shared highlights from the Interfaith Center on Corporate Responsibility (ICCR) Strategy meeting, which was held on June 17-24. Sessions covered included Health Equity, the Climate Crisis, Food and Water global concerns, the work of the collaborative Alliance for Human Rights and the persistent issues of Human Rights and Human Trafficking.

November
2019

Trinh Doan Doan, graduate student in International Relations at St. Mary's University, and SRIC postgraduate intern, gave a presentation titled "Globalisation - what happened with the idea that swept the world". Trinh gave an overview of the impacts of multinational corporations in Cambodia. She also explained how the movement of people from rural to urban areas aided in the development of slums and the unequal development of Cambodia. Trinh was raised in a town in Laotian-Vietnamese Vietnam. Trinh's experience working in a large corporation and being a border resident gives her a unique insight of ground effects of globalization and how multicultural corporations respond to community concerns.

February
2020

Michael Makar, a high school science teacher (with a focus on biology and environmental science) at Providence Catholic High School gave a presentation on Climate Action. He pointed out how increasing fossil fuel production and relaxing fuel efficiency standards will only accelerate global warming. He also highlighted that individual action to combat climate change is a step in the right direction but is not enough to greatly cut green house emissions. His point was that we can make a difference NOW. He mentioned ideas such as a 4-day workweek or a 4-day school week, which would help save gasoline and heating/cooling bills.

July
2020

Anna Falkenberg gave an overview on the various corporate engagements she has led. Anna highlighted recent and past SRIC projects including the submission of a letter to the U.S. Environmental Protection Agency opposing proposed changes to methane emission standards; filing a resolution with Skechers USA, proposing the company's board of directors adopt a human rights policy; an update on an ongoing filing with Pilgrim's Pride, asking the company to publish a report outlining ways to reduce of water pollution across its business activities; and a resolution filing with General Mills, asking the company to be transparent on its corporate lobbying activities.

SRIC Board Officers



Sr. Patricia
Regan, CDP
**Board
President**



W. Esther Ng
Treasurer



Sr. Susan
Mika, OSB
Secretary



Sr. Veronica Cahill, as a member of the Sisters of the Holy Spirit and Mary Immaculate, has graciously served SRIC as **Board President** for the past four years. Her faithful presence and engaged leadership has been a blessing to all of us. We

especially appreciate her passion, commitment and dedication to our mission. She has served as a GED teacher and Director of Spirituality at Healy-Murphy Alternative High School in San Antonio, and is General Treasurer for the Congregation.

2020 Proxy Season Successes

ASSESS COMPANY DIVERSITY EFFORTS

Instances of workplace discrimination damage a company's reputation and present costly legal and financial risks that impact share value. **JPMorgan Chase**, for instance, settled three discrimination suits between 2017 and 2019, costing it over \$80 million, while **Home Depot** has paid out over \$100 million in similar suits since the late 1990s. By contrast, companies such as **Intel**, **Symantec** and **Citigroup** have set measurable targets for raising the percentage of women and underrepresented minorities in their workforces. Investors called on 6 companies including **JPMorgan Chase**, **MasterCard** and **Morgan Stanley** to issue reports assessing their diversity and inclusion efforts, including goals, metrics and trends related to promotion, recruitment and retention.

JPMORGAN CHASE & CO.

REPORT QUANTITATIVE METRICS ON SUPPLY CHAIN PESTICIDE USE

Scientists have linked pesticide exposure to numerous health harms, including developmental defects and cancer. For this reason, consumer demand for pesticide-free foods is increasing. Failure to manage pesticide use within supply chains can expose a company to legal and reputational risk. Proactive companies have begun taking impactful steps, for example, **Sysco** has reduced its pesticide use by almost 4.9 million pounds, and **Unilever** has phased out Class 1 pesticides in its tea production. This year, investors asked **Campbell Soup**, **Kellogg**, **Kroger** and **The Smucker Company** to report quantitative metrics on pesticide use in their supply chains. Investors withdrew their resolution at **Kellogg** in exchange for an agreement.



REPORT ON WATER RISKS FOR THE MEAT, POULTRY AND DAIRY SECTOR

Water scarcity in agriculture is a growing issue. Poultry, meat and dairy companies face water scarcity risk all along their value chains, from feed production, to animal drinking water, to treatment of animal waste. Climate-related water scarcity can affect the production of animal feed in particular, leading to price spikes and reduced profitability. This year, investors asked meat producer **Sanderson Farms** to report its total water withdrawals as well as percentage withdrawn in regions with high or extremely high baseline water stress, percentage of its contracts with producers located in such regions, and percentage of animal feed sourced from such regions.



