A Message from the Director

We are making history! In 2022, we’ll observe 40 years of Investors Impacting Corporate Responsibility through educating our members about integrating social values into corporate actions and empowering them, as investors, to take action.

We produce our SRIC Annual Educational Events – here’s a selection of program topics through the years

- Doing Ethical Business in China
- Care, Climate, and Cash - A Discussion Panel on Current Crises
- Human Rights Challenges: Focus On Bangladesh Factories
- The Mine of the Future: The Vatican Perspective
- Capitalism 2.0 — Building a New Global Economy: Impact Investing and The Vatican Viewpoint
- Taking The Moral High Ground on Health Care: Religious, Global and National Perspectives
- Housing Justice: Dream or Reality?
- Care Of Our Common Home Is In Our Hands: Protecting, Conserving & Restoring The Planet
- Courageous Conversations: Can Inclusive Capitalism Work for the Common Good?
- Housing Justice: Dream or Reality?
- Taking The Moral High Ground on Health Care: Religious, Global and National Perspectives
- Housing Justice: Dream or Reality?
- Care Of Our Common Home Is In Our Hands: Protecting, Conserving & Restoring The Planet
- Courageous Conversations: Can Inclusive Capitalism Work for the Common Good?

We have been on the forefront, leading shareholders taking action

- investigated environmental pollution and workers’ rights in Maquiladora factories,
- advocated with Nuns on the Bus for Medicaid Expansion,
- visited mines in Ghana, Colombia and Peru with the Mining and Faith Reflections Initiative
- raised awareness of human and sex trafficking in hotels during several Super Bowls,
- reported on environmental and health impacts of Fracking and Flaring in the Eagle Ford Shale Development.

And we continue taking action despite a world pandemic

- asked companies in the food and beverage industry about their response to COVID-19 - the health and safety of their workers, the continuity of the food supply chain and as well as the adverse economic and health impacts experienced by Black, Latinx, and Indigenous communities in the U.S.
- urged Apparel & Footwear producing companies to Safeguard Workers During the Pandemic, especially migrant workers who suffer when global brands cancel and/or reduce orders and refuse or delay payment for already completed work.
- asking pharmaceutical companies how the companies will price COVID medicine developed with public monies as well as insuring that greater supplies of vaccines, treatments, and diagnostic tests can be produced in as many places as possible as quickly as possible.
- Climate Crisis - urging companies to reduce their contributions to the greenhouse gas emissions responsible for climate change by a phasing out of fossil fuels and a phasing in of low-carbon, renewable energy sources.

And we are now responding to a crisis on our doorstep - Trafficking on the Border

- We were alerted to this concern by members of the Sisters of Charity of Saint Elizabeth New Jersey and Dominican Sisters working on the Border. Texas, recording the highest number of sex trafficking cases in the nation, has seen a rise in crisis calls as the coronavirus pandemic has made victims’ more vulnerable. We want to discover how the ongoing immigration crisis is linked to increased sex and labor trafficking.

And you as members make this work possible.
SRIC Member Meeting Updates

**SEPTEMBER 2020**
Tim Smith, Director of ESG Shareowner Engagement with Boston Trust Walden Company discussed the final regulations (as of Sept. 23) in SEC Rule 14a-8 and the multiple impacts of these changes on shareholder rights. Tim pointed out how the SEC imposed a new rule that sharply restricts shareholders’ ability to submit proposals through dramatically increased requirements for the amount of stock held, the duration of stock ownership, and the votes required for resubmitting proposals. According to Tim’s presentation, the changes will be implemented in January 2022 which means they will affect the filings for 2022.

**NOVEMBER 2020**
Sr. Patricia Daly, OP, a Dominican Sister of Caldwell, New Jersey, gave a presentation on the Dominican Sisters Commitment To New Climate Solutions Funds. The Dominican Sisters had engaged companies on climate change for 25 years, and decided it was time to address this issue using Dominican Sisters investment assets to fund the climate transition. Just prior to the 2015 Paris Agreement, most Congregations of the Dominican Sisters in the U.S. made a commitment to fund this transition while integrating the UN Sustainable Development Goals. Sr. Pat walked us through the steps to get to this agreement, finding a company, and then the task of working with a Wall Street firm to create investment products that addressed Climate Change and the Sustainable Development Goals.

**FEBRUARY 2021**
Sister Susan Mika, OSB, from the Benedictine Sisters of Boerne, Texas, gave a presentation on a variety of topics. During her presentation, Sister Susan gave a review of SRIC’s past involvement in Medicaid expansion with Nuns on the Bus advocacy group and shared current statistics on the growing numbers of uninsured and underinsured population in Texas. Sister Susan also addressed the amendments to the SEC Rule 14a-8 and explained how these changes restrict shareholders’ ability to raise issues of material concern through resolutions filed with public corporations. Lastly, she shared an update on the Pfizer and Moderna COVID vaccines as well as the latest statistics on the number of vaccines administered in the United States.

