

SRIC Annual Report

Socially Responsible Investment Coalition

JUSTICE AND PEACE THROUGH CORPORATE RESPONSIBILITY

Summer 2024 – Volume 43

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INSTITUTIONAL MEMBERS

Benedictine Sisters

Brigidine Sisters

Catholic Diocese of Fort Worth

CHRISTUS Health

Congregation of Divine Providence

Dominican Sisters

Missionary Catechists of
Divine Providence

Missionary Oblates of
Mary Immaculate

Order of the Incarnate Word and
Blessed Sacrament

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

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

VISIT OUR WEBSITE

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

A Message from the Executive Director

We all know that having healthy food is one of those foundational needs that helps sustain our lives. And we also know that we need sustenance of all kinds to keep our organizations healthy and growing.

This spring, we explored together ways to improve access to healthy food for all through seeking Food Justice during our event titled **Sow, Grow, Thrive: Empowering Communities through Sustainable Food Production and Providing Access to Healthy Food**. Our speakers shared their stories of providing healthy food around the world through the **Global Fellows** program for **Catholic Relief Services**; for the homeless and hungry in our community through the **Cardinals' Cupboard Food Pantry** at University of the Incarnate Word; and providing healthy food for millions through the **San Antonio Food Bank**. At this memorable Educational Event in April 2024, we also honored the Missionary Oblates of Mary Immaculate and Rev. Séamus Finn, OMI with the Citizen Advocate Excellence Award. The Missionary Oblates have been providing physical and spiritual sustenance for poor and needy people in the United States and more than 60 countries around the world since their founding in 1816.

Among our new initiatives is working with the ICCR program which advances worker justice through a Living Wage. A living wage enables workers and their families to afford a decent standard of living in which all basic needs are met, guaranteeing adequate food and shelter as well as other necessities for life. A letter advocating for corporate support for a living wage for US workers was organized by the Advancing Worker Justice program and sent to 45 companies. As response to this letter, members engaged the following companies: **Walgreens, Darden Restaurants, The Walt Disney Company, Home Depot, Kohl's, Kroger and Walmart**.

In addressing Nutrition Insecurity and access to healthy food for all, ICCR members are asking food and beverage companies, restaurant brands, and retailers to address the links between structural racism, nutrition insecurity, and health disparities as well as product reformulation, responsible marketing, and transparency around lobbying activities. Our group's target companies for these initiatives include **Campbell's, Kellogg's, Conagra Brands, PepsiCo, Mondelēz International, Keurig Dr. Pepper, Kraft Heinz, Coca-Cola, Unilever, Dine Brands, General Mills, McDonald's, Wendy's, Yum Brands, Target, Nestlé, Amazon, Costco and Dollar Stores**.

In November 2023, a special opportunity was created to provide global investors with spiritual and practical sustenance to refine their mission. This ground breaking initial conference was titled **Mensuram Bonam - Faith Consistent Investment Conference** and was held in Vatican City in November 2023. A working document, "Faith based Measures for Catholic Investors: A Starting Point and Call to Action", supported by the Pontifical Academy of Social Services was published as a result. I was most fortunate to attend this important meeting in Rome with Séamus Finn, a longtime SRIC member, was one of the visionary founders of this movement.

And so, we are pleased to provide you with this **2024 SRIC Annual Report** as we look forward to another productive year ahead sustained by your faithful support through finances and participation. Your support and belief in our critical work enables us to have "healthy food" enabling our efforts focused through the investor lens of faith to build a more sustainable world by incorporating our social values into our actions with corporations.

SRIC Member Meeting Updates

September 2023

Sr. Jane Ann Slater, a Sister of Divine Providence, discussed the efforts of COPS/Metro. She covered COPS/Metro's history and initiatives such as leadership training, addressing neighborhood concerns (sidewalks, dumping, drainage), Project Quest (job training and placement), housing, gun violence, and voter mobilization. She highlighted that leaders met with Pope Francis in 2022 and 2023, who commended their alignment with the Synodal Process.

November 2023

Larry Hufford, Ph.D., Professor of Political Science and International Relations at St. Mary's University provided an overview of the current political landscape, particularly in relation to the upcoming 2024 elections. He highlighted the conflict between ESG (environmental, social, governance) issues and profit, noting Congressional attempts to restrict asset managers from supporting ESG resolutions. He discussed legislative actions, Texas laws prohibiting investment fund boycotts of oil and gas companies, and the balance of state versus federal powers, especially regarding immigration. Dr. Hufford also addressed the implications of raising the debt limit, Congressional representation, election financing, and voter demographics, with a focus on younger voters under 30.

January 2024

Mitch Hagney, CEO of LocalSprout and president of the Food Policy Council of San Antonio, discussed the council's advocacy efforts for policy improvements in urban agriculture to enhance access to healthy food. He highlighted the establishment of the Tamōx Talōm Community Food Forest, first food forest located in San Antonio, Texas, developed in collaboration with the city's Office of Innovation and Bexar County's Parks and Recreation Department. Additionally, through partnerships like with San Antonio District 3 Councilwoman Rebecca Viagran, Hagney initiated the Healthy Corner Store Initiative. This program aims to increase access to nutritious options in neighborhoods lacking such choices by supporting local convenience stores to stock and sell more produce, now expanded to 30 stores across the city.