ASSESS ENVIRONMENTAL IMPACTS OF SINGLE-USE PLASTIC SHOPPING BAGS

There are an estimated one trillion single-use plastic bags used annually across the globe. **Walmart** lags behind its peers in addressing the problem, and distributes an estimated 18-20 billion single-use plastic shopping bags each year. By contrast, **Kroger** has agreed to a phase-out by 2025, while **Costco**, **Trader Joe's** and **Whole Foods** have already stopped using single-use plastic bags. This year, investors asked **Walmart** to issue a report assessing the environmental impacts of continuing to use single-use plastic bags.



DEMONSTRATE PROGRESS TOWARDS PHASING OUT ROUTINE USE OF ANTIBIOTICS

Antibiotic resistance is one of the world's top health threats, rendering many life-saving drugs useless. The routine use of medically-important antibiotics in animal agriculture – to prevent contagion among large numbers of animals raised in close, unsanitary conditions – is a major contributor to this resistance. ICCR members encourage meat suppliers and fast food restaurants, which purchase large quantities of meat, to use their leverage to help reduce this threat. ICCR members asked **Wendy's** to report quantitative metrics demonstrating progress, if any, toward phasing out routine use of medically important antibiotics in the company's beef and pork supply chains. **Costco** was asked to report metrics on its private label meat and poultry supply chains. This year, investors withdrew their resolutions at **Wendy's** and **Costco** after reaching agreements with the companies.



RISKS RELATED TO THE OPIOID CRISIS

Opioid abuse is a public health crisis with profound economic and social consequences. According to the CDC, in 2017 opioid abuse caused more than 130 overdose deaths a day in the U.S. Investor work on the opioid crisis is coordinated by the Investors for Opioid and Pharmaceutical Accountability (IOPA), a diverse coalition of global institutional investors with 54 members representing \$3.5 trillion in assets under management (AUM). This year, investors asked **Walmart** and **Johnson & Johnson** to report on the governance measures they have implemented to more effectively monitor and manage financial and reputational risks related to the opioid crisis.