**MAY 2021**
Larry Hufford, Ph.D., Professor of Political Science and International Relations at St. Mary’s University gave a summary on Courageous Conversations: Can Inclusive Capitalism Work for the Common Good?. During his presentation, Larry introduced the group to the Catholic Charities of St. Paul and Minneapolis website (www.cctwincities.org/), which offers readers the ability to access major encyclical documents. Once on the website, he showed how readers can also find notable quotes from Catholic Social Teaching by subject, in this case he focused on capitalism. Larry also pointed out that there are various forms of capitalism and expressed the importance of not overregulating or under regulating such economic system. The goal of a well regulated capitalism benefits all of us as a whole, the common good.

**SRIC BOARD OFFICERS**

Sr. Patricia Regan, CDP
Board President

W. Esther Ng
Treasurer

Sr. Susan Mika, OSB
Secretary
REDUCE PLASTICS USE

91% of plastic is not recycled, but instead ends up as trash, with between 8 and 12 million metric tons of plastic entering the ocean every year, driving an ocean plastics crisis. While restrictions on single-use plastics have been implemented in 150 countries, far more needs to be done. This year, investors asked Amazon (which generates an estimated 465 million pounds of plastic packaging waste a year), Keurig Dr. Pepper, Kraft Heinz, Kroger, Mondelez, PepsiCo, Restaurant Brands International, Target and Walmart to estimate the amount of plastics released into the environment by their use of plastic packaging, and describe any company strategies or goals to reduce the use of plastic packaging.

ACCESS TO COVID-19 PRODUCTS

In an effort to save lives and curb the spread and lethality of COVID-19, governments made large investments in health technologies, mainly global pharma companies, to spur the development of breakthrough vaccines and medicine. Investors want to ensure that any medical breakthroughs derived from the public’s contribution will be reflected in the company’s access strategy so that communities across the globe will benefit from equitable access. This year, ICCR members filed new resolutions with Eli Lilly, Gilead, Johnson & Johnson, Merck, Pfizer and Regeneron asking them to disclose whether and how their receipt of public financial support for development and manufacture of COVID-19 products will be taken into account when developing their access strategies.

CIVIL RIGHTS/RACIAL EQUITY/INCLUSION AUDIT

Ongoing police murders of Black people and contrasting police treatment of Capitol insurgents have galvanized the movement for racial justice and equity, influencing investors to go beyond asking companies for simple disclosure of workforce diversity numbers, and to instead call for companies to assess the ways in which their products, services and overall corporate practices may be discriminatory, racist, or contributing to increasing inequalities. ICCR members this year asked Amazon and Amgen to commission racial equity audits analyzing their impacts on civil rights, equity, diversity and inclusion, and the impacts of those issues on their businesses.

HUMAN RIGHTS DUE DILIGENCE

While food workers were heralded as essential in the early days of the pandemic, they were frequently provided with insufficient personal protective equipment (PPE) and little to no sick leave. Subsequently, meat and poultry processing plants across the U.S. have become COVID-19 hotspots. As a result, ICCR members this season targeted poultry processors Pilgrim’s Pride, Sanderson Farms and Tyson Foods with resolutions highlighting the industry’s hazardous working conditions, which include unsafe line speeds, wage violations, exposure to toxins, and sexual harassment, as well as the ways in which the COVID pandemic has severely aggravated such dangers, including via insufficient PPE, and lack of transparency regarding exposure to infected individuals.

REPORT ON PLANS TO ALIGN OPERATIONS WITH THE PARIS AGREEMENT

Despite the tremendous carbon reductions called for in the Paris Agreement, many companies have still only adopted a number of ad-hoc initiatives, having neither set decarbonization goals, nor created and implemented plans to reduce GHG emissions throughout their operations and value chains. As a result, ICCR members asked eight companies this year – including Booking Holdings, Costco, Public Storage and Wendy’s – to report on whether and how they plan to measure and reduce their total contributions to climate change, including emissions from their supply chains, and to align their operations with the Paris Agreement’s goals.

FOOD WASTE

One in seven U.S. households struggle to afford regular, healthy meals, yet between 30-40% of all food produced in the country is wasted. Decomposing food in landfills generates methane emissions, exacerbating climate change. A 2019 Intergovernmental Panel on Climate Change (IPCC) report estimates that food waste accounts for between 8% and 10% of GHG emissions caused by humans. This year, investors asked Dine Brands, which owns Applebee’s and IHOP, to report on the feasibility of reducing the environmental and social impacts of the food waste generated by its operations.