Dr. Ricardo González, Director of the Ettling Center for Civic Leadership & Sustainability at the University of the Incarnate Word (UIW), discussed The Cardinal's Cupboard Food Pantry. Operated in partnership with St. Vincent De Paul of San Antonio, the pantry serves UIW students, faculty, staff, and local community members. Over the past year, with support from student and university staff volunteers, The Cardinal's Cupboard has assisted over 1,400 individuals by distributing over 16,000 pounds of food and essential items to meet their needs.

May 2024

Anna Falkenberg, SRIC's Executive Director, reviewed our organization's past year achievements and challenges, focusing on key topics and future directions for the coalition. She highlighted the success of a recent educational event, sharing participant feedback and insights. **Lydia Kuykendal from Mercy Investment Services** discussed their work with pharmaceutical companies, addressing issues like health equity, pricing principles, and the EU's Corporate Sustainability and Due Diligence Directive. Additionally, she noted significant shareholder advocacy efforts, including a stance against Exxon's leadership and ongoing legal battles involving SEC and Medicare-related lawsuits. Anna also shared a statement by Fr. Séamus and recent articles on non-violence.



SRIC BOARD OFFICERS



Sr. Patricia Regan, CDP
Board President



Sr. Susan Mika, OSB
Secretary



W. Esther Ng
Treasurer

2024 Proxy Season Successes

LIVING WAGE DISCLOSURE

A living wage enables workers and their families to afford a decent standard of living where all basic needs are met. Multiple international treaties and frameworks recognize the concept of a living wage as a human right. In the United States, the federal minimum wage has remained stagnant at \$7.25 an hour since 2009. Workers in traditionally low-wage retail, restaurant, hospitality, and gig sectors are most likely to earn below the living wage. Investors asked **Amazon**, **Home Depot** and **Kohl's** to issue living wage reports assessing the extent to which they are complying with international human rights standards and assessing systemic risks from growing income inequality, including the number of its workers paid less than a living wage, broken down by full-time, part-time and contingent workers. **Hershey** was asked to produce a third-party assessment with recommendations for achieving a living wage for cocoa farmers in the company's West Africa supply chain.



REDUCE MICROFIBER POLLUTION

Microfibers are tiny synthetic fibers less than five millimeters in diameter that are shed from garments during clothing production, wear or washing. An estimated 200,000 to 500,000 total tons of textile microfibers enter the world's oceans annually—constituting roughly 35% of all the microplastic found in the world's oceans. **Lululemon** has stated that it intends to prioritize action on microfiber shedding prevention. Investors have commended the company but ask it to go further and report on opportunities to further reduce microfiber pollution from its garments, including through advanced wastewater treatment techniques.



AI TRANSPARENCY REPORT

STAT News has found that predictive algorithms/ AI are used to deny patients care without their knowledge, often under the guise of "scientific rigor". Before it was acquired by **UnitedHealth Group**, **Navi Health** was reportedly used by health insurance companies to mine medical data and delay or outright deny care. ICCR members asked **UnitedHealth Group** to issue a transparency report explaining the company's use of AI and the board's associated oversight role, as well as to disclose any ethical AI guidelines the company may have adopted.



ENVIRONMENTAL JUSTICE

Environmental racism is a systemic risk at the intersection of environmental degradation, the climate crisis and racial injustice. In 2021, the Environmental Protection Agency found that "nearly all emission sectors cause disproportionate exposures for people of color". **Honeywell** Corporate failure to adequately assess and mitigate impacts on nearby "fence-line" communities can result in litigation, project delays, and substantial fines. Legislative pressure is building; in 2020 New Jersey enacted a bill requiring impacts on overburdened communities to be a deciding factor in industrial permitting decisions, joining California, Pennsylvania, and Illinois, which have already adopted similar environmental justice legislation. Investors asked **Honeywell** and **American Water Works** to commission third-party audits to assess the racial impacts of their operations, with recommendations for improving them above and beyond legal and regulatory matters, incorporating input from all stakeholder groups.



PATENTS AND ACCESS

When patent protection on a drug ends, generics manufacturers can release their own formulations, reducing prices for consumers. But to delay competition and increase their profit margins, branded drug manufacturers often deploy "patent thickets" of many secondary and tertiary patents to artificially extend exclusivity on a given drug. **AbbVie** for instance, has raised the price of its top-selling Humira 27 times; the company has been granted 130 patents on Humira alone, most of them secondary patents, which extends its exclusivity period by 19 years. ICCR members asked six companies—**AbbVie**, **Eli Lilly**, **Gilead Sciences**, **Johnson & Johnson**, **Merck** and **Pfizer**—to establish processes by which the impact of extended patent exclusivities on product access would be considered in deciding whether to apply for secondary and tertiary patents.



ASSESS AND MITIGATE POTENTIAL HARMS FROM NON-SUGAR SUBSTITUTES

The W.H.O. has linked non-sugar substitutes to increased risk of type 2 diabetes. The Rudd Center has found that both **Coca-Cola** and **Pepsi** disproportionately target Hispanic and Black youth in the U.S. when marketing high-calorie, low-nutrient products. Investors asked **Coca-Cola** and **PepsiCo** to report on their efforts to assess and mitigate potential health harms associated with the use of non-sugar sweeteners.