2020 Shareholder Resolutions Voting Results

ABBVIE – 24.38%

Executive Comp. and Drug Pricing Risks-Feasibility Report

Mercy Investment Services

ABBVIE – 29.73%

Lobbying Expenditures Disclosure – Pharma

Dana Investment Advisors

ALPHABET, INC. – Withdrawn

Child Sexual Exploitation Online

Dana Investment Advisors

Mercy Investment Services

ALPHABET, INC. – 12.90%

Report on Government-Mandated Content Removal Requests

Missionary Oblates of Mary Immaculate

AMAZON.COM, INC – Omitted

Adopt a Human Rights Policy

Providence Trust

AMAZON.COM, INC – Withdrawn

Board Oversight of ESG Risks of Third-Party Sellers

Mercy Investment Services

AMGEN INC. – Withdrawn

Executive Comp. and Drug Pricing Risks-Feasibility Report

Mercy Investment Services

Congregation of Divine Providence, TX

Dana Investment Advisors

Providence Trust

BANK OF AMERICA CORP. – Withdrawn

Risks of Maintaining Carbon-Intensive Lending

Mercy Investment Services

BIOGEN, INC. – Withdrawn

Executive Comp. and Drug Pricing Risks-Feasibility Report

Mercy Investment Services

BLACKROCK, INC. – Withdrawn

Proxy Voting Policies Related to Climate Change

Mercy Investment Services

BOEING COMPANY – 32.50%

Lobbying Expenditures Disclosure - Climate Change

Missionary Oblates of Mary Immaculate

BRISTOL-MYERS SQUIBB COMPANY – 44.60%

Independent Board Chair

Dana Investment Advisors

Mercy Investment Services

CARNIVAL CORPORATION, INC. – Withdrawn

Adopt a Human Rights Policy

Mercy Investment Services

CATERPILLAR INC. – 33.54%

Lobbying Expenditures Disclosure

Congregation of Benedictine Sisters, Boerne TX

CHEVRON CORP. – 17.00%

Evaluation of Human Rights Practices

Congregation of Benedictine Sisters, Boerne TX

CHEVRON CORP. – Omitted

Lobbying Expenditures Disclosure - Climate Change

Dana Investment Advisors

Mercy Investment Services

COLES GROUP LIMITED – 3.36%

Modern Slavery in Company Operations and Supply Chains

Mercy Investment Services

COMCAST CORP. – 26.40%

Lobbying Expenditures Disclosure

Dana Investment Advisors

Missionary Oblates of Mary Immaculate

DISNEY (WALT) COMPANY / ABC – 33.70%

Lobbying Expenditures Disclosure - Climate Change

Mercy Investment Services

DOMINION ENERGY – Omitted

Risks of Stranded Assets

Congregation of Divine Providence/ Providence Trust

DTE ENERGY – 36.50%

Political Contributions

Mercy Investment Services

DUKE ENERGY CORP. – 42.44%

Lobbying Expenditures Disclosure - Climate Change

Mercy Investment Services

ELI LILLY AND COMPANY – 24.46%

Executive Comp. and Drug Pricing Risks-Feasibility Report

Mercy Investment Services

EXXON MOBIL CORPORATION – 37.50%

Lobbying Expenditures Disclosure - Climate Change

Dana Investment Advisors

Mercy Investment Services

Missionary Oblates of Mary Immaculate

EXXON MOBIL CORPORATION – Omitted

Report on Plans to Align Operations with Paris Agreement

Congregation of Benedictine Sisters, Boerne TX

FACEBOOK INC. – 19.50%

Independent Board Chair

Dana Investment Advisors

Missionary Oblates of Mary Immaculate

GENERAL MOTORS CORP. – 33.00%

Lobbying Expenditures Disclosure - Climate Change

Congregation of Benedictine Sisters, Boerne TX

Mercy Investment Services

2020 Shareholder Resolutions Voting Results

GILEAD SCIENCES, INC. – 43.53%

Independent Board Chair
Mercy Investment Services

GOLDMAN SACHS GROUP INC. – Withdrawn
Report on Measuring GHG Footprint of Lending Activities

Congregation of Divine Providence/ Providence Trust

HOME DEPOT, INC. – 35.82%

Workforce Diversity Report

Congregation of Benedictine Sisters, Boerne TX

HONEYWELL INTERNATIONAL INC. – 46.20%

Lobbying Expenditures Disclosure

Mercy Investment Services

J.P. MORGAN CHASE & CO. – Withdrawn

Proxy Voting Policies Related to Climate Change

Mercy Investment Services

JOHNSON & JOHNSON – 60.92%

Board Oversight - Risks Related to the Opioid Crisis

Mercy Investment Services

JOHNSON & JOHNSON – 41.80%

Independent Board Chair

Congregation of Benedictine Sisters, Boerne TX

KOHL'S CORPORATION – Omitted

Recruitment and Forced Labor

Congregation of Divine Providence/ Providence Trust

MARATHON PETROLEUM – Withdrawn

Develop Strategy to Reduce Contribution to Climate Change

Mercy Investment Services

Dana Investment Advisors

MCKESSON CORPORATION – 52.06%

Lobbying Expenditures Disclosure

Mercy Investment Services

MERCK & CO., INC. – Withdrawn

Senior Executive Incentives - Integrate Drug Pricing Risk

Mercy Investment Services

OLIN CORPORATION – Withdrawn

Safety in the Firearms Industry

Mercy Investment Services

PFIZER, INC. – Withdrawn

Executive Comp. and Drug Pricing Risks- Feasibility Report

Mercy Investment Services

PILGRIM'S PRIDE CORP – 15.20%

Reduce Water Pollution from Supply Chain

Mercy Investment Services

PNM RESOURCES – Omitted

Risks of Stranded Assets

Congregation of Divine Providence

QANTAS AIRWAYS LIMITED (INT'L) – 23.00%

Review Company Policies Relating to Involuntary Transp.