LIVING WAGE AND RACIAL EQUITY

Paying employees a living wage and raising the wages of employees at the bottom of a company’s wage scale are significant actions that corporations can take to begin to address systemic racial inequality. People of color (PoC) make up a major portion of Walmart’s workforce—over 46% of hourly workers are PoC. Walmart workers have stayed on the job as essential workers throughout the COVID pandemic, yet the company’s starting wage is just $11 an hour, well below that of the $15 paid by several of its competitors. This year, ICCR members asked Walmart to report to its shareholders on whether and how the company’s racial justice goals and commitments align with the starting pay for all classifications of Walmart Associates.
ABBVIE – Withdrawn
Executive Compensation and Drug Pricing Risks/Feasibility Report
Mercy Investment Services

ABBVIE – 36.10%
Lobbying Expenditures Disclosure
Congregation of Divine Providence – San Antonio, TX
Dana Investment Advisors
Missionary Oblates of Mary Immaculate
Providence Trust

ALPHABET, INC. – 12.20%
Executive Pay-Incorporate Diversity and Sustainability Metrics
Mercy Investment Services

ALTRIA GROUP, INC. – 36.10%
Discourage Nicotine Use Among Youth
Mercy Investment Services

AMAZON.COM, INC. – 44.18%
Civil Rights, Equity, Diversity and Inclusion Audit
Missionary Oblates of Mary Immaculate

AMAZON.COM, INC. – 17.48%
Hourly Associate on Board of Directors
Missionary Oblates of Mary Immaculate

AMAZON.COM, INC. – 34.33%
Rekognition/Facial Recognition Technology
Mercy Investment Services

AMERICAN INTERNATIONAL GROUP, INC. – Withdrawn
Paris-Aligned Climate Lobbying
Mercy Investment Services

BANK OF AMERICA CORP. – Withdrawn
Funding Drilling in the Arctic National Wildlife Refuge
Mercy Investment Services

BLACK ROCK, INC. – Withdrawn
Proxy Voting Policies Related to Climate Change
Mercy Investment Services

BRISTOL-MYERS SQUIBB COMPANY – 44%
Independent Board Chair
Congregation of Divine Providence – San Antonio, TX
Dana Investment Advisors
Mercy Investment Services
Missionary Oblates of Mary Immaculate

CHEVRON CORP. – Omitted
Environmental Justice and Racial Equity Analysis
Congregation of Benedictine Sisters, Boerne TX
Congregation of Divine Providence – San Antonio, TX
Dana Investment Advisors,
Missionary Oblates of Mary Immaculate

CHEVRON CORP. – 48%
Lobbying Expenditures Disclosure - Climate Change
Mercy Investment Services

CITIGROUP – Withdrawn
Report on Reducing GHG Emissions Associated with Financing Activities
Mercy Investment Services

COMCAST CORP. – Withdrawn
Lobbying Expenditures Disclosure
Dana Investment Advisors
Missionary Oblates of Mary Immaculate

CVS HEALTH CORP. – Omitted
Feasibility of Paid Sick Leave as a Standard Employee Benefit
Congregation of Benedictine Sisters, Boerne TX
Missionary Oblates of Mary Immaculate

DINE BRANDS GLOBAL, INC. – Withdrawn
Food Waste
Mercy Investment Services

DISNEY (WALT) COMPANY / ABC – 33%
Lobbying Expenditures Disclosure - Climate Change
Mercy Investment Services

DTE ENERGY – 21.70%
Political Contributions
Mercy Investment Services

DUKE ENERGY CORP. – Withdrawn
Paris-Aligned Climate Lobbying
Mercy Investment Services

ELI LILLY AND COMPANY – Omitted
Access to COVID-19 Products
Mercy Investment Services

EXXON MOBIL CORPORATION – 48.90%
Climate Change Impacts on Financial Position and Assumptions
Congregation of Benedictine Sisters, Boerne TX
2021 Shareholder Resolutions Voting Results

**EXXON MOBIL CORPORATION – 63.80%**  
*Paris-Aligned Climate Lobbying*  
Dana Investment Advisors  
Mercy Investment Services

**GENERAL MOTORS CORP. – Withdrawn**  
*Paris-Aligned Climate Lobbying*  
Mercy Investment Services

**GILEAD SCIENCES, INC. – 35.60%**  
*Independent Board Chair*  
Mercy Investment Services

**HOME DEPOT, INC. – Withdrawn**  
*Workforce Diversity Report*  
Congregation of Benedictine Sisters, Boerne TX  
Dana Investment Advisors

**J.P. MORGAN CHASE & CO. – Withdrawn**  
*Measure and Disclose Financed GHG Emissions*  
Congregation of Divine Providence – San Antonio, TX  
Mercy Investment Services  
Providence Trust

**JOHNSON & JOHNSON – 31.77%**  
*Access to COVID-19 Products*  
Congregation of Benedictine Sisters, Boerne TX  
Congregation of Divine Providence – San Antonio, TX  
Mercy Investment Services  
Providence Trust

**KRAFT HEINZ COMPANY – Withdrawn**  
*Human Rights Impact Assessment*  
Mercy Investment Services

**MCDONALD’S CORP. – Omitted**  
*Feasibility of Paid Sick Leave as a Standard Employee Benefit*  
Congregation of Benedictine Sisters, Boerne TX