2024 Shareholder Resolutions Voting Results

ALPHABET, INC. – 18.60%

Report on Human Rights Impact of AI Driven Advertising Practices

Mercy Investment Services

ALTRIA GROUP, INC. – 9.50%

Political Contributions Misalignment

Mercy Investment Services

AMAZON.COM, INC – 16.80%

Customer Due Diligence

Missionary Oblates of Mary Immaculate

AMAZON.COM, INC – 9.70%

Human Rights Impact of AI Deployment

Mercy Investment Services

AMAZON.COM, INC – Omitted

Living Wage Disclosure

Dana Investment Advisors

AMERICAN INTERNATIONAL GROUP, INC. (AIG) – Withdrawn

Climate Transition Plan and GHG Reduction Goals

Mercy Investment Services

APPLE COMPUTER, INC. – Withdrawn for Agreement

Analyze and Report Risks of Child Sexual Exploitation and Abuse

Congregation of Benedictine Sisters, Boerne TX

Mercy Investment Services,

ARCHER-DANIELS-MIDLAND COMPANY – Withdrawn for Agreement

Climate Transition Plan and Long-Term Targets

Mercy Investment Services

BLACKROCK, INC. – 8.20%

Proxy Voting Alignment

Mercy Investment Services

BRISTOL-MYERS SQUIBB COMPANY – Withdrawn for Agreement

Human Rights Policy

Mercy Investment Services

CHEVRON CORP. – 22.20%

Assess Effectiveness of Human Rights Policy Implementation

Congregation of Benedictine Sisters, Boerne TX

Missionary Oblates of Mary Immaculate

DINE BRANDS GLOBAL, INC. – Withdrawn for Agreement

Lobbying Expenditures Disclosure

Mercy Investment Services

DOW INC. – 26.30%

Impact of Reduced Plastics Demand on Financial Assumptions

Mercy Investment Services

ELI LILLY AND COMPANY – 8.90%

Patents and Access

Mercy Investment Services

EXXON MOBIL CORPORATION – Filed

Report on Guyana Oil Spill Economic, Human and Environmental Impacts

Mercy Investment Services

Missionary Oblates of Mary Immaculate

EXXON MOBIL CORPORATION – Omitted

Tax Transparency Report

Congregation of Benedictine Sisters, Boerne TX

GILEAD SCIENCES, INC. – Withdrawn for Agreement

Patents and Access

Mercy Investment Services

Missionary Oblates of Mary Immaculate

INGREDION, INC. – Withdrawn for Agreement

Climate Transition Plan and GHG Reduction Goals

Mercy Investment Services

J.P. MORGAN CHASE & CO. – 7.40%

Human Rights Risks in Conflict-Affected and HighRisk Area Policies

Mercy Investment Services

JOHNSON & JOHNSON – Withdrawn for Agreement

Patents and Access

Mercy Investment Services

Congregation of Benedictine Sisters, Boerne TX

KELLANOVA – 21.60%

Disclose Risks of Pesticide Use in Agricultural Supply Chains

Mercy Investment Services

KROGER CO. – 11.38%

Public Health Costs Created by the Sale of Tobacco Products

Mercy Investment Services

MARRIOTT INTERNATIONAL, INC. – Withdrawn for Agreement

Human Rights Risks in Conflict-Affected and HighRisk Areas Policies

Mercy Investment Services



2024 Shareholder Resolutions Voting Results

MCDONALD'S CORP. – 15.17%
Phase Out Routine Medically Important Antibiotics Use in Supply Chain
Congregation of Benedictine Sisters, Boerne TX
Missionary Oblates of Mary Immaculate

MERCK & CO., INC. – Withdrawn for Agreement Patents and Access
Province of St. Joseph of the Capuchin Order
Dana Investment Advisors
Mercy Investment Services

META (FACEBOOK INC.) – 14.50%
Human Rights Impact Assessment
Mercy Investment Services



MONDELEZ INTERNATIONAL, INC. – 31.40%
Assess Effectiveness of Human Rights Policy Implementation
Dana Investment Advisors,
Missionary Oblates of Mary Immaculate

MONSTER BEVERAGE CORP – Withdrawn for Agreement
Mitigate Water Scarcity Risks
Mercy Investment Services

MORGAN STANLEY – Omitted
Net Zero Sector Emissions Alignment Disclosure
Mercy Investment Services

NATIONAL BEVERAGE CORP. – Not filed
Mitigate Water Scarcity Risks
Mercy Investment Services
This filing is under consideration for the spring.

PFIZER, INC. – Withdrawn for Agreement
Human Rights Impact Assessment
Mercy Investment Services

ROYAL DUTCH SHELL PLC – 18.60%
Align Emissions Reduction Targets with Paris Agreement
Mercy Investment Services



SOUTHERN COMPANY – 9.40%
Paris Alignment and GHG Reduction Goals
Mercy Investment Services

SOUTHWEST AIRLINES CO. – Filed
Climate Transition Plan and GHG Reduction Goals
Mercy Investment Services

STURM RUGER AND COMPANY, INC. – Withdrawn
Prioritization Public Health Impacts Associated with Products
Mercy Investment Services

TARGET CORP. – Withdrawn for Agreement
Measuring Pesticide Use in Agricultural Supply Chains
Mercy Investment Services

TEXAS INSTRUMENTS INC. – 19.20%
Human Rights and Material Risks Related to the Russian Invasion of Ukraine
Mercy Investment Services

THE COCA-COLA COMPANY – 10.70%
Assess and Mitigate Potential Health Harms from Non-Sugar Substitutes
Congregation of Benedictine Sisters, Boerne TX

TRIPADVISOR, INC. – Withdrawn for Agreement
Assess Effectiveness of Human Rights Policy Implementation
Mercy Investment Services

TYSON FOODS, INC. – 10.20%
Paris-Aligned Lobbying - Net Zero Assessment
Mercy Investment Services

UNION PACIFIC CORPORATION – Withdrawn for Agreement
Just Climate Transition Report
Mercy Investment Services



UNITEDHEALTH GROUP INC. – Withdrawn for Agreement
Impact of Racial and Ethnic Disparities in UHG's business
Mercy Investment Services

WALMART STORES, INC. – 11.70%
Human Rights Impact Assessment
Congregation of Benedictine Sisters, Boerne TX,
Mercy Investment Services

WELLS FARGO & COMPANY – Omitted
Net Zero Sector Emissions Alignment Disclosure
Mercy Investment Services

WELLS FARGO & COMPANY – 24.10%
Respect for Rights of Indigenous Peoples
Missionary Oblates of Mary Immaculate

2024 Corporate Annual General Meetings

META (FACEBOOK INC.)