Mercy Investment Services

ROYAL CARIBBEAN CRUISES – Withdrawn

Human Rights Policy Implementation

Mercy Investment Services

Dana Investment Advisors

SEMPRA ENERGY – Omitted

Risks of Stranded Assets

Congregation of Divine Providence/ Providence Trust

SKECHERS U.S.A. – 22.24%

Adopt a Human Rights Policy

Congregation of Divine Providence

STURM RUGER AND COMPANY, INC. – Withdrawn

Lobbying Expenditures Disclosure

Mercy Investment Services

TYSON FOODS, INC. – 14.58%

Human Rights Due Diligence

Mercy Investment Services

UNITED AIRLINES HOLDINGS, INC. – Withdrawn

Executive Compensation ESG Metrics

Mercy Investment Services

UNITED PARCEL SERVICE, INC. – 23.50%

Lobbying Expenditures Disclosure - Climate Change

Mercy Investment Services

VERIZON COMMUNICATIONS INC. – Withdrawn

Child Sexual Exploitation Online

Mercy Investment Services

VERIZON COMMUNICATIONS INC. – 31.00%

User Privacy

Missionary Oblates of Mary Immaculate

WALGREENS BOOTS ALLIANCE – Withdrawn

Board Oversight - Risks Related to the Opioid Crisis

Mercy Investment Services

WALMART STORES, INC. – Withdrawn

Board Oversight - Risks Related to the Opioid Crisis

Mercy Investment Services

Dana Investment Advisors

Missionary Oblates of Mary Immaculate

WELLS FARGO & COMPANY – Withdrawn

Report on Reducing GHG Emissions

Mercy Investment Services

SRIC Initiatives

GENERAL MILLS INC. LOBBYING ACTIVITIES

SRIC participated as a signatory on a lobbying letter addressed to the Director of Issues Management, Stakeholder Engagement and State Government Relations at General Mills Inc. The purpose of this letter was to request information about how General Mills Inc. ensures that its lobbying activities are consistent with company health and wellness policies. This letter highlighted the importance of having General Mills Inc. fall in line with the recommendations from the Access to Nutrition Index, and also encouraged the company to increase the transparency of its corporate lobbying practices. Main asks of this letter consisted of a commitment to lobbying on nutrition issues only in support of public health, or to not lobby at all; disclose all lobbying activities on nutrition issues; membership and financial support of industry associations or other lobbying organizations, and board seats on such bodies.



SKECHERS USA ADOPTION OF A HUMAN RIGHTS POLICY

Back in 2019, SRIC filed a shareholder proposal with Skechers USA Inc., on the adoption of a human rights policy: articulating the company's commitment to respect human rights, which includes a description of steps to identify, assess, prevent and mitigate actual and potential adverse human rights impacts. The Congregation of Divine Providence, SRIC institutional member, and Portico Benefit Services, beneficial owners, submitted the resolution to stockholders for approval at the company's Annual Meeting. The resolution asks stated that Skechers USA Inc. faces significant human rights risks such as forced labor risks from its global operations and supply chain. According to the 2019 Corporate Human Rights Benchmark, the company achieved an overall score of 10.8 out of 100 and the KnowTheChain's 2018 Benchmarking Report on Forced Labor in the Apparel and Footwear Sector gave the company an overall score of 7 out of 100. While Skecher's has made attempts to address forced labor in its Supplier Code of Conduct its Corporate Code of Conduct does not prohibit the use of forced labor in its operations and it has no formal human rights policy.



PILGRIM'S PRIDE CORPORATION WATER WASTE IN THE SUPPLY CHAIN

Over the past couple of years, shareholders of Pilgrim's Pride Corporation have requested a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. Although management is responsible for the report's precise content, investors believe that meaningful disclosure within the report could include: (1) requirements for manure management practices intended to prevent water pollution; (2) requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination; (3) plans to verify suppliers' compliance with Pilgrim's policies. By May of 2020, Pilgrim's board of directors stood against this shareholder proposal during their annual general meeting, arguing that the concerns were already addressed by the company's policies. However, the proposal received the support of 71% of Pilgrim's independent shareholders (Pilgrim's is majority-owned by Brazilian meatpacking giant JBS SA). In its fourth year of coming to a vote, this is the highest level of support this proposal has received, a clear signal that investors are dissatisfied with the company's approach to managing water risks.



SRIC Initiatives

U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) GREEN HOUSE GAS EMISSION STANDARDS PROPOSED CHANGES

SRIC produced and gathered signatories for a letter that was directed to the U.S. Environmental Protection Agency (EPA) Acting Administrator Andrew R. Wheeler. This letter was written with the intent of highlighting the health risks associated with greenhouse gas emissions (GHG's) and to showcase how problematic it is to approve the removal of methane from federal clean air regulations in the oil & gas sector. As several SRIC members have been living in close proximity to the Eagle Ford Shale development, we have long been aware of the negative health impacts resulting from oil and gas production in this area. So, we were determined to speak out and so wrote a comment to the EPA on this issue. To support our action, we reached out to our ICCR colleagues working on methane emissions and health equity. Today, the letter is now posted on the regulations.gov website and can be viewed by the general public. According to the regulations.gov websites' official tally, a total of 294,692 comments were submitted.