**MERCK & CO., INC. – 32.96%**  
*Access to COVID-19 Products*  
Mercy Investment Services  
Missionary Oblates of Mary Immaculate

**PFIZER, INC. – 28.28%**  
*Access to COVID-19 Products*  
Congregation of Divine Providence – San Antonio, TX  
Mercy Investment Services

**PHILLIPS 66 – 62.49%**  
*Paris-Aligned Climate Lobbying*  
Congregation of Divine Providence – San Antonio, TX  
Mercy Investment Services

**PILGRIM’S PRIDE CORP. – 11%**  
*Reduce Water Pollution from Supply Chain*  
Mercy Investment Services

**REGENERON PHARMACEUTICALS, INC. – Withdrawn**  
*Access to COVID-19 Products*  
Mercy Investment Services

**SHAKE SHACK – Not Filed**  
*Sustainability Reporting*  
Missionary Oblates of Mary Immaculate

**TRIP ADVISOR, INC. – Withdrawn**  
*Human Rights Policy*  
Mercy Investment Services

**TYSON FOODS, INC. – 18.40%**  
*Human Rights Due Diligence*  
Mercy Investment Services

**UNITED AIRLINES HOLDINGS, INC. – Withdrawn**  
*Disclosure of Net Zero GHG Indicator*  
Mercy Investment Services

**UNITED PARCEL SERVICE, INC. – 25.80%**  
*Lobbying Expenditures Disclosure - Climate Change*  
Mercy Investment Services

**VALERO ENERGY CORPORATION – Withdrawn**  
*Paris-Aligned Climate Lobbying*  
Mercy Investment Services  
Congregation of Benedictine Sisters, Boerne TX

**WALMART STORES, INC. – 12.50%**  
*Starting Pay and Racial Equity*  
Congregation of Benedictine Sisters, Boerne TX  
Mercy Investment Services  
Missionary Oblates of Mary Immaculate  
Oblate International Pastoral Investment Trust

**WELLS FARGO & COMPANY – Withdrawn**  
*Report on Reducing GHG Emissions Associated with Financing Activities*  
Mercy Investment Services
PHARMACEUTICALS

Investor Letter to Pharma: pandemic preparedness; transparency of public investment; commitment to public good

Back in August of 2020, the Interfaith Center on Corporate Responsibility (ICCR) sent letters to 17 pharmaceutical companies, urging them to exercise financial prudence and commit to the widespread access of treatments and vaccines for COVID-19, including affordable pricing and the sharing of technology to scale-up manufacturing. The letters also raise the need to respond to disproportionate risks faced by communities of color who are three times more likely to die from COVID-19-related illness. The letters endorsed by SRIC and other investors, many of whom are members of ICCR, were sent to the following companies: AbbVie, Amgen, AstraZeneca, Biogen, Bristol Myers Squibb, Gilead, GlaxoSmithKline, Eli Lilly, Johnson & Johnson, Merck, Moderna, Pfizer, Novartis, Regeneron, Roche, Sanofi, and Vertex.

Investor Concerns on 340B Compliance

Mercy Investment Services, Inc. developed a signatory letter in which shareholders expressed significant concerns with pharmaceutical company Sanofi’s decision to curtail or outright eliminate the availability of medications through the government-mandated 340B drug discount program. This program requires drug manufacturers to provide outpatient drugs to eligible health care organizations and covered entities at significantly reduced prices. Health care facilities that are eligible to participate in the 340B drug discount program are nonprofit hospitals and various clinics serving populations who are extremely vulnerable (uninsured and/or underinsured). Sanofi’s abrupt decision to limit its participation in the program exposes it to potential legal, reputational and financial risks, and jeopardizes the health and wellbeing of countless individuals who are at risk for significant health consequences without the vital services health care facilities provide.

ENVIRONMENTAL ISSUES

Addressing Deforestation in Indonesia

Green Century Capital Management developed a letter encouraging the Indonesian government to protect legislation that limits deforestation and protects human rights. There is an ongoing effort in the Indonesian legislature to pass an “omnibus bill on job creation.” The bill is meant to stimulate the economy and attract foreign investments, but is doing so by means of massive deregulation. Proposed changes in the bill include measures that make it easier for companies to do business in Indonesia by getting rid of permitting requirements and environmental impact assessments, among other measures.

Johnson & Johnson - Management of Chemical Risk

Mercy Investment Services, Inc. generated a letter highlighting consumer concerns on the company’s chemical management practices (removing hazardous chemicals from personal care products). The letter also asked the company to find ways to strengthen its practices and policies to further mitigate risk from chemical exposure to people and their environment.

