

THE CORPORATE EXAMINER

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Changing the Menu: Challenging Companies to Make Nutrition a Priority



INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

Inspired by Faith, Committed to Action

A Faithful Voice for Justice

ABOUT ICCR

Currently celebrating our 45th year, the Interfaith Center on Corporate Responsibility has been a leader of the corporate responsibility movement for four decades. Beginning with our calls for corporations to withdraw from South Africa in opposition to apartheid, ICCR members have been actively engaging the world's largest companies in an effort to transform corporate practices on a host of issues from rooting out human trafficking and supply chain abuses to ensuring safe food and water, to calling for financial and health care reform to protect the world's most vulnerable. Today our membership is comprised of 300 institutional investors with over \$100 billion in invested capital. Representing faith-based communities with congregations all over the world, SRI asset management companies, unions, pension funds and a global network of allies, ICCR members are not only shareholders, but trusted partners in corporate responsibility initiatives that promote a more just and sustainable world.

We do this in a variety of ways:

- **CORPORATE DIALOGUES:** As active shareowners who have built productive and long-term relationships with management, ICCR members conduct hundreds of dialogues every year to advance a wide range of issues. Because we have a vested interest in a company's success and propose realistic solutions as opposed to making demands, these dialogues often bear fruit in the form of meaningful reform and have a positive impact on long-term profitability.
- **SHAREHOLDER RESOLUTIONS:** When dialogues are unproductive, ICCR may issue shareholder resolutions to engage management and other investors' attention around a specific issue.
- **CSR TOOLS:** ICCR's database offers members a historical record of shareholder actions with hundreds of companies. Known for our insightful reports on emerging trends such as our *Invested in Change: Faith-Consistent Investing in a Climate-Challenged World*, and *Recruited into Slavery: How Unethical Recruiting Puts Migrant Workers at Risk for Trafficking*, along with our ability to convene key stakeholders from the business, NGO, community and investor sectors, ICCR is a resource for all those working in corporate responsibility.



ICCR members dialogue with representatives of the ConocoPhillips Corporation on community impacts and the environment.

OUR MISSION

ICCR seeks a global community built on justice and sustainability through transformation of the corporate world by integrating social values into corporate and investor actions.

We invite you to join us. We are inspired by faith and committed to action.



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ICCR is pleased to welcome the following new members to our coalition:



Iroquois Valley Farms, LLC

Iroquois Valley Farms is a food and farmland company making impact investments in local and organic agriculture following triple bottom line principles. Said Co-Founder and CEO David Miller, “We built our business to support the businesses of our farmers”. Formed in 2007, Iroquois Valley Farms is the first socially responsible farmland company in the United States focused on supporting sustainable food production and mid-size family farmers. Iroquois Valley Farms is committed to preserving farmland, facilitating organic land management practices, supporting local food markets, providing land access opportunities to family farmers and creating values-based agriculture investment opportunities.

Offering a uniquely corporate and indefinitely scalable opportunity to benefit from the production of healthy and nutritious foods, the company has purchased over 3,200 acres of farmland, all of which is certified organic, or is in transition to organic production.



Eventide Asset Management, LLC

Founded in 2008, Boston-based Eventide Asset Management’s vision is to provide high performance values-based investments for individuals, financial advisors, and institutions. It believes that great companies serve the common good by creating real value for all of their stakeholders: customers and employees especially, as well as suppliers, communities, the environment, and society broadly. Said Eventide CEO Robin John, “We believe God’s purpose for business is to create compelling value for stakeholder neighbors, such as customers and employees. The companies that do this best create blessings for society, and promote human flourishing.”

Eventide joined the ICCR coalition in part to gather data on “how well a given company is loving its neighbors”. Although Eventide does not have a specific issue focus, it is eager to learn about the wealth of ESG issues being explored by the ICCR coalition. Eventide’s clients come from a conservative Christian background.



LCG Associates

Founded in 1973, LCG Associates, Inc. (LCG) is a full-service investment consulting firm headquartered in Atlanta, Georgia. An independent and employee-owned firm, its clients include corporations, foundations, endowments, non-profits, and other institutions as well as private investors. LCG is committed to providing unbiased, innovative, strategic solutions for each client. Research is an integral part of LCG’s services.



Investors' Beef with the Overuse of Antibiotics in Meat Production

Antibiotics, even those important to human medicine, are frequently used for rapid growth promotion in livestock and poultry and to prevent illness in animals living in cramped and unhealthy conditions. The FDA estimates that animal agriculture accounts for 70 percent of current U.S. antibiotic use.

The overuse of antibiotics in the meat industry has been directly linked to the rise of antibiotic-resistant “superbugs” in the U.S. and across the world. According to the Centers for Disease Control, antibiotic resistance is responsible for 2 million infections and 23,000 deaths each year.

This public health concern has prompted ICCR members to call on restaurant chains and meat producers to develop sourcing policies that restrict antibiotic use in food production to therapeutic use only.

As the rise of superbugs continues to make headlines, consumers are declaring their preferences for more responsibly raised meat, both at the grocery checkout line and at restaurants. According to the NRDC, while overall per capita consumption of meat in the U.S. is declining slightly, sales of meat and poultry raised without routine use of antibiotics are up 25 percent. Several national chains have begun seizing on these trends by expanding their offerings of sustainably sourced meats, including Chipotle Mexican Grill and Panera Bread.



A number of companies, however, are slower to respond to this trend. McDonald's, for instance, made a positive initial step towards safeguarding the efficacy of antibiotics one year ago by establishing a policy to source only chickens raised without antibiotics essential to human medicine. The policy, which will go into effect in 2017, will not, however, encompass beef and pork -- mainstay meats in the restaurants' menus. ICCR's investors are pushing the company to expand its policy to include all the meat products that it serves.

“What's good for the goose, ought to be good for the gander, or in this case, the whole farmyard,” said Sr. Susan Mika of the Congregation of Benedictine Sisters of Boerne, TX, a McDonald's shareholder and ICCR member.

Investors like Sr. Mika question what they see as McDonald's double standard regarding its use of meat routinely treated with antibiotics. They contend that the unnecessary use of antibiotics in McDonald's meat supply chain creates material risk for the company, including potential reputational damage and loss of market share as other restaurant chains adopt more sustainable policies, consumer demand for antibiotic-free meat increases and future regulation looms.

Said Austin Wilson of As You Sow, “McDonald's brand identity is tied to sustainability and responsibility; the brand is damaged by the company's lack of progress on beef and pork antibiotics standards. We advocate detailed and comprehensive disclosure about how McDonald's will expand antibiotic use policies throughout its meat supply chain, given the emerging health crisis and industry trends.”