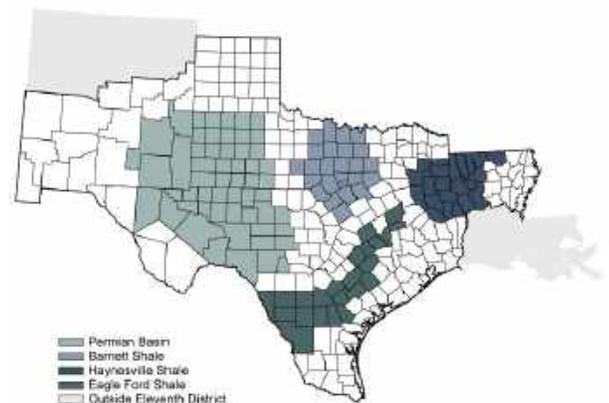
SRIC'S POST GRADUATE INTERN TRINH DOAN DOAN

Back in September of 2019, Trinh Doan Doan joined the SRIC team as a post graduate intern. She was a great addition to the team mainly because she shares the same values as our organization. Over the course of her internship, Trinh has thoroughly analyzed the performance of several corporations and their social responsibility activities. In observing fast-and high-fashion industries, she has created a data set for comparing companies in this industry sector regarding their attitude towards corporate social responsibility, especially on their labor rights policy and supply chain issues. Trinh has also taken on the task to update SRIC's website: <https://sric-south.org/>. She has taken time to carefully revise and update a wide range of initiatives that SRIC has been fighting for throughout the years; from human rights to environmental preservation. In summary, as Trinh reflects on her SRIC experience, she says that SRIC works endlessly to bring about responsible corporate behavior through the power of shareholder resolutions as well as corporate dialogues and she also comments that SRIC "constantly radiates a sense of responsibility as it strives to educate members about social issues relating to corporate accountability."



TOUGHEN OIL FIELD FLARING STANDARDS OP-ED

Over the years, SRIC has actively engaged in discussions with corporations regarding flaring from the oil and gas industry in West and South Texas. Anna Falkenberg, PhD, Executive Director of SRIC, recently wrote an op-ed for the San Antonio Express-News in which she advocates increasing oil field flaring standards. Methane, the main ingredient in natural gas, is 80 times more potent than carbon dioxide as a driver of global warming during its first 20 years in the atmosphere. Flaring converts methane into carbon dioxide, but in the process emits toxic air pollutants, including soot, benzene and formaldehyde, along with nitrogen oxides and volatile organic compounds. Throughout the op-ed readers learned about how flaring of natural gas at operations in the Eagle Ford Shale has been causing health problems amongst our communities for quite some time. The op-ed also points out how in 2013, Permian Basin operators squandered roughly a trillion cubic feet of natural gas through flaring — enough to meet the yearly needs of every Texas home three times over.



Corporate Newsroom / SRIC Issues

IMMIGRATION—COVID-19

The United States operates the world's largest immigration detention system. Prior to Covid-19, on any given day, the country had some 30,000 people in administrative immigration detention at an estimated cost of nearly \$150 a day. As of today, five companies – **GEO Group, CoreCivic, LaSalle Corrections, Management & Training Corp.** and **Immigration Centers of America** – own and operate the largest ICE detention centers in the country. The giants in the field – **GEO Group** and **CoreCivic** – manage 41 facilities that hold more than half of all detainees in ICE custody.

As the number of Covid-19 cases surged across the country, public health specialists warned the U.S. government that keeping and shuffling detainees among immigration detention centers would expose people to the disease. Nonetheless, U.S. Immigration and Customs Enforcement (ICE) continued such practices. By July 11, a total of 3,596 adult immigrants tested positive for the coronavirus while in ICE custody, 967 of them remained in isolation or observation, and some were released, according to the agency.

On July 13, **GEO Group, CoreCivic, LaSalle Corrections** and the **Management & Training Corporation** met with members of Congress to respond to allegations that they were not doing enough to stop the spread of the virus in the facilities that they run under contract for ICE. During their testimony, these companies revealed that more than 880 of its employees also tested positive for the coronavirus. At least 45 direct ICE employees at detention facilities have also tested positive.



HUMAN RIGHTS—WORKER RIGHTS IN THE SUPPLY CHAIN

According to the **International Labour Organization (ILO)**, more than 450 million people work in supply chain-related jobs. While complex global supply chains can offer important opportunities for economic and social development, they often present serious human rights risks that many companies have failed to mitigate and respond to effectively. Globally, an estimated 21 million people are victims of forced labor.

Over the past couple of years, **Adidas Group** has shown its commitment to operate responsibly respecting human rights across its entire value chain. The company strives to safeguard the rights of their own employees and those of the workers who manufacture their products through their Labor Rights Charter and 'Workplace Standards'. Such policies are designed to help the company refrain from any activity, or entering into relations with any entity, which supports, solicits or encourages others to abuse human rights.



NUTRITION—WORLD HUNGER AND OBESITY

In 2020, one in every nine people in the world is hungry, and one in every three is overweight or obese. In many countries, under-nutrition coexists with overweight, obesity and other diet-related non-communicable diseases (a chronic disease that is not infectious and cannot be transferred to others). As of 2016, over 2 billion people worldwide were overweight or obese, with a large majority of them (70%) living in low- and middle-income countries.



According to new research from the United Nations University, the fallout from Covid-19 could push half a billion people into poverty in developing countries, significantly increasing their risk of food insecurity. In response, **Kellogg** and its charitable funds have donated more than \$13 million in food and funds to global Covid-19 hunger relief efforts to date. Furthermore, **Kellogg's Frosted Mini-Wheats®, Special K, Frosted Flakes®, Rice Krispies, Eggo®** and **Nutri-Grain®** teamed up with **No Kid Hungry** for #GivingTuesdayNow to provide immediate hunger relief to those impacted by Covid-19. At launch, the brands matched every donation pledged to **No Kid Hungry**, up to \$200,000. In just 24 hours, **Kellogg** helped raise \$670,000.