Coalition United for Responsible Exxon

The Coalition United for a Responsible Exxon (CURE) developed a signatory letter, which was signed by SRIC, analyzing ExxonMobil Corporation’s critical governance failures and poor performance. The letter details how CURE is concerned that Exxon’s Board has little experience of cyclical industries and does not have sufficient confidence or expertise to challenge a powerful CEO/Chairman over questionable investments that have diluted the Company’s return on capital relative to its peers. In addition to having limited experience in the Company’s core business areas – energy and oil & gas – CURE believes that Exxon’s independent directors also seemingly have limited experience for dealing with the changes necessary for navigating the energy transition and a decarbonizing global energy economy disrupting the Company’s core business.

FOOD EQUITY/RACIAL JUSTICE

The following companies received a multi-signatory letter on food equity and racial justice: Keurig Dr. Pepper, Coca Cola, Conagra, Campbell Soup, Kroger, Kellogg, Nestle, McDonald’s, General Mills

SRIC produced and gathered signatories for a letter that was directed to the Director of Issues Management & State Government Relations at General Mills. This letter was written with the intent of demonstrating how the global pandemic has reinforced the need and demand for affordable and accessible healthy foods and has exacerbated the adverse economic and health impacts experienced by Black, Latinx, and Indigenous communities in the United States. The letter outlines the interest investors have in learning how the business model, operations and value chain of companies in the Food and Beverage industry directly or indirectly contributes to inequities. Though the development of letters like this, SRIC along with its colleagues hope to encourage companies to create a more equitable and resilient system that benefits workers, the company, shareholders, and communities at large.
GOVERNMENTAL POLICY

Investor Statement on the Risks of Corporate Political Spending
The attack on the Capitol on January 6, 2021 prompted some much-needed reflection on the part of certain corporations regarding their political spending activities. Several companies withdrew their financial support from the 147 legislators who voted against certifying the election results, and a smaller subgroup – mainly banks and tech firms – announced they would be suspending all political spending for a period of several months in order to re-evaluate their strategies. Due to this unfortunate event, companies realized the serious risks that political spending poses to their businesses. Seizing this opportunity to remind companies that this practice also poses enormous risks to our democratic institutions and the public interest, the Interfaith Center on Corporate Responsibility (ICCR) sent a statement to CEO members of the Business Roundtable. The statement, which was signed by multiple organizations requested a six-month hiatus from political spending and a comprehensive review of the short and long-term impacts of this practice.

Urge Congress to Support Corporate Tax Transparency
A letter developed by the Investor Alliance for Human Rights, called on members of Congress, to support the Disclosure of Tax Havens and Offshoring Act. This bill would significantly increase the transparency of corporate tax practices by requiring large corporations registered with the SEC to publicly disclose critical information — including profits, taxes, revenues, employees, and tangible assets — on a country-by-country basis. Public country-by-country reporting would be a powerful tool to empower investors and also support the oversight function of Congress to evaluate the impact of changes to American tax laws on corporate tax behavior.

Corporate Accountability for Digital Rights
SRIC joined the Investor Alliance for Human Rights call to action requesting internet, mobile, and telecommunications (ICT) companies (i.e. Google, Apple, Facebook, Microsoft and AT&T) to respect human rights. This signatory letter asked ICT companies to refer to the Ranking Digital Rights (RDR) Corporate Accountability Index as a tool to help them improve their governance systems and performance on salient human rights risks related to privacy and freedom of expression. The RDR Index evaluates many of the world’s largest ICT companies on disclosed commitments, policies, and practices affecting the right to freedom of expression and privacy.

Brinker, Cheesecake Factory, Darden – Full minimum wage
Letters were addressed to Darden Restaurants, Inc., The Cheesecake Factory Inc. and Brinker International on the importance of raising wages to attract and retain employees. Led by As You Sow and ADASINA Social Capital, this effort hoped to show that raising wages is not only feasible, but mandatory to remain competitive. Recent data shows that the restaurant industry has employed the National Restaurant Association to actively lobby against the federal Raise the Wage Act, which would raise the minimum wage for all workers nationwide to $15 an hour and end the subminimum wage for tipped workers.

HUMAN RIGHTS/WORKER RIGHTS

Walmart - COVID-19
The Investors for Opioid and Pharmaceutical Accountability (IOPA) sent a signatory letter to Walmart, asking the company to take specific actions related to oversight of COVID-19 related workplace health and safety risks. The letter, urged the Board, to undertake a corporate-wide review of Walmart’s compensation structures to ensure they do not conflict with the company’s COVID-19 occupational health and safety protocols. This is important because there have been examples where regional inspectors have charged Walmart retail locations with offences related to a failure to comply with COVID-19 public health protocols.