Late last year the Benedictine Sisters refiled a shareholder resolution requesting

that McDonald's expand its antibiotics policy to encompass beef and pork. This resolution was supported by nearly one-quarter of shareholders at the company's annual meeting in May, proving the issue resonates widely with institutional investors

“Antibiotic resistance is a serious, global threat to human health,” said Lance B. Price, Ph.D., who is director of the Antibiotic Resistance Action Center at the Milken Institute School of Public Health at George Washington University. “We need to see major reductions in use in this sector if we hope to win the war against superbugs.”

ICCR's antibiotics initiative challenges food companies and restaurant chains to:

- Adopt a policy (effective throughout both company-owned and contract farms), to protect human health, by restricting the non-therapeutic use (such as for growth promotion, feed efficiency, weight gain, or disease prevention) of antibiotics in the meat supply chain.
- Report on the amount of antibiotics used, and for what purpose, through to contract farmers.
- Adopt a management plan to reduce nutrient pollution in its supply chain with specific goals for pollution prevention and reduction of wastewater discharge in company facilities and throughout the supply chain.

Said Mika, “When it comes to food safety and sustainability, McDonald's needs to accept the responsibility that comes along with being a major brand with the power to shape food trends. When the company announced its antibiotics-free chicken policy it made it clear it was in response to consumer demand. Why should its view on beef or pork be any different?”

Changing the Menu: Challenging Companies to Make Nutrition a Priority

By Sarah Margolis

Concerns about the childhood obesity epidemic are at the heart of ICCR's access to nutrition work, where our coalition of investors advocates increasing the access, affordability, and availability of nutritious food for children and families. ICCR investors view the need to address obesity as both a financial issue and an issue of justice for our communities. As a result, on March 18th, ICCR and the Partnership for a Healthier America (PHA) convened stakeholders to discuss how retailers, as well as food and beverage companies, can play a pivotal role in helping families have greater access to more affordable and nutritious food, and also how they can contribute to reducing childhood obesity.

This Roundtable built upon our 2013 convening, *Corporate Leadership in Addressing Childhood Obesity: Public Health Impact through Core Business Strategy*. The March Roundtable, *Innovative In-Store Marketing Strategies: How Today's Grocery Retailer Can Positively Impact Childhood Obesity*, brought together ICCR's partners in the public health community, including universities, non-profits, and NGOs; representatives from the corporate sector, including food and beverage companies, retail companies, and trade associations; and representatives from the socially responsible investment community.

ICCR's access to nutrition work has seen companies take many positive steps since our 2013 Roundtable. The retail, and food/beverage sectors have now recognized that they have a social responsibility to address the risks of obesity, and have also begun working internally to make meaningful changes to the nutritional profiles of their products, and to improve marketing efforts

and labeling. Since the 2013 convening, ICCR's members have consistently pushed companies to take steps that promote sales of healthy products and ensure that those products are accessible to all communities.

Pamela Long, Director of Strategy at PHA and cohost of the Roundtable stated, "We partnered with ICCR for this convening because we share ICCR's view that corporations have a positive role to play in addressing the obesity epidemic in this country. PHA values the opportunity to support multi-stakeholder discussion and to increase understanding of the ways to make a positive impact."

The Roundtable's objective was an open and substantive dialogue that would point to feasible steps retailers can take to help consumers identify and purchase healthier food and beverage products while shopping in store. Opportunities include: more prominent displays of healthy items such as fresh produce, using indicators such as shelf signs and floor stickers to direct consumers' attention to healthier products, developing healthier private-label products in retail locations, and placing healthier items in grocery checkout aisles.

The Roundtable was designed as a conversation to address effective in-store marketing tactics, for public health advocates and investors to help companies to understand the opportunities available in this space, and for companies to explain and discuss the challenges they face when trying to access new opportunities. Key challenges



include: consumer perception of reformulated items (i.e., low-fat, low-salt items are likely to be "bland"), consistency of healthy promotions in retail locations, and the need for consumer demand for healthy products to be proven through research.

Roundtable participants received a background report to prepare for the Roundtable's discussion topics, including increasing interest in healthy options, traditional marketing techniques for improved in-store healthy marketing, digital marketing, and current successes in healthy marketing.

The Roundtable was conducted under the Chatham House Rule, meaning that participants were free to use the information they received during the day, but neither the identity nor the affiliation of the speaker(s), nor any other participant, could be revealed. This led to a productive conversation between participants, and created a positive atmosphere that was noted by many participants.

The day's discussion featured:

- Presentations from the public health community on consumer behavior and in-store marketing efforts
- A presentation on the opportunities to market fruits and vegetables effectively

- A panel discussion that included representatives from the investor, retail, and food and beverage sectors

- Table discussions on methods to improve access to healthy foods in-store
- Large and small group discussions

Key discussion questions for the morning discussion included:

1. How would you measure the effectiveness of healthy in-store marketing campaigns seeking to persuade consumers to make healthier choices?
2. How can retailers use their effective marketing tactics to promote healthier choices?

Discussion addressed the need for metrics to demonstrate consumer demand for healthier foods, opportunities for consumer education, incentives for purchasing healthier options, challenges and opportunities for marketing and promoting private-label products, consumer preferences and opinions regarding product reformulations, and the need to increase healthy food access in low-income communities and communities of color.

The panel discussion furthered these ideas by discussing the need to be active in the wellness space in-store. Private-label products and improved packaging of healthy branded and private-label products was discussed, as well as how to drive demand for healthier items.

The afternoon discussion sessions noted a number of opportunities and steps forward available to retailers and food and beverage companies. Through breakout discussions, the Roundtable discussed healthy checkout aisles, a grocery scorecard nudging consumers toward healthier purchases, and digital marketing opportunities.

- **Healthy checkout aisles:** Checkout aisles in grocery locations are almost always stocked with non-nutritious foods. Healthy checkout aisles offer retailers a new opportunity: instead of only candy and sugar-sweetened beverages, retailers can



Left to Right: Barbara Aires, moderator Patrick Field (Consensus Building Institute), Sarah Margolis, Lauren Compere, Cathy Rowan, and Donna Meyer.

place produce, healthy snack bars, and water for sale at checkout. Participants noted that healthy checkouts can produce a more positive in-store shopping experience for parents with children, increase customer loyalty, increase the opportunities to offer single-serve products in a grab-and-go environment, and expand the opportunities for collaboration with local health agencies to increase impact.

- **Grocery scorecard:** Participants discussed a new grocery scorecard that grades retailers on the efforts they make to promote and facilitate healthier choices. This scorecard encourages retailers to help nudge consumers toward healthier purchases, leading to greater sales, particularly of produce. Roundtable participants viewed the scorecard as an opportunity to both increase sales and increase healthy purchases and consumption, with a significant opportunity for change in food deserts.

