

Corporate Shareholder Advocacy

*Jesuit Committee on Investment
Responsibility*



JESUITS[®]

Jesuit Committee on
Investment Responsibility

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JCIR MISSION

The Jesuit Committee on Investment Responsibility (JCIR) advocates for corporate behavior consistent with Catholic social teaching, through dialogues with corporations, shareholder resolutions and proxy voting

[Click here](#) to read a letter from the Secretary of the Jesuit Conference Office of Justice and Ecology.

OUR STRATEGY

JCIR promotes social change in corporate practices through shareholder engagement. We work in collaboration with and as a member of the Interfaith Center for Corporate Responsibility (ICCR), a coalition of over 300 faith and values-based institutional investors. Faith-informed socially responsible investment (SRI) is a work of structural justice (*GC 35, D 3, n 28*).

In light of Jesuit apostolic preferences, JCIR identifies social and economic justice priorities and collaborates with other faith- and values-based institutional investors to advocate for corporate social responsibility. We strive to support internationally recognized norms for community and economic sustainability, environmental justice and human rights. We present the fiduciary case that Catholic social teaching principles (such as respect for human life, environmental stewardship, sustainable development, rights of workers and communities) best serve the interest of all stakeholders and therefore preserve shareholder value. JCIR respectfully engages selected companies on issues in which we and the broader Jesuit community have proficiency, interest and capacity.

[Click here](#) to read a letter from the JCIR chair.

PROGRAM OBJECTIVES

The primary purpose of JCIR is to advocate for and effect change in corporate behavior by coordinating shareholder advocacy initiatives at both the province and national levels. JCIR province representatives collaborate to identify economic, social and environmental justice priorities and to work together to promote corporate social responsibility. JCIR works to expand awareness of socially responsible investment in Jesuit-related institutions; to organize and incorporate the resources of as many provinces as possible and to involve Jesuits in broad collaborative efforts with other members of the faith community committed to socially responsible investment.

SRI uses the investment portfolios of the Jesuit provinces in Canada and the U.S. to influence corporate policy decisions that determine corporate operation in this country, and throughout the world. JCIR encourages Jesuit provinces and institutions to make investments in places where traditional investment moneys do not flow, such as in community development loan funds which help develop the human capital, economic infrastructure and affordable housing stock in underserved, undercapitalized areas.

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[Click here](#) to read archived JCIR e-newsletters

OUR PRIORITIES

Environmental Sustainability

“In this system, which tends to devour everything which stands in the way of increased profits, whatever is fragile, like the environment, is defenseless before the interests of a deified market, which become the only rule... Money must serve, not rule!” (Evangelii Gaudium, 56-58)

Our corporate engagements focused on environmental sustainability have two focus areas: encouraging companies to reduce greenhouse gas emissions and ensuring access to water for all.



JCIR urges American Airlines to adopt science-based targets to reduce greenhouse gas emissions.

Francis in *Laudato Si'*, to care for creation and for people and communities most impacted by climate change. We also do this to encourage companies to help realize the United Nations Sustainable Development Goals and to meet the goals of the 2015 Paris Climate Agreement. We carry out this work in collaboration with other engagements of faith- and values-based investors at ICCR.

In 2018, JCIR began a new engagement with American Airlines to learn how the company is managing plans to reduce greenhouse gas emissions risks through its operations and value chain. The aviation industry currently accounts for two percent of all greenhouse gas emissions in the U.S. economy and American Airlines is behind other aviation companies in the efficiency of their Trans-Atlantic fleet. Our goal is for the company to adopt science-based targets to monitor and reduce greenhouse gas emissions and to increase transparency in reports on the company's operations. These targets are based on international standards set by CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation).