Address Human Rights - Ahold/Wendys
SRIC actively participated in supporting the critical work of Migrant Justice and the Coalition of Immokalee Workers by signing onto investor letters to Hannaford Supermarkets, and Wendy’s, the fast food corporation. The letters developed by the Interfaith Center on Corporate Responsibility (ICCR), call on these corporations to support worker driven social responsibility, via programs (i.e. Milk with Dignity Program and the Fair Food Program) that help them to better understand what is happening in their supply chains and that provide the tools to avoid, mitigate and remedy any adverse human rights impacts. The Milk with Dignity Program brings together farmworkers, farmers, buyers and consumers to secure dignified working conditions in dairy supply chains. The Fair Food Program is a unique partnership among farmers, farmworkers, and retail food companies that ensures humane wages and working conditions for the workers who pick fruits and vegetables on participating farms.
Recent News On Major Corporations

IMMIGRATION

As their populations swell nearly to pre-pandemic levels, U.S. immigration detention centers are reporting major surges in coronavirus infections among detainees. Public health officials, noting that few detainees are vaccinated against the virus, warn that the increasingly crowded facilities can be fertile ground for outbreaks.

The number of migrants being held in the detention centers has nearly doubled in recent months as border apprehensions have risen, according to the Immigration and Customs Enforcement (ICE) agency. As of August 6, 2021, the total number of individuals held in ICE detention reached 75,304. There have been 1,429 confirmed cases of COVID-19 among those in ICE custody as of Aug. 8, 2021. To date, there have been 284,633 total detainees tested.

Prisons and jails in America were hotbeds for the virus last year, with nearly one in three inmates at federal and state facilities testing positive. The virus infected and killed prisoners at a faster rate than it did in nearby populations because of crowding and other factors that allowed COVID to spread.

Maura Turcotte (2021, July 6). Virus cases are surging at crowded immigration detention centers in the U.S. New York Times.

HUMAN RIGHTS

In 2018, Oxfam launched Behind the Barcodes, a campaign to spotlight the unequal and unjust treatment of farmers and workers in our global food system. Recently, Oxfam welcomed new commitments on human rights from Kroger, the second largest food retailer in the U.S.

In 2020, Oxfam filed a resolution with Kroger asking the Board of Directors to prepare a report on the company’s human rights due diligence (HRDD) process to identify, assess, prevent and mitigate actual and potential adverse human rights impacts in its operations and supply chain. A surprising 45% of Kroger’s shareholders voted to support efforts to conduct Human Rights Due Diligence and include it in its human rights policy.

Kroger recently published an updated Statement on Human Rights; as a result, Oxfam withdrew its shareholder resolution. A summary of some of the company’s important commitments are as follows:

- To conduct a comprehensive gap analysis of Kroger’s current human rights governance and policies compared to the United Nations Guiding Principles on Business and Human Rights (UNGPs) HRDD process and publish its key findings and an updated framework/policy, by late 2021.
- To conduct and publish three Human Rights Impact Assessments (HRIA) in three high-risk supply chains.


NUTRITION

Nestlé SA is working to update its nutrition and health strategy as the world’s largest food company faces criticism over unhealthy products. Nestlé is assessing its food and beverage portfolio against external nutrition profiling systems, such as Health Star Rating and Nutri-Score, that help consumers make more informed choices. The project started this year and also involves a review of package labeling, nutritional information and portion guidance.

The Financial Times (FT) cited an internal company presentation that designated more than 60% of Nestlé’s core food and beverage products as unhealthy. The document, which was circulated among top executives this year, said that some Nestlé products will never be healthy no matter how much they’re tweaked, according to the FT.


METHANE EMISSIONS

U.S. oil giants ExxonMobil and Chevron have suffered shareholder rebellions from climate activists and disgruntled institutional investors over their failure to set a strategy for a low-carbon future.

Exxon failed to defend its board against a coup launched by dissident hedge fund activists at Engine No. 1 which successfully replaced two Exxon board members with its own candidates to help drive the oil company towards a greener strategy.

Meanwhile, a majority of Chevron shareholders rebelled against the company’s board by voting 61% in favour of an activist proposal from – Dutch campaign group Follow This – to force the group to cut its carbon emissions.

The activist win against Chevron was the third successful insurrection coordinated by Follow This against the boards of U.S. oil companies after it forced through votes to cut emissions at ConocoPhillips and Phillips 66 in early May.

Exxon’s second largest shareholder, BlackRock, is understood to have thrown its support behind a campaign by Engine No. 1 to oust four directors on the Exxon board in favour of its own candidates, who all have a background in fossil fuels but leadership experience in green energy innovation.

Editor’s Note: Engine No. 1 is an investment firm purpose-built to create long-term value by harnessing the power of capitalism.

WATER

After six years of contention before Minnesota regulators, Calgary-based Enbridge began building a replacement for its deteriorating Line 3 pipeline across northern Minnesota to carry thick Canadian crude oil to the company’s terminal in Superior, Wis. Line 3 is slated to carry 760,000 barrels of crude oil a day across more than 200 bodies of water, including lakes, streams, wetlands, the headwaters of the Mississippi River — and over 3,400 acres of wild rice waters.