- **Digital marketing:** The group discussed privacy concerns around digital marketing. However, discussions also addressed the opportunity to responsibly target mothers through digital marketing, and that using digital marketing to promote healthy items could make the tool a force for good.

Anna Falkenberg, Executive Director of the Socially Responsible Investment Coalition, stated, "It is critical that we understand all perspectives: industry, public health, and investors. This Roundtable allowed investors to learn, not only the challenges and opportunities in the space from the companies'

points of view, but also the relationships between industries. With the greater understanding of how retail and food and beverage companies partner together, investors can better identify and present important ideas to address childhood obesity in all of our engagements in these sectors."

Joseph Sena, marketing attorney with the Campbell Soup Company, reflected, "The mix of stakeholders and perspectives was very helpful to me and, I believe, to all of the others. I commend ICCR for providing such an informative and considerate framework within which to discuss the issue."

Moving forward from the Roundtable, there are several areas where ICCR's coalition of investors can focus in our ongoing engagement with companies:

- Push food and beverage companies to develop new formulas for healthier products, with packaging that effectively markets healthier offerings
- Encourage food and beverage companies to work with retailers to develop in-store promotions and displays for healthier items
- Help to develop more responsible marketing practices for private label products in-store, in circulars, and through coupons and promotions
- Actively promote the Grocery Retail Scorecard in all retail locations, including convenience stores
- Urge retailers to adopt and maintain healthy checkout aisles
- Work to ensure that healthy food access is expanded equally to all communities

In the upcoming year, ICCR members will take these important steps and implement them into our work with retail, and food & beverage companies. The Roundtable brought forward a number of important ways that investors can help companies as they make healthy choices easier for consumers. We look forward to building upon this discussion and creating greater access to nutrition for all consumers in all communities so that, together, we can end the childhood obesity epidemic.

The 2016 Access to Nutrition Index: What the New Rankings Tell Us

An interview with: **Inge Kauer:** Executive Director, Access to Nutrition Foundation; **Lauren Compere:** Managing Director/ Director of Shareholder Engagement, Boston Common Asset Management; **Laurence Loubieres:** Associate Director, Sustainalytics; and **Susana McDermott:** Director of Communications, ICCR

One in eight people in the world suffers from chronic hunger, while some 170 million children are overweight. In April, the Access to Nutrition Foundation released the second edition of its influential Global Index, which measures what companies are doing to address both over- and under-nutrition worldwide.

SM: The Index gives companies a view of what's expected of them. If this is about creating systemic change, do the indicators help to point the way forward?

IK: The highest score was only 6.4 out of 10 (for Unilever) so clearly there's still a long way for all companies to go to meet the standards embodied by the methodology. The methodology reflects both formal standards set by organizations like the WHO and Codex as well as the expectations of investors and other stakeholders, so in that way it is indeed a road-map. In terms of key findings from this year's Index, we have seen gains made by most companies in terms of a more intentional integration of health and nutrition into strategic planning which has translated for some into reformulation to improve the nutritional profiles of their products and into improved nutritional labeling. Where we haven't seen as much progress as we'd like is in the area of responsible marketing to children and improving the accessibility and affordability of healthy products.

LC: Indices like the [Access to Nutrition Index](#) (ATNI) and the Access to Medicine Index (ATMI) provide a level of transparency and comparability of metrics that are essential. Companies are assessed on the same set of metrics, and the comparable data year over year allows investors to benchmark improvements (or lack thereof) in company

performance. For companies this sets up a friendly "coopetition"-- which may inspire them to improve their practices. And yet, there are some disturbing trends in nutrition that present clear business risks. For example, by 2030 50% of the world is expected to be overweight or obese. Obesity represents a 3% drag on GDP and obese patients pay 40% more for their healthcare. A very telling statistic is that leading U.S. brands are losing market share and revenue -- U.S. \$18 billion since 2009 -- as a result of unhealthy offerings.

SM: How do you see the Index influencing how companies may, or may not, adapt their practices to suit individual markets?

LC: U.S. companies have quite a gap in terms of consistency across global markets. Companies don't apply their nutrition strategies consistently across the markets they're investing in, and in emerging markets where sales are showing the most growth, we have seen how this can lead to inequality in terms of the provision of products and in marketing practices. One interesting, specific and core indicator is the issue of a nutritional profiling systems, a basic, core management tool for addressing nutrition science. Only 13 of the 22 companies we surveyed have implemented a nutrition profiling system and even fewer apply this globally to their entire food portfolio.



Left to right: Laurence Loubieres, Inge Kauer, and Lauren Compere.

IK: In terms of equality for consumers worldwide, it is particularly important that companies apply their standards consistently everywhere, independent of legislation or the pressure of civil society groups. It is crucial that consumers get the same products, marketed responsibly to them, with the same nutritional information on labels, etc. but we still see differences in these areas, which raises concerns about food justice for consumers.

LL: We would like companies to notice that consumers are becoming more and more aware and demanding stronger standards: better products with better nutritional profiles and better labeling information. Companies that really grasp that and integrate that into their business practices are going to be tomorrow's leaders, not only in their current markets but in emerging markets where the biggest growth is happening. So it's important that companies are embedding nutrition in their business strategies. We see the leaders are doing this, so other companies have to emulate these leading practices and really build on that.

Leading Migrant Workers out of Slavery

The Leadership Group for Responsible Recruitment is Launched

When a worker leaves home to fulfill the dream of making a better life for her or his family, it should be cause for celebration not exploitation. Too often, those seeking jobs are promised a living wage and end up as bonded laborers working to pay back debts to employment recruiters. Whether it is part of the migrant stream from Bangladesh to Malaysia, the Philippines to Qatar or Mexico to the United States, vulnerable workers are charged recruitment fees that abuse their human rights before they ever get to the job site.

For three years ICCR's "No Fees Recruitment Initiative" has engaged dozens of companies in key sectors like food and agriculture, apparel, automotive, electronics and travel & tourism to eliminate the paying of recruitment fees to obtain employment. A number of companies have taken the lead on this issue by establishing clear policies prohibiting recruitment fees and retention of workers' personal papers, and requiring contracts describing the terms of employment written in workers' languages. Translated, this means that companies and their suppliers commit to implementing concrete actions to end the abuses against workers in the recruitment process and therefore take an important step in confronting modern day slavery.

Because ICCR members see ethical recruitment as a critical justice issue for workers worldwide, ICCR enthusiastically joined the steering committee of the Leadership Group for Responsible Recruitment (LGRR) launched in London on May 5th. This initiative is made up of five companies—The Coca-Cola Company, HP, Hewlett Packard Enterprise, IKEA, and Unilever—along with the International Organization for Migration, and Verité, and is staffed by the Institute for Human Rights and Business. This initiative has set an ambitious goal: to eliminate recruitment fees paid by workers during the next ten years.