METHANE EMISSIONS—CLIMATE CRISIS

Methane emissions, the primary component of natural gas, is a climate pollutant 84 times more powerful than carbon dioxide (CO₂), and it is responsible for 25% of the global warming we are experiencing today. Emissions from the oil and natural gas industry represent the largest industrial source of methane emissions globally. As of today, methane emissions are at their highest level ever, with agriculture and fossil fuels being the biggest drivers. Climate models suggest that continued increases in methane levels could see global temperatures increase by 3-4 degrees Celsius by 2100, researchers from the Global Carbon Project said in a statement published July 15. Annual emissions of the greenhouse gas have risen by 9% since 2000.

According to Reuters, **Chevron** aims to reduce the intensity of greenhouse gas emissions from its oil production by 5% to 10% over a seven-year period ending 2023 as part of an ongoing effort to combat global climate change. Methane accounts for approximately 5 percent of **Chevron's** total greenhouse gas emissions. In a statement, **Chevron** said it had so far spent more than \$1 billion on carbon capture and storage projects in Australia and Canada and the investment is expected to reduce greenhouse emissions by about 5 million metric tons per year.



Corporate Newsroom / SRIC Issues

PHARMA—COVID-19 VACCINES

As of August 13, the novel coronavirus pandemic has now killed more than 744,385 people worldwide. With over 20.4 million confirmed cases worldwide, the race for a Covid-19 vaccine is moving at full speed. So far, the United States has become the worst-affected country, with more than 5 million diagnosed cases and at least 163,340 deaths as of August 13. So far, nine pharmaceutical companies are ahead in the Covid-19 vaccine race: **Johnson & Johnson, Pfizer, Moderna, AstraZeneca, GlaxoSmithKline, CanSino Biologics, Sinovac Biotech** and **Novavax**. **Merck**, although not part of the nine companies conducting clinical trials yet, is engaged in research efforts for both the development of medicines and a vaccine for Covid-19.

On July 20, the race for a vaccine against the coronavirus intensified as three competing laboratories released promising results from early trials in humans. Two of the vaccine developers — the first, a partnership between Oxford University and the British-Swedish drug maker **AstraZeneca**; the second, the Chinese company **CanSino Biologics** — published their early results as peer-reviewed studies in *The Lancet*, a British medical journal. A joint venture between the drug giant **Pfizer** and the German company **BioNTech** shared results online before peer review, and invited comparisons to the biotech company **Moderna**, which uses a similar technology and released early results recently.



POULTRY AND MEAT PRODUCERS—SLAUGHTERHOUSES WORKING CONDITIONS

Over the past couple of months, the coronavirus began to spread through U.S. slaughterhouses. As the outbreak began to force plants to temporarily close, the U.S. Department of Agriculture granted chicken processors the ability to boost production speeds by 25%. On the line itself, many workers say they have to process around 35 to 45 birds per minute, with few moments to rest, stretch, or take a bathroom break.

Tyson Foods Inc. drew criticism from more than 120 advocacy groups that want to see improved safety measures for processing plant workers during the pandemic. In a letter to **Tyson** and its investors, including the **Vanguard Group** and **BlackRock Inc.**, 122 advocates encouraged provisions such as paid sick leave for all infected employees, protections from retaliation, slower slaughter line speeds and eliminating a point system that can result in termination for missing shifts. About 9% of America's meatpacking workers, or 16,233, contracted Covid-19 in the month of May. As of July 7, **Tyson** has been linked to 8,888 worker infections.



ANTIBIOTICS IN THE FOOD SUPPLY CHAIN

The growth and spread of antibiotic-resistant bacteria is a global health crisis, threatening to create a future in which common infections could once again become life threatening on a large scale.

The **World Health Organization (WHO)** and the **Centers for Disease Control and Prevention (CDC)** consider antibiotic-resistant bacteria among the top threats to global public health, and the **CDC** estimates that each year, at least

23,000 Americans die from resistant infections. The overuse of antibiotics in livestock production significantly contributes to the spread of antibiotic resistant bacteria.

Fast food restaurants, as some of America's largest meat and poultry buyers, have played an instrumental role in pushing producers to use antibiotics responsibly, and should continue to leverage their buying power in support of better practices. **McDonald's**, for example, is the single largest purchaser of beef in the United States. Back in 2018, **McDonald's** announced its plans to reduce the use of antibiotics in its global beef supply, a tougher task than removing their use from other types of meat. Reducing the use of such antibiotics in beef has been more difficult for **McDonald's**, because of the company's scale and the smaller number of suppliers that produce beef without antibiotics. Nonetheless, the company plans to measure the use of antibiotics in its 10 biggest markets, including the United States, and will set targets to curb their use by the end of 2020.