Lydia Kuykendal, Director of Shareholder Advocacy with Mercy Investment Services, attended the 2024 **Meta** Annual General Meeting which took place virtually on May 29, 2024. The agenda included the election of directors, the ratification of the appointment of Meta's independent registered public accounting firm, approval of amendments to Meta's Certificate of Incorporation and 2012 Equity Incentive Plan, and the consideration of shareholder proposals. The meeting also featured a company update and a Q&A session. There were 10 shareholder proposals and given the unequal voting share structure of the company, none of them got over 50% of the vote.

Generative AI was a key topic of discussion, with shareholders voting on proposals concerning AI's impact on society and the need for detailed reports on its implications. There were also proposals on human rights, climate lobbying, and child safety.



MCDONALD'S

Thomas McCaney, representing the Sisters of St. Francis of Philadelphia, presented a resolution at **McDonald's Corp.** that called for phasing out the routine use of medically important antibiotics in the company's beef and pork supply chains.

The resolution, which garnered 15.17% support from shareholders, urged McDonald's to adopt a comprehensive policy that would eliminate the use of these antibiotics for disease prevention purposes. It also requested that the company set global sourcing targets with clear timelines, establish metrics for measuring progress, and ensure third-party verification of the policy's implementation.



J.P. MORGAN CHASE & CO.

Sister Pegge Boehm, from the Sisters of the Presentation of the Blessed Virgin Mary, SD, served as the lead filer for a resolution at **J.P. Morgan Chase & Co.**

concerning Human Rights Risks in Conflict-Affected and High-Risk Areas (CAHRA). The resolution, which garnered 7.40% support, called on the Board of Directors to commission an independent third-party report to evaluate the bank's due diligence process. This report would examine how J.P. Morgan Chase assesses, mitigates, and reports human rights and material risks in CAHRA and whether additional policies, practices, and governance measures are necessary to reduce these risks. The proposal emphasized the need for transparency while ensuring proprietary information remains protected.



NETFLIX

Sr. Susan Mika of the Benedictine Sisters of Boerne, Texas, introduced a resolution at **Netflix, Inc.** focused on amending the company's Code of Ethics. The proposal, which received 5.60% support, urged Netflix's Board of Directors to expand the section on an "Inclusive & Respectful Work Environment" and to report to shareholders on how the Board verifies compliance with the amended Code of Ethics. The resolution emphasized the importance of ensuring that board members adhere to these ethical standards, not only in their roles within Netflix but also in their external activities.



WALMART STORES, INC.

Diana Kearney, Senior Legal and Shareholder Advocacy Advisor at Oxfam America, served as the lead filer for a resolution at **Walmart Stores, Inc.**, calling for the company to conduct and publish Human Rights Impact Assessments (HRIAs). The resolution, which received 11.70% support from shareholders, urged Walmart to evaluate the actual and potential human rights impacts of one or more high-risk commodities within its supply chain or operations. The proposal requested that the findings be made publicly available on Walmart's website, ensuring transparency while protecting confidential information.



UNITEDHEALTH GROUP

Lydia Kuykendal, Director of Shareholder Advocacy with Mercy Investment Services, also attended the 2024 Annual General Meeting for **UnitedHealth Group**, which was held virtually, focusing on several key actions and elections related to the company's governance and operations. During the meeting, shareholders elected the board of directors, approved of the advisory resolution on the company's executive compensation, and ratification of Deloitte & Touche LLP as the company's independent registered public accounting firm. There was also a vote against a shareholder proposal for a political contributions congruency report and a Q&A that had only one question around prior authorization denials, which was given a generic and vague answer. The board also authorized a quarterly cash dividend of \$2.10 per share, which was scheduled to be paid on June 25, 2024, to shareholders of record as of June 17, 2024.



SRIC Advocacy Utilizing Signatory Letters

NGO OPPOSITION LETTER TO EPA'S METHANE RULE

This letter by **Sierra Club**, strongly opposes H.J.Res 128 and S.J.Res 71, resolutions that aim to nullify the Environmental Protection Agency's (EPA) methane pollution standards for the oil and gas industry. The letter argues that rolling back these protections would harm the climate, public health, and America's leadership on environmental issues. It emphasizes the severe impact of methane as a potent greenhouse gas and highlight the EPA's standards, which are based on extensive research, stakeholder input, and cost-effective technologies. The letter outlines the environmental, health, and economic benefits of the EPA's regulations, including significant reductions in methane emissions, prevention of health issues, and job creation in the methane reduction industry. The signatories urge congressional leaders to oppose the resolutions and support the EPA's bipartisan, science-based protections.