Said David Schilling, ICCR's Sr. Program Director, Human Rights and Resources, "ICCR has joined the steering committee of the Leadership Group for Responsible Recruitment because we believe it builds on our three-year 'No Fees' campaign based on the principle that workers should never have to pay recruitment fees to obtain employment. The LGRR has the potential to broaden the number of companies committing to ethical recruitment practices and can make a significant contribution to the fight against

productivity rates and better retention of workers, for example; advocate for improved protection of migrant workers by supporting government regulation of the recruitment industry; maximize scale and impact by collaborating with existing initiatives focused on "no fees" paid workers like the Consumer Goods Forum's initiative on forced labor, and provide a roadmap for concrete actions by companies to change the 'business model' of recruitment from 'worker pays' to 'employer pays'.

"Profit can never be the cost of destroying a life or taking a life."

Kevin Hyland, Anti-Slavery Commissioner, UK Government

trafficked and enslaved workers worldwide."

The companies in the group have made the elimination of worker fees a top priority. "IKEA has put a lot of effort into sustainability programs," said Greg Priest of IKEA at the May 5th launch. "But you can't have a sustainable business that exists on the exploi-



Kevin Hyland (center) with Marcela Manubens of Unilever (right).

tation of people making your products. We want to have a positive impact in the communities where we operate."

The Leadership Group, with the involvement of other companies, NGOs, trade unions, investors and governments, aims to: raise awareness about the positive benefits of ethical recruitment for business—higher

Marcela Manubens of Unilever stated, "We must work together to help eradicate forced labour in our global supply chains and see this as a part of our commitment to the Sustainable Development Goal Number 8 on taking measures to 'end modern slavery and human trafficking'."

Said Valentina Gurney, Program Associate for ICCR's "No Fees" Initiative, "In my conversations with exploited migrant workers around the world - from the tobacco fields of North Carolina to the shrimp farms of Thailand - the path from poorly-managed recruitment to forced labor, trafficking and even violence, is clear and well-trodden. By enforcing a supplier code that prohibits the paying of recruitment fees by employees, companies are closing this potential gateway to slavery and operationalizing a critical human rights protection for the world's growing population of vulnerable migrant workers."

As ICCR participates in the Leadership Group, we will help galvanize the business and investor community to join the initiative to eliminate fees while keeping workers and communities at the center of the work.

Safeguarding the Gift of Water

In all major faith traditions water has a powerful spiritual relevance. It is seen as a gift from God for all those who thirst; a gift without cost or price. ICCR's members use their leverage as shareholders of some of the world's most powerful companies to ensure that they adopt and implement water stewardship policies that respect the human right to water equally throughout their entire supply chains and in all the communities that their businesses touch.

Below, we share two stories from ICCR members whose organizations seek water justice for local communities.

Restoring God's Gift of Water

*Nichea VerVeer Guy, Chair of Finance
of the United Methodist Women's
Board of Directors*



As a service provided by local governments through the collection of taxes, the gift of clean, plentiful water is taken for granted by most Americans. We turn on

the spigot and out it comes: clean, safe and refreshing. While we know there are communities across the globe who lack access to safe, free water, here in America we view access to safe, free water as a basic right safeguarded by law.

To be justly implemented, the human right to water requires much more than corporate oversight: it requires the will and oversight of governments and regulatory authorities at both the national and local level. What we are seeing today in the community of Flint Michigan is a breakdown of this will and oversight.

Due to an ill-conceived change in water supply, for nearly one year, local drinking water has been contaminated with extremely high levels of lead leached from old pipes. The city's error is bound to have long-term impacts on community health with up to 12,000 children at the front lines of exposure and risk. What makes the residents of Flint especially vulnerable to water rights abuses is their lack of political leverage. This is directly

tied to questions of economics and race: 57% of Flint residents are black and 42% are living below the poverty line.

In this way, the current crisis in Flint is an example of how the uneven protection of the human right to water across communities often becomes part of a larger discussion about economic inequality, equitable access to resources and environmental injustice. It isn't a coincidence that here in the U.S. 70% of toxic zones are within communities that are home to high concentrations of people of color.

As a member of United Methodist Women, I inherit the legacy of committed social justice catalysts some 800,000 plus strong. Located in local communities throughout the United States, we educate and prepare plans of action that live out our desire for social holiness. Even before the Flint water crisis hit, local women who lived day in and day out with a river made toxic by industry abuse, organized a grass roots campaign that would become a model for future action. They gathered concerned citizens, and advocated for government accountability.

In the first of many steps, we supported local voices in their need for justice through



United Methodist Women workers help unload bottled water in Flint, MI.

the network we call the United Methodist Church. Activating emergency response from United Methodist Committee on Relief, Bishop Deb Keisey's appointment of a coordinator of on the ground response and financial aid, town hall meetings, community engagement, door to door education campaigns, research and analysis support and initiative advocacy before State and Federal bodies of government are just a few of the ways we have responded. We are in this for the long haul. We will stand together in community until the last drop of tainted water is cleaned.

While we are justifiably outraged by the violation of public trust in Flint, we are reminded that these types of abuses are a part of daily life for many communities suffering social injustice around the world. When water is a gift from God and a human right it is up

to us all to ensure that it is accessible to all who thirst regardless of income or race, and that its healing properties are protected as the sacred resource it was intended it to be. As global and community citizens we must be the voice that guarantees justice not exploitation. Our call is clear, economic justice must be equitable and swift for the preservation of creation.

I Thirst!

Roslyn M. Brock, Vice President, Advocacy and Government Relations, Bon Secours Health System and Board Chair, NAACP



As an organization committed to bringing persons and communities to health and wholeness, Bon Secours Health System understands that health outcomes are directly

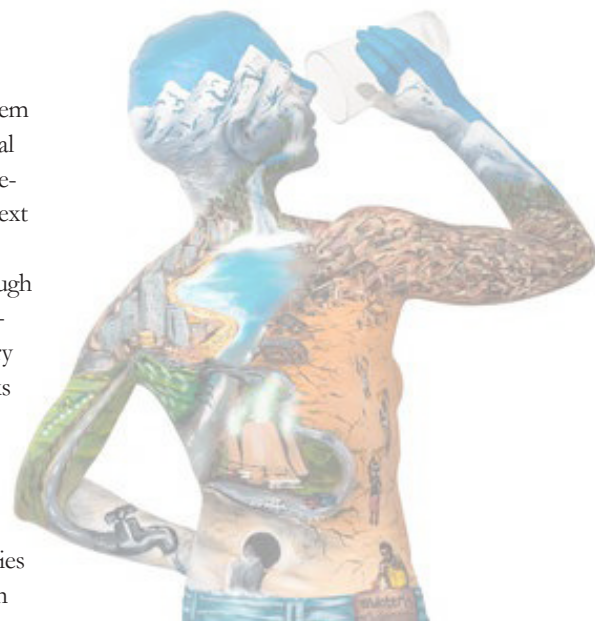
tied to social and economic systems and that building a healthy community requires a systemic approach that addresses all basic human needs. In 2013, Bon Secours Ministries issued a Corporate Statement on Water affirming that this resource “is a sacred right that connects all life and access to clean water is a basic human right.” The statement further affirms that “freshwater is a shared legacy, a public trust and a collective responsibility.”