PESTICIDE AND HERBICIDES—CHEMICALS IN WEEDKILLERS

Glyphosate, a chemical that kills weeds, is the most widely used herbicide in the country. It is in over 750 products sold in the United States, according to Oregon State University's National Pesticide Information Center. On

July 20, **Bayer** lost an appeal in the first case to go to trial linking its Roundup weedkiller (whose main active ingredient is glyphosate) to cancer. The decision by the California Court of Appeals comes in the case of school groundskeeper, who won a 2018 jury trial blaming Roundup for causing his non-Hodgkin's lymphoma. Glyphosate's safety came under scrutiny in 2015 after the International Agency for Research on Cancer, a unit of the **World Health Organization (WHO)**, classified glyphosate as likely having the potential to cause cancer. **Bayer**, which inherited Roundup's legal liabilities with its \$63 billion acquisition of seed and pesticide maker **Monsanto Co.** two years ago, recently said it would pay up to \$10.9 billion to settle tens of thousands of Roundup lawsuits. The company said at the time it was still pursuing appeals in the three cases that have gone to trial.



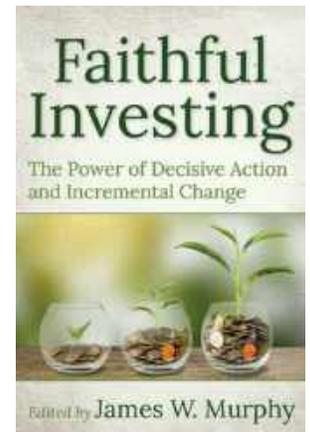
Faithful Investing

The Power of Decisive Action and Incremental Change

Edited by James W. Murphy

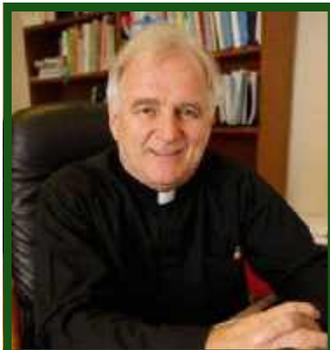
Book Overview

Congregations and religious institutions are asking how to invest in their future and grow their endowed and invested funds, while also focusing on their values. The book ***Faithful Investing: The Power of Decisive Action and Incremental Change***, will help religious leaders better understand all of the many issues and opportunities involved in making their investment choices reflect their faith-in-action. A unique collaboration of voices, many connected through ICCR and multiple Christian denominations, share their experiences, perspectives, and resources, making this book an invaluable guide for church leaders who want to feel more informed and empowered. Topics include an explanation of the differences between SRI and ESG; crafting an investment policy; shareholder engagement; areas of investment such as diversity and women's empowerment; human rights; human trafficking; climate change; social justice; community engagement; and more.



Dignity of Every Human Being — Human Rights, Human Trafficking, and Investing by Fr. Séamus P. Finn

This chapter primarily focuses primarily on human dignity and on how protecting, respecting, and promoting human dignity must be a core priority in evaluating the moral responsibility of those participating in financial and commercial transactions. This responsibility extends to those who are shareholders in these enterprises and funds. Finn also examines how human rights issues entered into the engagements that shareholders initiated with corporations and the process whereby human rights policies were developed and strengthened. This will include the role that shareholders, civil society, and the formal public sector held in this process.



Rev. Séamus Finn OMI,
Director and Chief of Faith
Consistent Investing,
OIP Investment Trust

As faith-based investors seek to better align the management of their personal and institutional assets with their beliefs and with how those beliefs are expressed in the mission to promote human dignity and protect human rights, the history and the practices discussed in this chapter will hopefully serve as an inspiration and a guide. The many resources and tools that have been developed to bring the realization of this vision within reach continue to be improved and made more accessible. With the support of formal sectors like the United Nations and the conviction of many in the business community that their brands and their companies should protect human rights and promote human dignity, the future for advancing this campaign indeed looks promising.

Repairing the World One Company at a Time-Shareholder Advocacy by Byrd Bonner

This chapter examines the "how-to" of starting a viable and sustainable "shareholder advocacy" program from scratch. Bonner's definition of that term is very broad in scope. It includes formal engagement through resolutions filed with publicly traded corporations, proxy voting, and more informal dialogues. It can take the form of letters of inquiry or concern, but more often takes on a more formal format, often including the opportunity to collaborate with other nonprofit groups with similar concerns. This chapter also explores opportunities to lead a process within a congregation or faith-based organization to repair the world one company at a time. Byrd has developed what he refers to as the 4 E's: empower, engage, educate, encourage. By following these phases expanded upon in this chapter, readers should be able to create a program that will become a source of pride and perhaps evangelism within their circle. This chapter is intended to inform and inspire all its readers on the processes involved, even if they cannot engage in all of the activities described.