INVESTOR STATEMENT IN SUPPORT OF WALMART WORKERS

This letter by the **Interfaith Center on Corporate Responsibility (ICCR)**, supports recent worker concerns and a call by Congresswoman Beatty for Walmart to address racial inequities in its business and workforce. Investors emphasize the importance of effective human capital management for long-term business success and express concerns that Walmart lacks a strategic vision to address systemic inequities, which could hinder worker well-being and the company's long-term success. As the largest private employer in the world, Walmart's influence on the economy and its responsibility to address workplace issues is significant. The letter highlights ongoing worker concerns, including sub-living wages, workplace safety, and racial inequities, as well as findings from reports indicating poor working conditions, especially for people of color. Investors call on Walmart to take several actions, including:

- **Conducting an independent Racial Equity Audit** to address discriminatory practices and understand the company's impact on racial equity.
- **Conducting a Workplace Safety & Prevention of Violence Assessment** to address systemic issues contributing to workplace violence and injuries.
- **Conducting a Human Rights Impact Assessment** to evaluate how Walmart's practices may contribute to human rights violations.
- **Establishing living wage guardrails** to ensure that all employees earn a wage that meets basic needs and reduces racial and gender inequalities.
- **Engaging directly with impacted stakeholders** to better understand workers' concerns and involve them in finding solutions.

INVESTOR LETTER ON THE HUMAN RIGHT TO HEALTH

This letter by the **Interfaith Center on Corporate Responsibility (ICCR)** expresses concern about the responsibilities of Pharma companies as it relates to the human right to health, especially in light of new EU regulations—the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Social Due Diligence Directive (CSDDD). The letter seeks to understand how Pharma companies are preparing for and complying with these new regulations, particularly regarding human rights due diligence, double materiality (considering societal impacts alongside financial impacts), and sustainability reporting. Through this letter, investors request detailed information on the companies due diligence practices, disclosure processes, and the role of the board in overseeing access and human rights issues.



INVESTOR LETTER ON FORCED AND CHILD LABOR IN SUGAR SUPPLY CHAIN IN MAHARASHTRA

This letter by **CCLA Investment Management Limited**, addressed to The Coca-Cola Company, expresses concerns from investors about human rights violations in Coca-Cola's sugar supply chains in Maharashtra, India, particularly affecting women and children. With this letter, investors highlight serious issues, including the high rate of unnecessary hysterectomies among female workers due to poor working conditions and the involvement of child labor in sugarcane harvesting. They criticize the current efforts as inadequate and request a discussion or written response from Coca-Cola outlining specific actions the company is taking to address these human rights risks. The letter calls for a comprehensive supply chain mapping, promotion of ethical labor practices, stakeholder engagement, and ensuring access to remedies for affected workers. So, investors seek to ensure that Coca-Cola is upholding its commitments to human rights and transparency in its operations.



GOOD INVESTMENT

Recent News—Corporate Engagements

HUMAN RIGHTS—LIVING WAGE

California's new \$20 minimum wage for fast-food workers took effect on April 1, 2024, impacting around 3,000 locations. This change results from extensive lobbying and strikes by the Fight for \$15 and a Union movement.

While labor advocates view it as a step toward a living wage, some business owners fear it will increase costs and lead to layoffs.

Assembly Bill 1228, signed by Governor Gavin Newsom, not only raises the wage but also establishes a Fast Food Council within the Department of Industrial Relations to develop industry standards and give workers a voice.



The law specifically targets fast-food workers, a group comprising over 500,000 employees in California, mostly women and people of color. It excludes workers in stand-alone bakeries, those inside retail locations (for example, at a **McDonald's** inside a **Target**), and other specific establishments. This new wage is higher than the state's \$16 minimum wage and the federal \$7.25 minimum, which hasn't increased since 2009.

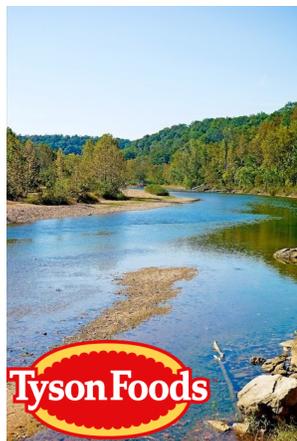
Some fast-food businesses claim the new wage will lead to layoffs or price hikes, though studies indicate that higher wages can be absorbed without such measures. Companies often have significant profits and engage in stock buybacks, which could be redirected to cover wage increases, ultimately benefiting the economy through better worker retention and job growth.

Kim Kelly. (2024, April 1). *California's new \$20 fast-food worker minimum wage: Everything you need to know*. Fast Company. Image by Freepik

CLIMATE CHANGE—ENVIRONMENTAL JUSTICE

A new investigation reveals that **Tyson Foods** has discharged millions of pounds of toxic pollutants into American rivers and lakes over the past five years, posing threats to ecosystems, wildlife, and human health. The Union of Concerned Scientists (UCS) found that 41 Tyson slaughterhouses and processing plants released 371 million pounds of pollutants, including nitrogen, phosphorus, and cyanide, into waterways between 2018 and 2022. The pollutants were carried in 87 billion gallons of wastewater, containing blood, bacteria, and animal feces. This wastewater pollution, equivalent to filling about 132,000 Olympic-size pools, primarily affected Nebraska, Illinois, and Missouri.

Tyson's pollutants contribute to algal blooms, respiratory issues, and marine life die-offs due to oxygen depletion. Federal regulations currently set no limits for phosphorus, and most meat processing plants are exempt from stringent water regulations. The EPA is expected to update its pollution standards by September 2025, but there is concern that the new rules may remain lenient under industry pressure. Tyson and other meat processors have historically resisted stricter regulations, citing economic impacts. The UCS and environmental groups are pushing for stronger protections to safeguard waterways and public health against industrial pollution.