The old Line 3 itself has a history of spills in the region; in 1991, a section of Line 3 ruptured near Grand Rapids, Minnesota, causing over 1.7 million gallons of oil to spill into a tributary of the Mississippi River. Another Enbridge pipeline ruptured in 2010, spilling 840,000 gallons of oil into the Kalamazoo River, resulting in $1.2 billion in cleanup costs and contamination of the riverbed and its ecosystems.

On June 16, the Minnesota Court of Appeals upheld the Public Utilities Commission’s 2020 approval of Enbridge’s Line 3 pipeline. The ruling comes after a series of protests along the pipeline route in Northern Minnesota, during which thousands of frontline Indigenous-led water protectors and allies gathered to block construction of the pipeline and call on federal officials to revoke Enbridge’s permits to build Line 3.

Alexandria Herr. (2021, June 9). The Line 3 pipeline protests are about much more than climate change. Grist.


POULTRY AND MEAT PRODUCERS

One year after COVID-19 infiltrated the meatpacking industry and sparked nationwide plant closures and meat-shortage fears, frontline workers continue to face risk. Since last April, more than 50,000 cases have been tied to the meatpacking industry, and at least 248 workers have died, according to the latest figures from the Duke University’s Global Health Innovation Center. By comparison, the rest of the world has combined to purchase more than 3 billion doses.

COVID-19 vaccine sales are forecast to total $70 billion through next year for Pfizer and more than $27 billion for Moderna, according to Bernstein Research.

The U.S. hasn’t signed new supply deals, but its agreements with Pfizer and Moderna provide the option for future purchases. In the U.S., each company is slated to deliver 300 million doses by the end of July.

Pfizer has said it expects to produce 3 billion doses this year, and at least 4 billion next year. Moderna said it is targeting manufacturing up to 3 billion doses next year.


PESTICIDE AND HERBICIDES

Roundup products manufactured by Bayer-Monsanto kill exposed bumblebees at high rates, according to a new study published in the Journal of Applied Ecology, which points to undisclosed inert ingredients as the primary culprit. The new study reveals that these new Roundup products present the same hazards to pollinators as glyphosate-based formulations, raising important questions about the pesticide regulatory process.

Researchers based at Royal Holloway University of London, UK conducted the present study to better understand the hazards posed by herbicides often characterized as “bee safe” to the public. Bumblebees sprayed with consumer use Roundup Ready-To-Use (contains glyphosate) experienced a shocking 94% mortality.

Editor’s Note: On July 29, Bayer announced that they will no longer sell glyphosate-containing products to U.S. home gardeners. The move comes as the company currently faces around 30,000 legal claims from customers who believe Roundup products caused them to develop cancer.

**INCLUSIVE CAPITALISM** is a global movement to engage leaders across business, government, and civil sectors and encourage them to practice and invest in ways that extend the opportunities and benefits of our economic system to everyone. This movement encompasses the following ideas: equality of opportunity; equitable outcomes; fairness across generations; and fairness to those in society. 

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The Economy of Francesco Final Statement and Common Commitment

In November 2020, Pope Francis invited young people around the world to gather virtually to consider ways of making the economy of today and tomorrow, fair, sustainable, and inclusive. The Economy of Francesco gathering, inspired by the example of St. Francis of Assisi, featured workshops, seminars, and lectures with leading experts in economics, sustainable development, and the social sciences. At its conclusion, the participants issued 12 points of action to guide a reanimation of the global economy:

1. When COVID is over, we must choose to slow down the unbridled race that is suffocating the earth
2. Sharing advanced technologies so that sustainable production can be achieved in low-income countries;
3. Stewardship of common goods be placed at the centre of the agendas of governments and schools
4. Economic ideologies should never be used to offend and reject the poor, the sick and minorities
5. All human rights be respected for every worker, and guaranteed by the social policies of each country
6. Tax havens around the world be abolished immediately
7. Financial institutions be reformed in a democratic and inclusive sense to help the world recover from poverty
8. Companies and banks introduce an independent ethics committee in their governance with a veto on the environment, justice and the impact on the poorest
9. Institutions provide prizes to support innovative entrepreneurs in the context of environmental, social, spiritual and, not least, managerial sustainability
10. States, large companies and international institutions work to provide quality education
11. Organizations and civil institutions not rest until female workers have the same opportunities as male workers
12. We young people can no longer tolerate resources being taken away from schools, health care, our present and our future to build weapons and fuel the wars needed to sell them.

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Council for Inclusive Capitalism with the Vatican

The Council for Inclusive Capitalism with the Vatican, is a historic new partnership between some of the world’s largest investment and business leaders and the Vatican. It signifies the urgency of joining moral and market imperatives to reform capitalism into a powerful force for the good of humanity. Under the moral guidance of His Holiness Pope Francis and His Eminence Cardinal Peter Turkson, who leads the dicastery for promoting integral human development at the Vatican, the Council invites companies of all sizes to harness the potential of the private sector to build a fairer, more inclusive, and sustainable economic foundation for the world.