We want companies to promote policies and practices that will improve the environmental impacts of their corporate activities, especially in industrial sectors that make significant contributions to greenhouse gas emissions. We do this to live out the call of Pope

Communities, businesses and ecosystems throughout the world depend on clean freshwater to survive and prosper. Yet, as global demand for freshwater continues to grow, rising pollution and increasingly depleted water levels are causing many water sources to show signs of stress. The United Nations warns that in the coming decades, over half the world will live in water scarce regions. Freshwater availability, quality, and affordability are critical problems that require faithful engagement to find solutions to the global crisis of water sustainability.

In 2019, JCIR began an engagement with EQT Corporation, the largest producer of natural gas in the United States. While the company has shown some improvement in its water management and reporting practices, it still lags behind peers in the



Robust water sustainability policies and public reporting are essential for investors to understand how oil and gas companies are managing their water risks.

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oil and gas sector. Like all natural gas companies, EQT's operations have significant water impacts through its use of water in hydraulic fracturing and disposal of contaminated water. JCIR will focus on addressing gaps in the company's water sustainability policy and public reporting. The company has a concentrated presence in the Appalachian Basin, including operations in Ohio, Pennsylvania, and West Virginia.



JCIR works with Aura Minerals to develop and implement accountable and transparent human rights policies.

Aura Minerals, which operates the San Andres mine in Honduras and Barrick Gold, which operates the Pueblo Viejo mine in the Dominican Republic. In both of these dialogues, we are urging the company to develop accountable and transparent human rights policies that will protect the health, safety and rights of community members and the environment. We use the principle of Free Prior Informed Consent of all community members as we push for transparency. Aura is working to finalize a responsible mining policy that will include human rights and environmental policies. Once adopted JCIR will ensure it is sufficiently implemented throughout Aura's mining operations. Barrick Gold needs to address concerns from community members about the impact of mining operations on air and water quality. This effort is clouded by contamination by both historical companies operating in the area and another active mine in the community.

Our engagement with GEO Group, a private prison company, came out of our desire to ensure that corporate policies and practices protected the human rights and dignity of every individual who is incarcerated. By engaging with GEO Group, we are also calling for humane treatment of immigrants

Protecting Human Rights

Our engagements with companies to protect the human rights of each person impacted by corporate activity are centered within two industrial sectors: mining and the private prison industry.

Oil, gas, and other mining companies often operate in places of extreme poverty, repressive governments, civil conflict, weak rule of law, endemic corruption, or poor labor and environmental standards. The World Bank reports that globally the extractive industries are important for the economies of over 50 developing countries where up to 1.5 billion people live on less than \$2 per day. Extractive industries have been linked to human rights abuses and civil conflict in a number of countries.

Our engagements with two mining companies arose out of conversations with Jesuits and lay colleagues working in communities impacted by mining operations:

held in detention facilities. GEO Group adopted a human rights policy in 2013. Our goal is to see the company fully implement their human rights policy, including training of personnel and disclosure of implementation metrics.

[Click here](#) to read full updates on each of JCIR's corporate engagements

[Click here to view an archive of JCIR Annual Reports](#)

AN INVITATION TO PARTICIPATE

Jesuit connections make the work of JCIR more fruitful. Jesuit-sponsored institutions and Ignatian colleagues can advocate for and influence corporate behavior for the common good in many ways. Below are some possibilities for collaborating with JCIR.

Contact your Jesuit Provincial Representative. Your provincial representative can offer you more information on how to collaborate with JCIR, describe what is happening locally with Jesuit shareholder advocacy, and provide guidance on how to vote your proxies consistent with our priorities.

- Canada Province - Anne-Marie Jackson, amjackson@jesuitforum.ca
- USA Central and Southern Province - Mary Baudouin, mbaudouin@jesuits.org
- USA East Province - Nick Napolitano, nnapolitano@jesuits.org
- USA Midwest Province - John Sealey, jsealey@jesuits.org
- USA West Province - Fr. Bryan Pham, SJ, bryan.pham@lls.edu

Establish an advocacy portfolio that mirrors JCIR's. This is the easiest and most practical way for parishes, universities, high schools, retreat centers and other Jesuit-affiliated institutions to express their commitment to shareholder advocacy. Establishing an advocacy portfolio separate from other institutional investments has emerged as a best practice for Jesuit treasurers and business managers of Jesuit institutions. At any given time, no more than five stocks would be held in your advocacy portfolio.