Nina Lakhani. (2024, April 30). *Revealed: Tyson Foods dumps millions of pounds of toxic pollutants into US rivers and lakes*. The Guardian. Image by wirestock on Freepik

HUMAN RIGHTS—CHILD LABOR

The U.S. Department of Labor sued **Hyundai Motor Co**, an auto parts plant, and a labor recruiter for illegal child labor practices at an Alabama parts plant. The lawsuit, filed in U.S. District Court in Montgomery, aims to force the companies to forfeit profits linked to the child labor. Investigations revealed that children as young as 12 worked for a Hyundai subsidiary and its suppliers in Alabama, with a 13-year-old operating machinery for up to 60 hours a week. The defendants named in the suit include Hyundai Motor Manufacturing Alabama, SMART Alabama, and Best Practice Service.

SMART was found to be so integrated with Hyundai's operations that the two were considered a single employer under U.S. labor law. Following the exposure, Hyundai claimed it had divested from SMART and implemented measures to address

the issue. The Labor Department is pressing for liability, asserting companies cannot deflect responsibility onto suppliers. The case is part of a broader increase in child labor violations investigated by the department, which found 5,792 child workers in violation cases nationwide in 2023.

Mica Rosenberg, Kristina Cooke and Joshua Schneyer (2024, May 30). *US sues Hyundai, others over child labor at Alabama parts plant*. Reuters. Image by usertrmk on Freepik



CLIMATE CHANGE—METHANE EMISSIONS

An investigation by Earthworks reveals that around 420,000 Texas residents are exposed to hazardous oil and gas pollution from **TotalEnergies' (Total)** fracking operations in Arlington, TX. Conducted from August 2023 to January 2024, this study highlights the highest global concentration of fracking-related harm. The report, "Total Disregard," produced with ICCR, Liveable Arlington, Climate Nexus, and FracTracker Alliance, identifies two major issues: Total's proximity to homes, schools, and childcare centers, and discrepancies between operator-reported pollution levels and actual data captured by Earthworks and satellites.

Tarrant County, the study's location, has one of the highest U.S. childhood asthma rates. Total has reportedly fracked close to daycare centers and underreported emissions, making the pollution invisible to the naked eye. The investigation recorded over 85 pollution incidents from 24 Arlington sites, with 75% of fracking within 200 meters of homes and 54% within 100 meters.

The report underscores community-led campaigns, like Liveable Arlington's, against such operations, and criticizes local and state officials for inadequate public health protections. The findings, highlighting impacts on children and communities of color, urge Total to reconcile its pollution reduction claims with actual practices, especially ahead of its Annual General Meeting of Shareholders.

Justin Wasser. (2024, May 23). *NEW REPORT: Most Comprehensive study of urban fracking finds nearly half a million exposed to dangerous pollution by TotalEnergies in Texas*. Earthworks. Image by atlascompany on Freepik



Recent News—Corporate Engagements

WORKER JUSTICE—WORKPLACE HEALTH AND SAFETY

Walmart Inc. will pay approximately \$2.5 million to nearly 80,000 workers after a federal judge approved a settlement in a wage-and-hour lawsuit related to Covid-19 screenings. The lawsuit, led by Kathy Arrison and Tristan Smith, claimed Walmart violated labor laws by not compensating employees for time spent on health

screenings and failing to keep accurate records. The settlement covers workers employed at a Walmart store in Arizona from April 2020 to February 2022. Judge Susan M. Brnovich, who

granted final approval, noted the settlement was reached through good faith negotiations and found it fair and adequate. The agreement also includes \$625,000 for attorneys' fees, over \$118,000 for counsel reimbursements, \$5,000 service awards for Arrison and Smith, and \$207,000 for the settlement administrator, Simpluris. The settlement is considered appropriate given the plaintiffs' strong case and the complexities and risks of continued litigation. Lear Werts LLP represents Arrison, Smith and the class members. Dentons US LLP and Akin, Gump, Strauss, Hauer, & Feld represents Walmart.

Quinn Wilson . (2024, July 16). *Walmart Gets Final Approval in \$2.5 Million Wage Settlement*. Bloomberg Law. Image by aleksandarlittlewolf on Freepik



HEALTH—PHASE OUT ANTIBIOTICS IN THE SUPPLY CHAIN

Chick-fil-A is easing its "no antibiotics ever" policy due to supply issues, now allowing some antibiotic use in chicken, excluding drugs critical for human medicine. The original 2019 policy aimed to combat antibiotic resistance linked to drug use in livestock. The chain announced the change to ensure a steady supply of high-quality chicken.

Antibiotic resistance, deemed a serious public health threat by the CDC, leads to millions of infections and thousands of deaths annually in the U.S. While food companies like McDonald's and Tyson have also relaxed their no-antibiotics policies due to sourcing difficulties, adopting a "no antibiotics important to human medicine" (NAIHM) standard, which permits antibiotics only for treating illnesses in animals.

Other chains like Burger King and Popeye's follow similar rules. Rising costs have led companies like Panera Bread to also adjust their antibiotic policies. Despite relaxing its antibiotic rule, Chick-fil-A maintains other quality standards, ensuring their chicken is free from fillers, artificial preservatives, steroids, and added hormones.