Byrd Bonner, Attorney at
Law Office of Lisa A. Vance, PC

As an example, Byrd describes how he was blessed to have one such organization at his own doorstep. When he was CEO of the United Methodist Church Foundation, he lived in San Antonio, Texas, the home base of the Socially Responsible Investment Coalition (SRIC). Working out of a suite of offices at the Oblate School of Theology on the Northside of San Antonio, SRIC rolls up its collective sleeves and takes the mystery out of the metrics of shareholder analysis. When a member provides its list of complete stock holdings, SRIC is able to analyze the policies, concerns, and corporate charters of companies held. Regional coalitions like SRIC keep databases of past engagements and current trends that allow members to join with others in dialogues and the filing of shareholder resolutions. It is important for congregations and committees to never feel alone in this work of social change; finding and joining a regional coalition gives comfort of knowing that a larger organization provides a network of others who are on the same or a similar journey.

2020 SRIC Educational Event Virtual Program

Care of our Common Home is in our Hands

Looking at challenges and opportunities in Preservation of Natural Landscapes,
Food Supply Chain Security and Water Stewardship



*Lebh Shomea House of Prayer
located in Sarita, Texas*

Maurice Lange Director of Lebh Shomea House of Prayer invited us to consider how Religious Communities can meet a "Profound Need of the Human Soul" with a beautiful trip to Lebh Shomea as an example of land preservation.

Religious Communities Meeting a "Profound Need of the Human Soul"

Lands owned by religious communities are indeed "places more needed than ever by the human spirit". These spaces provide critical habitat for countless creatures. They are also vital for us all to grow into an ecological spirituality.

Maurice Lange

Celebrating the Mystery of Inter-dependence!

The social, political and economic chaos that has resulted from this pandemic will be studied for decades as experts remind us how it compares on scale to other catastrophic financial and social disruptions and how it will test the adequacy of sovereign and global institutions that we have come to rely on for nearly 75 years. The pandemic slogans tell us that "we are all in this together" because it does not respect boundaries or borders but governments and states and regions compete with each other each day for access to the therapies, resources needed to slow the spread and scientist readied to discover a vaccine to protect against further outbreaks.

Fr. Séamus Finn, OMI

Great Red Oak, Riverdale Center: Oblates alongside Thomas Berry (3rd from left) (from 1991 courtesy of Seamus Finn, OMI)



*Oblate-owned land near Sarita, Texas --
home of Lebh Shomea House of Prayer
(courtesy of Phil Coleman)*

From a letter celebrating the 100th Earth Day on April 22, 2020

Here in 2020 we are currently undergoing a world-wide pandemic of a coronavirus called Covid-19. This is a time unlike anyone can remember. Due to this highly contagious disease most of us are staying at home instead of being around other people.

...
Also in 2020, Earth is undergoing an unraveling of its natural systems (which is not as obvious to most): glaciers melting, barrier reefs bleaching, temperatures rising, habitats dissolving, species vanishing. In fact, we are currently undergoing a great extinction event. Our federal government has been slow to respond.

Maurice Lange

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San Antonio, TX

Mercy Investment Services

Wanda McMullen Donovan



Socially Responsible Investment Coalition

285 Oblate Drive
San Antonio, Texas 78216

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- Inspired by Faith Committed to Action since 1982 -

Join Socially Responsible Investment Coalition in creating a more just and sustainable world through corporate responsibility. We can reach our goals with your financial support!

Our Goals

- To educate members about social issues relating to corporate accountability and responsibility.
- To effect changes in corporate policy through a variety of strategies, including dialogue and filing shareholder resolutions.
- To use networks provided by membership in Interfaith Center on Corporate Responsibility (ICCR) for research information, analysis, and action strategies.
- To direct inquiries toward resources for monitoring portfolios for selected issues of concern.

Membership Services

Our services include assisting members with their corporate shareholder engagements through dialogues and resolution filing assistance, based on the support level. We also provide corporation research, reports & updates on our focus areas, an annual educational event and networking opportunities.

Our Membership Levels

Institutional Supporters
Associate Organizations
Individual Members

Our Focus Areas

- Climate Crisis
- Food Justice
- Human Rights
- Health Equity
- Corporate Governance
- Responsible Finance
- Water Stewardship
- Methane Emissions

All donations to support our essential work are welcomed

For more information on how you can support our work through membership please contact Anna Falkenberg, PhD, Executive Director via e-mail: afalkenberg@src-south.org or by phone: **210.344.6778**