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Inclusive Capitalism is Necessary for Democracy

Capitalism and democracy follow different logics: unequally distributed property rights on the one hand, equal civic and political rights on the other; profit-oriented trade within capitalism in contrast to the search for the common good within democracy; debate, compromise and majority decision-making within democratic politics versus hierarchical decision-making by managers and capital owners. Capitalism is not democratic, democracy not capitalist. Three forms of Capitalism:

- **Raw market capitalism**: this type was dominant in Europe and North America throughout much of the nineteenth century. State institutions in this context largely refrained from interfering in markets (including labor markets), and economic and social policy. Taxes and expenditures were low.
- **Coordinated capitalism**: Large and small businesses find ways corporation with government in a search for the common good. This type of capitalism would be compatible with the inclusive capitalism movement. Coordinated capitalism (inclusive capitalism) is most likely to achieve growth which emphasizes the common good and simultaneously legitimizes and strengthens democratic institutions.
- **Neoliberal/financial capitalism**: Neoliberalism stresses capitalism is self-regulating with minimal state regulations. From 1970s to the present has been a period of deregulation, privatization, and partial-deconstruction of the welfare states. Neoliberal capitalism does not promote the common good and is anti-democratic.

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The Mogul in Search of a Kinder, Gentler Capitalism

In 2014, Lynn Forester de Rothschild founded the Coalition for Inclusive Capitalism, an effort to get business leaders more engaged in environmental and social issues. She has parlayed that into a related group, the Council for Inclusive Capitalism, that is working with Pope Francis. The excerpt below pertains to an interview Ms. Rothschild gave to the New York Times:

*Which do you think is more broken, American politics or capitalism? I think their problems feed upon each other. Politics and capitalism needs to return to a basic sense of decency. And that is actually why I reached out to the Holy Father, because I think that a lot of what it will take to change behavior is a moral and ethical reawakening. It’s not just one policy, it’s not just taxes, it’s not just reforming labor laws — all of which are important, and we need competent ethical people to do it. But at the core of it, it has to come from common decency.*

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David Gelles, New York Times, May 15, 2021

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The Economy of Francesco, November 21, 2020

**Larry Hufford, Ph.D., June 2021**
2021 SRIC Educational Event Program
Courageous Conversations:
Can Inclusive Capitalism Work for the Common Good?

Editor’s Note: The following excerpts come from the presentations given by a distinguished group of panelists who participated in SRIC’s 2021 Annual Educational Event.

“Far from being an agent of disenchantment, capitalism, I contend has been a regime of enchantment, a repression, displacement and a renaming of our intrinsic and inveterate longing for divinity.”

“Capitalism represents what the theologian William Cavanaugh has called a migration of the holy, which is like a forced march of sanctity and devotion toward new putatively secular objects of reverence.”

Rev. Séamus Finn, OMI
Chief of Faith Consistent Investing at the Missionary Oblates of Mary Immaculate

“Capitalism and democracy follow different logics. Capitalism is not democratic, and democracy is not capitalist.”

“The capitalist democracy compromise aims to realize the common good through a well-regulated market as described in Catholic Social Teaching.”

“The role of SRIC to hold corporations accountable is a fundamental part of the inclusive capitalism movement. SRIC’s work strengthens efforts to realize a well-regulated market that supports a stronger participatory democracy.”

Larry Hufford, Ph.D.
Professor of Political Science and International Relations at St. Mary’s University

“To have an authentic voice one must:
- Understand both sides of the situation;
- seek out credible partners to develop clear, doable and fair asks;
- be patient;
- take time to be vulnerable and care for those impacted; and
- be willing to engage in courageous conversations.”

Pat Zerega
Senior Director of Shareholder Advocacy
Mercy Investments Services, Inc.

“A sustainable business is one that has an enduring purpose in society and that considers in all its decision-making the many different forms of value that it can deliver for all stakeholders, including the natural environment.”

Mark Cutifani,
Chief Executive of Anglo American

Sister Michele O’Brien, CCVI
Development Specialist at the Friends of CHRISTUS Santa Rosa Foundation

“Public Health works to protect and improve the health of communities through policy recommendations, health education and outreach, and research for disease detection and injury prevention. It can be defined as what “we as a society do collectively to assure the conditions in which people can be healthy.” (Institute of Medicine, 1988)"

“Population health provides “an opportunity for health care systems, agencies and organizations to work together in order to improve the health outcomes of the communities they serve.” (Association for Community Health Improvement)"

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About Us

SRIC is an exempt organization as described in Section 501(c)(3) of the Internal Revenue Code; our Tax ID is 74-2846727. All contributions are tax deductible. For more information, please contact Anna Falkenberg, Ph.D., Executive Director by phone at (210)-344-6778 or by email at afalkenberg@sric-south.org.

Visit our website: https://www.sric-south.org/

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 filling 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 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