Offer thought leadership and moral credibility. JCIR invites Jesuits and colleagues from higher education and civil society to partner in dialogues that align with our common mission.

Influence your investment manager. Mutual funds and other registered investment companies are required to make their proxy voting records available to their clients. Review the voting records of your investment manager and encourage them to vote your proxies according to guidelines established by the Interfaith Center on Corporate Responsibility (ICCR), an organization of nearly 300 faith-based investors, including JCIR, that works to build a more just and sustainable world by integrating faith-based values into shareholder advocacy.

Vote your proxies. Strong votes for shareholder resolutions are often the catalyst for dialogue and change in corporate policies and practices. Annually, ICCR publishes helpful resources: the *ProxyVoting Guide* gives an overview of socially responsible resolutions and a guide to voting

proxies; the *Proxy Resolutions Book* contains the texts of shareholder proposals. Visit www.iccr.org for more information.

Co-file on a shareholder resolution led by JCIR. A large number of co-filers demonstrates broad support for change in corporate policy. Co-filers are consulted and included regarding corporate dialogues and strategies to engage the company. Your provincial representative can assist you with this straightforward process as necessary.

Stay informed and share your voice. Visit www.jesuits.org/jcir to keep up to date on JCIR shareholder initiatives and learn more about current news items and the history of the Jesuits' commitment to socially responsible investing.

Consider public action. An increasing number of faith-based investors (including the **Jesuit Province of Canada**) have publicly announced some level of fossil fuel divestment. In a **2019 statement**, ICCR invites investors to consider exclusionary screens, divestment or other approaches that with companies that do not meaningfully address climate risks.

Pray. Your prayers for JCIR and for all those with whom we dialogue help to ensure that JCIR engagements advance the service of faith and the promotion of justice.

OUR PARTNERS

Mercy Investment Services provides consulting support to JCIR's corporate shareholder advocacy, helping JCIR identify companies to engage, managing communications with company representatives, providing strategic guidance in dialogues, and coordinating our investor teams.

The **Interfaith Center on Corporate Responsibility** is a coalition of over 300 global institutional investors engaged in corporate shareholder advocacy to address environmental, social and governance issues. The Jesuits are proud to be members of ICCR. JCIR is also a member of **Ceres**, an investor network focused on climate risk and sustainability. Individual provinces are members of regional coalitions for responsible investment, including **Investor Advocates for Social Justice**, **Northwest Coalition for Responsible Investment** and **Seventh Generation Interfaith CRI**.



OUR ACCOMPLISHMENTS

After 40 years of engaging companies through dialogues and resolutions, JCIR has seen businesses make significant improvements in environmental, social and governance issues. Below are some highlights of these accomplishments.

Chevron:

- 2004 Letter requesting dialogue to develop a transparent, verifiable and comprehensive HR policy signed by Jim Grummer SJ (Wisconsin provincial).
- 2005 First Dialogue with investors held at ICCR offices in NYC. Dialogues continued two times per year over course of dialogue.
- 2005 Chevron admits that Nigerian payments intensify conflicts
<http://news.bbc.co.uk/2/hi/africa/4617658.stm>
- 2005 First of 5 successive Shareholder Resolutions filed through December 1, 2009. Over the life of these 5 resolutions, 2 survived challenges by Chevron to the SEC, and our co-filer base progressively increased to 42 co-filers including USA and Canadian Jesuit provinces, universities, high schools, parishes and the China Province along with many other ICCR and faith-based investors. At the time, 42 was the largest co-filer number in ICCR history. In addition, our FOR votes increased at the annual meeting from 24% to 29%.
- 2010 Chevron adopts Human Rights Policy 520 with dialogues continuing at one time per year for four years in regard to implementation.
- 2014 *Shareholder Engagement and Chevron's Policy 520 on Human Rights: The Role Played by the United States Jesuit Conference's Jesuit Committee on Investment Responsibility* (book chapter by Nicky Santos, John Sealey, Austin Onuoha appeared in *Critical Studies on Corporate Responsibility, Governance and Sustainability*, v7).