Emily Heil. (2024, March 25). *Chick-fil-A drops 'no antibiotics' pledge on chicken, citing supply*. Washington Post. Image by vecstock on Freepik



WORKER JUSTICE—FREEDOM OF ASSOCIATION

Starbucks Corp. and Starbucks Workers United have reached several tentative agreements addressing worker firings and information sharing as part of ongoing negotiations in Chicago. These agreements cover issues such as "just cause" protections for terminations, accountability measures, and the sharing of worker information between the company and the union.

This development follows Starbucks' aggressive opposition to unionization efforts, which led to numerous unfair labor practice cases. However, in late February, Starbucks indicated a shift in its labor strategy by agreeing to work with the union to establish a foundational framework for collective bargaining and litigation resolution.

Since 2021, Starbucks Workers United has organized over 400 stores but has yet to secure any labor deals. The negotiations involved over 400 workers elected as delegates or caucus members from unionized stores nationwide. Both parties expressed satisfaction with the discussions, highlighting that they addressed mutual needs and concerns, and are looking forward to continued negotiations. Further details about the agreements were not disclosed.

Parker Purifoy. (2024, May 30). *Starbucks, Union Reach Tentative Agreements for Job Protections*. Bloomberg Law. Image by Freepik



HEALTH—OPIOIDS

Walgreens announced it will offer its own, cheaper version of the opioid overdose reversal spray naloxone, available online and in stores by the end of the month. This move aims to increase access to the lifesaving drug amid the ongoing opioid epidemic in the United States. Over 645,000 people have died from opioid overdoses between 1999 and 2021.

Naloxone can reverse opioid overdoses, restoring normal breathing and preventing death. However, access to naloxone remains limited in many communities. Walgreens will sell a two-dose pack of its naloxone for \$34.99, about \$10 cheaper than the branded Narcan, which was the first FDA-approved over-the-counter naloxone.

Dr. Priya Mammen from Walgreens emphasized the company's effort to enhance accessibility and reduce the stigma associated with naloxone use. Walgreens hopes the availability of this generic naloxone will empower families and communities to act during overdose situations.

Annika Kim Constantino. (2024, May 15). *Walgreens to offer its own cheaper version of opioid overdose reversal drug naloxone*. CNBC. Image by aleksandarlittlewolf on Freepik

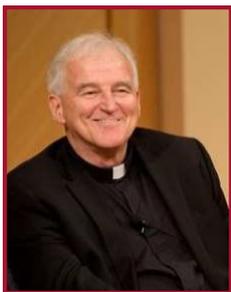


Reflections: Texas CRI & 2024 Educational Event

Below are two reflective statements from leaders who have been instrumental in the socially responsible investment movement. Together, these reflections underscore the enduring dedication to promoting justice and sustainability within our communities.

2024 SRIC Annual Educational Event Statement by Rev. Séamus Finn, OMI

For well over 50 years interfaith communities in the United States have endeavored to make justice a cornerstone of their ministries, and this has included how they administer the fixed and liquid assets that are into their care for the accomplishment of their mission. The pioneers who wanted this priority to be integrated into the way in which they exercise responsible ownership of shares in companies left no stone unturned in identifying the tools and the avenues whereby this could be accomplished. Learning and building from their insights, the socially an environmentally responsible movement spread throughout the United States in the last half of the 20th century. It was a movement that depended very much on collaboration and trust cooperation whereby strategies were tested and implemented to bring the priority of justice into the marketplace and into the minds of corporate leaders. The oblates represented here were very much on the forefront of bringing this priority and these strategies to the southwest and have continued to be strong supporters of these efforts with many other religious and faith communities in the intervening decades. As we celebrate the 30th anniversary of the dismantling of a apartheid this very week it gives us an opportunity to reflect and to celebrate, the milestones that marked this journey. The work is still centered on social and environmental responsibility as we recognize The responsibility that we individually and collectively share for the future of humanity across the world and the preservation of our common home for generations into the future. As we continue this important work which has been trusted to us, and as we invite others to join in this secret task, let us resolve to leave no stone unturned as we strive to build communities that are sustainable inclusive.



Rev. Séamus Finn

Image Credit: Missionary Oblates of Mary Immaculate

Reflections on my Experiences with Texas CRI 1993-1995 by Warren Brown, OMI

I began my work as the executive director of CRI in January, 1993, succeeding the leadership of Ms. Linda Southers. The members of Texas CRI, as well as all of the membership of ICCR, continued to celebrate the changes in South Africa and the end of apartheid. It was a time of great hope and expectations for future progress, but, at the same time, we continued to face the reality of slow if any progress in the area of corporate responsibility.

One of the issues in the years 1993-1995 in which CRI found itself in the forefront of activity related to challenges posed by the maquiladoras along the Texas-Mexico border. In particular, the members of CRI participated in dialogues with Ford Motor Company and Parker-Hanifan regarding their maquiladoras and issues of workers' safety, wages, and living conditions, as well as the disposal of toxic wastes, among others. Several visits were made by members of CRI to Mexican maquiladoras in Matamoros, Rio Bravo, Laredo, Juarez and Tijuana. We also visited workers homes and communities. Sr. Susan Mika partnered with many of the CRI members' activities in her work with the Coalition for Justice in the Maquiladoras. CRI members attended the Ford annual meetings to present resolutions. Another issue which brought participation from several CRI members was the dialogue with Texas Instruments, among other companies, regarding defense economic conversion following the end of the Cold War. CRI members entered into dialogue with TI management and encouraged for planning in an economy which was not so heavily based upon defense contracts and which would provide civilian jobs. CRI members attended the annual meeting of the company in Dallas to present resolutions.