In Pope Francis’ encyclical *Laudato Si’*: On Care For Our Common Home, he points out that “Our world has a grave social debt towards the poor who lack access to drinking water, because they are denied the right to a life consistent with the inalienable dignity. This debt can be paid partly by an increase in funding to provide clean water and sanitary services among the poor. But water continues to be wasted, not only in the developed world but also in developing countries which pos-

sess it in abundance. This shows the problem of water is partly an educational and cultural issue, since there is little awareness of the seriousness of such behavior within the context of great inequality.” (*Laudato Si’* #30)

As the UN recently acknowledged through its adoption of the 2030 Sustainable Development Goals (SDGs), water lies at the very core of sustainable development. With links to all the other SDGs, goal six, to “ensure availability and sustainable management of water and sanitation for all” would go a long way towards achieving much of the 2030 SDG agenda. Through global ministries in Africa, Haiti and Peru, the Sisters of Bon Secours have witnessed firsthand how the provision of basic services like water can lead to empowerment and prosperity, or chronic disease, intractable poverty and even violence. They understand that water and sanitation are essential for life, health and dignity and view access to water as a human right that is afforded every person. When safe drinking water is denied to a community, as it has been for the past year in Flint Michigan, we understand this as a major public health failure and as a human rights violation. Further, when 57% of Flint residents are African-American and 42% are living below the poverty line, we cannot help but see this as an issue with significant justice implications.

In my role as Board Chair of the National Association for the Advancement of Colored People (NAACP), I am responsible for promoting our vision to ensure a society in which all individuals have equal rights without discrimination based on race. While we believe the Flint crisis is a clear illustration of environmental discrimination, our immediate concern is remediation and the protection of residents, particularly children, from further exposure to toxic water. The NAACP has put



forward a response to help mitigate the worst impacts of the water crisis and restore Flint resident’s right to safe, clean, accessible and affordable drinking water and sanitation. Our 20-point list of priorities to address the needs of Flint residents is based on a long-term redevelopment and economic development plan and is guided by the principles of:

- 1) Equity and Justice
- 2) Self-Governance/Democracy
- 3) Inclusiveness
- 4) Transparency
- 5) Accountability

We encourage you to [read the full plan and support its points as you are able](#). While a full resolution of the water crisis will take time and the commitment of many stakeholder groups, as a person of deep faith I know we will achieve our goals and restore the Flint community to health and wholeness.

We believe these 20 priorities provide a roadmap which points the way forward to an equitable and sustainable plan and hope we can count on all social justice and health care advocates to support it. Let it not be said that “I was thirsty, and you gave me no drink.”

A Year of Reckoning for Exxon and Chevron



2016 has turned into a year of reckoning for the fossil fuel industry, particularly, oil and gas giants ExxonMobil and Chevron, both of whom faced high-profile annual shareholder meetings at the end of May. Pressure on both companies to set carbon emissions targets had been steadily building in the wake of last year's historic agreement at the COP21 conference in Paris, where the nations of the world achieved consensus on the need to limit global warming to below 2-degrees C. Pending investigations by 17 State Attorneys General into claims that ExxonMobil intentionally buried knowledge about the links between the burning of fossil fuels and global

warming are only adding fuel to the fire as the #ExxonKnew campaign grows. Pressure for climate change action also came from the world's faith communities as Pope Francis' Encyclical *Laudato Si'* underscored the clear moral imperative for urgent action to address the looming, 2 degree warming scenario.

Members of ICCR have always advocated for care for our planet and the responsible and sustainable management of the earth's resources by corporations to safeguard them for future generations. As early as 1992, members began to use their leverage as shareholders to challenge the fossil fuel industry and other GHG-heavy sectors to curb their emissions and use their resources to drive innovations towards more renewable energy sources. As they lead the sector and can have great influence over their peers, much of the focus of this long-term work has been on ExxonMobil and Chevron. But while they are leaders in their industry, they are also laggards in environmental performance, failing to adequately respond to the clear and present threats posed by climate change. While several European oil and gas companies such as Shell, Statoil and Total are recognizing the risk high carbon emissions and climate change present to their bottom lines, their North American counterparts have been

slower to respond. This contrast was made more evident by the response to shareholder resolutions on climate change topics at the 2016 annual meetings of these companies.

Exxon in particular has a long history of fighting its shareholders' requests for climate action, having filed dozens of challenges to their resolutions at the SEC over the past three decades. Even though the SEC decided in favor of shareholders in the vast majority of these cases, Exxon continues to question the scope and seriousness of climate change and downplay shareholders' concerns about its threats to the planet and Exxon's own future. This proxy season the SEC rejected Exxon's challenges to these resolutions, and directed the company to include seven shareholder-sponsored climate resolutions on its proxy statement. Collectively, these resolutions call for greater acknowledgement of the grave risks of climate change and for affirmative action that will firmly place the company on a more responsible and sustainable path.

Pent-up frustration with Exxon and Chevron's historic recalcitrance and a growing sense of urgency to stem global warming drove the formation of a broad and diverse coalition of investor advocates who were effective in mounting a campaign to build broader awareness of the issue at this year's AGMs. Comprised of forty faith-based ICCR members as well as foundations, asset management companies, unions, national and city pension funds, the Union of Concerned Scientists, Amazon Watch, Yale's Dwight Hall SRI fund, CERES, and the Oneida Tribe, the coalition took their case for immediate action on emissions to the shareholders of both companies in the days leading up to the May AGMs, in the hopes that more institutional investors would join them in pressing the companies to change.

The coalition also convened a press conference two days before the AGM where they shared the key asks of their resolutions and offered more background on the engagements.



Left to right: Sr. Patricia Daly (Tri-State CRI), Michael Garland (NYC Pension Funds), Edward Mason (Church of England) and Tracey Rembert (CBIS) outside the Exxon AGM.

Said Danielle Fugere, President of As You Sow, “This year, recognizing that ‘business as usual’ is no longer a viable strategy for 21st century businesses, and is in fact incompatible with a livable planet, we’ve asked Exxon and Chevron to begin reporting their reserves in an energy neutral metric called BTUs, in addition to the standard ‘barrels of oil equivalent.’” This one small change would have significant consequences: it would help companies and the market account for, and assign value to, a range of green energy alternatives beyond traditional oil and gas, including solar and wind power. At present, the success of oil and gas companies is only measured by their ability to replace their oil and gas reserves.

One of the leading investor voices in the coalition is Sr. Patricia Daly, OP of the Sisters of St. Dominic of Caldwell, NJ and chief proponent of the Exxon ‘moral’ resolution. Said Daly, “As people of faith attempt to respond to the needs of the world, it is critical and timely that our call for ExxonMobil to acknowledge the moral imperative of limiting global warming to 2°C went to their shareholders for consideration. ExxonMobil and its shareholders face a choice: acknowledge the untold suffering that climate change

will cause and work towards solutions, or remain willfully blind to the impacts of their ‘business as usual’ approach.”

Michael Crosby, a Capuchin Franciscan priest-friar from Milwaukee said, “Exxon has a chance to begin to restore the public’s trust. This calls for conversion. As a Catholic priest I join Pope Francis in believing that conversion is always possible. Exxon’s Board can witness to this conversion by having its next nominee be a candidate with climate expertise. Future generations are counting on it at this very moment to heed the call to conscience, to take this simple, yet critical, first step on the path to climate responsibility and leadership.”

“ExxonMobil and its shareholders face a choice: acknowledge the untold suffering that climate change will cause and work towards solutions, or remain willfully blind to the impacts of their ‘business as usual’ approach.”
Sr. Patricia Daly, OP

Kathy Mulvey of the Union of Concerned Scientists echoed investor’s concerns: “Together, we are calling on these fossil fuel companies to stop their climate science deception campaigns and to begin to align their business models with a carbon-constrained world.”

There was significant press coverage of the AGMs and related investor advocacy on climate, including pieces by the New York Times, NPR, the Washington Post, AP, Grist, and Scientific American. There were also demonstrations by groups like 350.org and Amazon Watch. Importantly, the shareholders resolutions racked up impressive votes at Exxon, indicating growing shareholder support. The resolution calling for an independent climate expert to serve on the board won 21% of the vote, the lobbying resolution 26%, climate impacts 38%, and the moral resolution over 18%.

ICCR’s members believe fossil fuel companies have a moral and business obligation to curb their GHG emissions. There are significant economic prospects to be realized in transitioning to a low-carbon economy, and those companies that recognize climate change as a potential driver of innovation and economic opportunity will thrive in the years ahead. ICCR is challenging U.S. oil and gas majors to shed their identities as strictly “oil and gas” companies, and to recast themselves as sustainable energy companies in order to seize these new market opportunities.

“This May, we put before shareholders the question of Exxon’s continued operation as an ‘oil and gas’ company, its strategies, and the impact of what they do to society,” said Mary Beth Gallagher of the Tri-State Coalition for Responsible Investment. “We believe this truly is a threshold moment for considering the company’s role in society.”

Seeking Justice for Garment Workers on the Third Anniversary of the Bangladesh Rana Plaza Disaster

This past April was the third anniversary of the massive Rana Plaza building collapse, a preventable tragedy that claimed the lives of over 1,000 Bangladeshi workers and injured 2,500 more. The disaster was a wakeup call for an industry rampant with poor oversight, unsafe conditions, low wages, and child labor.

In the wake of the collapse, ICCR organized a coalition of over 250 institutional investors from 12 countries including the U.S., Spain, France, Canada, Germany, the UK, and Italy to speed reform in the global apparel sector and improve the safety of its workers. The coalition includes asset management companies, pension funds, congregations, hospital systems, foundations, non-profits and NGOs.

Specifically, ICCR's Bangladesh Investor Initiative builds support for the Bangladesh Accord on Fire and Building Safety (known as "The Accord"), and drives funding to the Rana Plaza Donors' Trust Fund, established to provide financial support for families who lost loved ones in the collapse. Thanks to the Initiative's efforts, that fund has now hit its goal of \$30 million in the two years since its inception.

Said David Schilling, ICCR Sr. Program Director for Human Rights and Resources, "The ripples from the building collapse, are in many ways still being felt. In the aftermath of Rana Plaza, an unprecedented number of investors and companies coalesced around the urgent need to restructure the Bangladesh apparel sector to safeguard the lives of workers."

In many ways, however, the work of reforming Bangladesh's garment sector is only just beginning.



Nazma Akter, founder of Awaj, with ICCR Sr. Program Director for Human Rights & Resources David Schilling.

Cheap fashion and other low-cost consumer goods often come at the expense of the workers who produce them, many of whom labor in unsafe conditions, receive poverty-level wages, and are prohibited from unionizing to protect themselves and improve their lives. In Bangladesh's garment industry, working twelve to fourteen hour days, seven days a week, is common. Workers are denied overtime, and have no job security, so they can be fired at any time. It's an industry made up of primarily female workers, but it's also not uncommon to see children as young as 11 working in the factories.

It's both a human crisis, and a crisis in how global corporations source the goods they sell.

And this is what the Accord seeks to redress — it is a legally binding agreement

that attempts to reach down to the heart of what is a systemic problem. A multi-stakeholder initiative that includes global brands, trade unions, civil society organizations and a representative of the International Labor Organization as the independent chair, it commits its corporate signatories to the financing and implementation of a program of safety inspections, transparency and reporting, and remediation.

Each of the brand and retail signatories has disclosed to the Accord all of the factories it sources from in Bangladesh. These factories have undergone independent structural, fire and electrical inspections, and all necessary safety improvements are being identified during inspections. Brand signatories are responsible for working with factory owners to ensure that sufficient funds are available to pay for renovations and other safety improvements as directed by safety inspector.

Over the past three years, ICCR's Initiative has used its collective power to urge top apparel brands, including Adidas, Coach, Columbia Sportswear, Dillard's, Foot Locker, Guess, Lululemon and Nike to both join the Accord, and use the full measure of their influence to respect and protect the human rights of workers in the garment sector of Bangladesh and throughout their global supply chains, and to provide remedy when those rights have been violated.

To date, more than 200 brands, retailers and importers from over 20 countries in North America, Europe, Asia and Australia have signed, including Abercrombie & Fitch, Adidas, American Eagle, Fruit of the Loom,

Puma, and PVH. PVH is the only U.S. brand on the Accord Steering Committee.

Of the more than 4,000 garment factories in Bangladesh, the Accord has now completed inspections in more than 1,600, while the Alliance for Worker Safety – an initiative of North American apparel companies and retailers/brands with 26 members – has conducted an additional 650. These inspections have resulted in the creation of hundreds of corrective action plans.

Actual progress at the factory level remains painfully slow. Of the over 1,350 corrective action plans that have been developed, more than 1,000 factories are behind schedule with remediation, worrying members of the Initiative. Overloaded ceilings, exposed cables, too few fire alarms and sprinklers, and locked emergency exits are just a few of the hazards that have been found international safety inspectors.