Fr. Warren A. Brown

As studies began to show the proven harm of tobacco products to public health in general and their impact upon the nation's health care system, new questions arose regarding the tobacco companies such as RJR Nabisco, Loews, American Brands and Philip Morris. Resolutions were directed towards all of these companies related to tobacco sales, manufacturing and marketing, tobacco-related businesses and investments. Companies with related tobacco products such as Kimberly-Clark who made cigarette papers products were also targeted. Fr. Michael Crosby's presentation at a CRI meeting heightened our awareness of how insidious the tobacco industry's hold on so many people really was.

One of the more interesting projects in which I participated was with the coalition which developed thanks to foundation grants for the study and prevention of accidents in the petrochemical industry. Visits were made to the Houston area to see the petrochemical plants, participate in tours with management and with families who had experienced injury and death of loved ones due to tragedies at plant explosions. CRI was encouraged to enter into dialogue with management about worker safety and community environmental concerns.

Throughout my three years at CRI, public policy issues affected our work for justice in the corporate arena. These included the passage of NAFTA which challenged worker rights, wages and environmental standards. After our experiences of dialogue and visits with the companies and maquiladoras, we could see that it would only be a matter of time until the same problems we witnessed would grow to a much larger scale, affecting all of Mexico, and even to other countries as well. Also, a change in procedure at the SEC seemed to represent a diminished capacity for concerned investors to present social responsibility resolutions. Political appointments to the SEC brought more pro-business actions, to the prejudice of investors. Resolutions which addressed "ordinary business" of the company were dismissed, as those which relate to employment issues, such as equal employment opportunity. Even back in 1995, religious investors were concerned over the repressive military regime in Burma and the detrimental effect on human rights. Attempts to file resolutions with companies that did business with the Burmese government were also rejected by the SEC under the "ordinary business" decision.

For me personally, my term as executive director was an opportunity for active involvement towards improvement in problem areas which affected people's lives on a daily basis. After witnessing the effects of poverty and injustice on so many individuals in communities where I ministered and trying to place band aids on their pain, it was satisfying at CRI to try to work on solutions in the bigger picture where real change for the better might happen which would eventually benefit many people. It was a pleasure to meet the representatives from our Texas CRI constituent groups and witness their dedication to putting their faith in action. I appreciated their advice and support, and always felt that we worked as a team to do the best we could in our part of the world. I learned a lot, and hope that I was able to add my small contribution to the ministry of justice and peace.

Image Credit: Missionary Oblates of Mary Immaculate

2024 SRIC Educational Event

Sow, Grow, Thrive: Empowering Communities through Sustainable Food Production and Providing Access to Healthy Food

SRIC's Event Program

Citizen Advocate Excellence Award 2024 Recipient

Rev. Séamus Finn, OMI

Chief of Faith Consistent Investing at the Missionary Oblates of Mary Immaculate

Invited Speakers

Deacon Eugene (Gene) Festa

Catholic Relief Services (CRS)

Global Fellows Program Speaker

Mitch Hagney

CEO of LocalSprout, president of the Food Policy Council of San Antonio and Director of Food Sustainability at the San Antonio Food Bank

Dr. Ricardo González

Director, Ettlign Center for Civic Leadership & Sustainability at the University of the Incarnate Word (UIW)

Panel Moderator

Elizabeth Riebschlaeger, CCVI

Sisters of Charity of the Incarnate Word of San Antonio, Texas

Our Commitment to Environmental Sustainability

This year, we made a significant stride towards sustainability by opting for compostable plates and utensils during our Annual Educational Event.

At SRIC, we are committed to reducing our environmental impact and promoting sustainable practices. By using compostable dinnerware, we not only aim to minimize waste but also contribute positively to our community and environment. This decision aligns with our values of social responsibility and environmental stewardship, reflecting our dedication to making meaningful contributions beyond our initiatives.

Moving forward, we are enthusiastic about continuing to explore and implement more sustainable practices in our events and operations. Together, we can make a difference by fostering a culture of environmental consciousness and responsibility.

Thank you for your support in making this important step towards a greener future.



From left to right: Sister Elizabeth Riebschlaeger, CCVI, Deacon Eugene (Gene) Festa, Mitch Hagney and Dr. Ricardo González.
Credit: Robert McKinley



Audience listening to Sister Elizabeth Riebschlaeger, CCVI, at the Whitley Center in San Antonio, TX.
Credit: Robert McKinley



Fr. Rufus Whitley, OMI graciously accepted the Citizen Advocate Excellence Award (which was donated by Wingsheung Esther Ng) on behalf of Rev. Séamus Finn, OMI.
Credit: Robert McKinley

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Socially Responsible Investment Coalition

285 Oblate Drive
San Antonio, Texas 78216

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- Inspired by Faith Committed to Action since 1982 -

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.



Membership Levels

Institutional Supporters ♦ Associate Organizations ♦ Individual Members



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.

Our Focus Areas

- Climate Change and Environmental Justice
- Health Equity and Nutrition Insecurity
- Human Rights
- Worker Rights
- Equitable Supply Chains
- Banking and Finance
- ICT and AI



Please consider joining us as a member or make a donation today!

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



To become a member, contact **Anna Falkenberg, Ph.D., Executive Director** by phone at **(726)-220-0208** or by email at **afalkenberg@sric-south.org**.



To make donations, simply click the **DONATE button** on our website: **<https://www.sric-south.org/>**

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