“While we commend the Accord, companies and others that have supported improved factory working conditions including inspections to detect fire, electrical and structural issues, we are concerned about the lack of timely remediation,” said Lauren Compere, ICCR member and Managing Director of Boston Common Asset Management. “ICCR’s Bangladesh Investor Initiative will continue to call attention to the steps needed to address systemic issues in apparel sourcing practices in the Bangladesh garment sector.”

For system progress to be imbedded in the Bangladesh garment sector, a number of key changes are needed. First, investors are urging companies to work with their suppliers to ensure full compliance with recommended remediation plans. This is partly an issue of money; in order to initiate and

complete safety upgrades, such as electrical and structural improvements, factories will need access to capital. Such funding is being generated through negotiated commercial terms, joint investment, direct payment for improvements, government and other donor support or other combinations of these mechanisms.

Second, power needs to be placed directly into the hands of workers, who have for so long been prevented from having any say in determining their own working conditions and safety. Garment factory workers frequently work more hours than they’re paid for, and according to The Guardian, those who try to form unions to address such abuses face threats, intimidation, dismissal, and sometimes physical assault by factory managers or hired thugs. The Initiative is

Overloaded ceilings, exposed cables, too few fire alarms and sprinklers, and locked emergency exits are just a few of the hazards that have been found by international safety inspectors.

calling for the immediate formation of factory-level safety committees with democratically elected worker representatives, to independently identify and address threats to worker safety without interference from management.

Last, investors are highlighting the fact that corporate transparency and traceability need to be improved all the way down the supply chain to the individual factory level, including the sub-contractors who operate in and out of those factory spaces.

To help make this a reality, the Initiative issued a press release and public statement on April 21, 2016, calling on companies sourcing in the Bangladesh garment sector to:

1. Commit sufficient financial resources and provide commercial terms that enable factories to complete remediation, and to report on the nature and amount of financial support.

2. Use their leverage with factories where they source to create an environment conducive for the establishment of effective, proactive, independent Safety Committees.

3. Publicly disclose their supplier factories and sub-contractors, starting in Bangladesh.

For investors, the frustrating lack of progress on the ground is both a human rights risk, and a business risk. UK asset management company Aviva Investors, a key partner of the Bangladesh Initiative, sees the issue as a matter of long-term corporate sustainability.

Said Aviva’s Steve Waygood, “Global investors view supply chain risk as critical to the long-term sustainability of companies. The Bangladesh garment sector is a clear case where investors look to see if systemic

changes are being made to address the glaring health and safety risks made tragically evident by the Rana Plaza building collapse. Aviva Investors and

other investors will continue to monitor corporate compliance with the core tenets of the Bangladesh Accord to ensure that changes happen in a timely manner, and that factory workers’ health and safety are protected in global supply chains.”

Concluded Schilling, “Beyond their commitments through 2018 as part of the Accord and Alliance, investors are asking that companies continue to work with all stakeholders to support a living wage for garment workers and support free association and collective bargaining. Investors will be engaging relevant companies in their portfolios in the coming weeks to address these concerns.”

A Report from the Roundtable on Sustainable Banking

For four decades, ICCR members have engaged major U.S. and international banks about their mission and vision on a wide variety of issues. In the wake of the financial crisis of 2008, this work evolved as our members began urging the world's leading financial institutions to limit risky practices that have the potential to imperil millions across the globe, and help ensure global financial market stability.

Today, that work continues, in part through urging the nation's leading banks – including Bank of America, Bank of New York Mellon, Citibank, Goldman Sachs, JPMorgan Chase, Morgan Stanley and Wells Fargo – to accept responsibility for the excessive risk taking and fraudulent practices that led directly to the 2008 crisis, and to put in place proactive safeguards to prevent a recurrence.

Specifically, our members have launched a series of bank-by-bank conversations focused on each institution's corporate culture, to learn how these banks are transmitting their core values, principles and expectations to their thousands of employees and representatives. The banks have responded by releasing reports addressing these questions. In March of this year, Bank of America published "How We Live our Purpose", a new type of financial business standards report which details how it is implementing policies to safeguard against future lapses. Bank of America's report follows similar releases by Goldman Sachs and JPMorgan Chase.

This work is being further propelled by

the convening of multi-stakeholder roundtables, as was the case this past spring when ICCR sponsored a roundtable on sustainable banking at the Oblate School of Theology in San Antonio, TX on April 6th in collaboration with the Socially Responsible Investment Coalition (SRIC). The Global Alliance for Banking on Values was also a key partner in the event.

Founded in 2009, the Global Alliance for Banking on Values (GABV) is an independent network of banks and banking coop-

ment communities. Because of their roots in local communities, depositors and borrowers often bring a different set of concerns to the table, and therefore their inclusion was crucial. ICCR was represented by ICCR Board Chair Rev. Séamus Finn OMI, and Josh Zinner, ICCR CEO. Mindful of the pervasiveness of the financial system, together, the participants analyzed the vision and quality of the services being provided by the world's major banks.

The Roundtable panel included Vince

Siciliano, CEO of New Resource Bank, a San Francisco-based bank meeting the needs of socially and environmental responsible businesses, and Darrin Williams, CEO of Southern Bancorp, one of the largest rural development bank holding companies in the United States. The panel was moderated by Laurie Spengler, President and CEO of Enclude, an advisory firm dedicated to building more sustainable businesses and institutions by offering integrated capacity and capital solutions.

Basic questions such as "where does your money sleep?"

were used to explore and unpack the theme of "where you bank matters". This joint effort between the sponsors, organizers and participants was a unique opportunity for ICCR to bring its commitment to shareholder advocacy into conversation with an alliance of bank CEOs and community representatives with a shared vision about the social purpose of finance.



Left to right: ICCR CEO Josh Zinner joins Anna Falkenberg (SRIC), Seamus Finn (Missionary Oblates of Mary Immaculate), Vince Siciliano (New Resource Bank), Laurie Spengler (Enclude), Darrin Williams (Southern Bancorp) and Jan Piercy (Enclude).

eratives with a shared mission to use finance to deliver sustainable economic, social and environmental development. It comprises 28 financial institutions operating in countries across Asia, Africa, Australia, Latin America, North America and Europe, and holds up to USD 100 billion in combined assets under management.

Roundtable participants included representatives from the local banking, academic, political, investor and investment manage-

THE CORPORATE EXAMINER SPOTLIGHTS

The Tri-State Coalition for Responsible Investment



In each issue of the Corporate Examiner, we profile an ICCR member organization and its work in corporate social responsibility. Below we spoke with Sr. Patricia Daly, OP, and Mary Beth Gallagher.

With 40 members, the Tri-State Coalition for Responsible Investment (Tri-CRI) is the largest of ICCR's regional coalitions for responsible investment (CRIs), and has been a leading voice in ICCR since shortly after its founding. Tell us about the special dynamics of CRIs within ICCR, and the challenges and opportunities CRIs are facing.

Sr. Pat: Catholic institutions were eager to join in the interfaith effort that began as ICCR was founded, but due to the different way that Catholic institutions manage assets - with a different fund for nearly every congregation or institution - they were not poised to establish a national entity to commit to shareholder engagement. Most of the Catholic institutions gathered in regional coalitions, and then appointed delegates to ICCR.

Historically, CRIs have brought significant leadership to corporate responsibility work within ICCR, bringing capacity across the U.S., especially among women religious. In the 1970s and 1980s, when many shareholder proposals were filed, our sisters and priests might be simultaneously inside an annual meeting presenting resolutions, and outside with others demonstrating against the company. Since the shift toward working in dialogue with companies, rather than primarily filing shareholder resolutions, CRI members continue to be important stakeholders in corporate dialogues. Largely



Mary Beth Gallagher (l) and Sr. Patricia Daly (r).

rooted in Catholic Social Teaching, we bring a faith-based perspective that asks a company to consider the dignity of each person, care of creation, solidarity with communities, and a preferential option for the poor. The CRIs primarily are structured around regional membership, so we are well-positioned to address local issues that arise related to corporate impacts within our communities.

Today we are in the midst of a shift in the Catholic Church in the U.S. that has seen fewer women and men entering religious life. This diminishment of religious congregations has impacted the capacity of Catholic congregations to carry out corporate responsibility work, leading to the closure of a number of CRIs. Together, we must

recognize this important turning point and identify ways to ensure the sustainability and viability of this important voice for justice. At Tri-State CRI, we view this as an opportunity to intentionally mentor new voices and lay people who bring a new level of expertise to our work and continue to integrate Catholic Social Teaching into corporate responsibility engagement.

For 40 years, Tri-State CRI has led engagements across nearly all ICCR priority programs. Talk to us about the institutional priorities of your coalition members and how that informs your engagement strategies.

Mary Beth: Each congregation in our membership has institutional priorities that direct their justice work, but there are several themes that unite this commitment: respect for human dignity, preferential options for the poor, and care of creation. This manifests with a commitment to mitigate climate change, address justice issues in the financial services sector, and take on the broader challenges of trafficked labor in global supply chains. We pride ourselves in being at the vanguard of justice issues and encouraging companies to continue to do more to address them. We are currently focused on the work to encourage ethical recruitment in various supply chains, seeing this as a priority for furthering human rights. We also see the interconnection of many of these

justice issues and continue to devote energy to sustainable agriculture, the human right to water, over-speculation in the commodities markets, and access to healthcare.

Our commitment to active ownership and socially responsible investing extends to our proxy voting service, which enables our members and other clients from among ICCR to maintain voting that is consistent with their justice priorities.

Tri-Cri is known for its enduring engagements with a number of companies, including ADM, ExxonMobil, General Electric, and Ford. Can you speak to the value of sustained engagement?

Sr. Pat: We believe strongly that we are collaborative partners with corporations. This is not to say the work is easy or moves forward in a linear fashion the way we might like. We have consciously looked at our work with companies as building relationships and working with individuals within corporations, and over the years have been grateful to form many strong bonds. About 10 years ago one colleague observed: “I get it now, you people aren’t going away. You understand how this business needs to operate in the next 20 years and every year there’s another high bar and issues that you challenge us with.”

We believe it is important to stay at the table and challenge companies to do more to address the social and environmental impacts of their business models. Through this sustained engagement, we have seen many companies demonstrate leadership that continues to set a new standard and drive changes in supply chains. There are a few noteworthy examples that stand out from our history of engagement. Ford Motor Company took significant steps to position itself as the first company to report on its climate risk and the first to set GHG reduction goals. These early steps helped

catalyze action across the automotive industry. In another example, after years of engagement, in 2014 ADM adopted a human rights policy that it is implementing through its global supply chain to eliminate the use of recruitment fees. As one of three global commodity processors, this will have ripple effects throughout the agricultural industry to support protection of human rights.

Even among the laggards we see subtle progress, but here it is perhaps most important to continue to raise the questions. Corporate intransigence can have many causes, yet by remaining a voice for a more just and sustainable path forward, we can become partners when companies are ready to accept our steady call for new direction.

This is not to say we are always satisfied with the progress. We have worked with ExxonMobil for over 20 years, recognizing that its role is significant and its influence is strong. Our engagement has evolved over the years, originally focusing on the substance of climate science, then its role in funding many tiers of the disinformation campaign that stalled climate policy for decades. We knew the company needed to do more within its own business, so we focused on asking it to set targets to reduce its greenhouse gas (GHG) emissions. For many years we filed shareholder proposals and have seen the company take small steps to improve its operational efficiency, but ExxonMobil has not set goals and continues to focus on fossil fuel-based energy sources.

It has been frustrating, actually infuriating, in this past year to realize that ExxonMobil’s research and disinformation efforts extend to the 1990s. It is appropriate that ExxonMobil should be under investigation by several Attorneys General. This revelation, the timing of Pope Francis’ Encyclical *Laudato Si’*, and the Paris Climate Agreement, moved us to file a resolution on the moral imperative of limiting global warming to 2 degrees Celsius. ICCR members long ago established the business case for ad-

dressing climate change. After 45 years, this might be the first ICCR resolution that actually uses moral language to shine the light on what the company must do to be part of the solution to global climate change.

Transitioning to a low-carbon future will take careful planning and substantial investment. Can you discuss your efforts to facilitate investment in green energy? How can the responsible investment community help facilitate the necessary capital flows?

Mary Beth: The investment world has already started to respond to the incredible challenge of financing a low-carbon economy, and Tri-State CRI has worked to support both our CRI and ICCR members as they explore opportunities in climate finance. We believe we must direct investments to communities that need it most. We seek climate finance opportunities that serve indigenous communities, low-lying populations, and poor people who are least responsible for climate change and who are already bearing the greatest burdens. The investment products to meet these goals will take time to develop, but they are critical to the mix that is already emerging.

Tri-State CRI has focused on capacity and knowledge-building to facilitate greater investment in these climate solutions. This has manifested through events like the climate finance roundtable held at ICCR in 2015, smaller events with speakers for our members, and the development of targeted resources. We also work closely with investors to help them make the case for climate finance with their investment committees and to develop a process for implementation of climate finance commitments. This approach has sought to address a number of barriers and priorities that institutional investors face in allocating capital to climate solutions, not least of which is ensuring that these resources are going to communities most in need.



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