Monsanto:

- 2004 Missouri Province (MIS) contacted company to begin a dialogue on developing a human rights policy.
- 2005 JCIR filed a resolution to secure commitment from Monsanto to adopt and fully implement a human rights policy. Resolution received 6% vote. After JCIR statement

at AGM, company committed to working on draft policy and scheduled a dialogue for later in the year.

- 2006 Monsanto invited shareholders to table for day-long discussion on developing a human rights policy focused on child labor/safety issues, with an action plan for two-year implementation.
- 2007 JCIR shifted to monitoring child labor human rights policy, particularly in India.
- 2008 MIS provincial sends letter praising efforts to end child labor in India and encouraging human rights commitment on a global scale.
- 2010 JCIR seeks to expand human rights framework to include social rights like right to food (seed saving) and the right to water.
- 2013 Dialogue focus shifts to public health risks associated with the aerial spraying of glyphosate.

OM Group:

- 2007 Detroit province (DET), under signature of Bob Scullin SJ (provincial) sends letter to OM Group (a metal-based chemistry firm) based in Cleveland to open a human rights dialogue with the aim of developing a transparent, verifiable and comprehensive HR policy. Dialogue was initiated at request of Jesuits in the DRC regarding a smelter in Lubumbashi. Successive resolutions are filed from 2008 through 2011 with increasing votes and endorsements by 2 of the major proxy advisory services ISS and Proxy Governance. Jesuit PhD student Murhula Kafarhire (Central Africa) regularly attended annual meetings and strategizing with JCIR.
- 2012 Human Rights Policy approved and dialogue closed with a letter by Tim Kesicki SJ (DET provincial).

Bunge Limited:

- 2009 Attended Annual General Meeting of shareholders, sent letter from New Orleans province, calling on company to assess global water use and impacts, reporting on local impacts and analyzing supply chain risks to mitigate impact.
- 2010 Company forms internal water task force; JCIR identifies that Bunge has 17 facilities in high-risk water regions.
- 2011 Bunge's water task force stated need to integrate water risk into long-term planning.

- 2012 Bunge completes first CDP water questionnaire, disclosing risks in own operations and supply chain. Company sets first water reduction policy goal within internal operations.
- 2014 Former EPA administrator, Carol Browner, joins Bunge board of directors. Bunge establishes board sustainability committee. Jesuits in formation at Ciszek Hall join dialogue at Bunge White Plains HQ.
- 2015 Bunge signs the UN CEO Water Mandate, corporate, governmental, research entity committed to working together to increase water sustainability. Corporate commitments deepen to address water sustainability in agricultural supply chain.

Ingredion, Inc.:

- 2010 Canadian Provincial (CAN) Jim Webb SJ sends letter to company (then Corn Products) announcing dialogue on water risk assessment and sustainability. Webb attends May AGM.
- 2011 Winston Rye SJ (CAN) and Nick Napolitano attend first dialogue.
- 2012 Company forms Sustainability Committee; releases first sustainability update without any empirical data or reporting.
- 2013 Company develops water risk assessment tool, begins looking at risk in own facilities.
- 2014 Board of directors' governance committee takes oversight responsibility of sustainability work; German Jesuit studying at LUC joins dialogue.
- 2015 Ingredion unveils new sustainability plan; concrete water reduction goals and some plan for disclosure/reporting on water.
- 2016 Ingredion completes first public CDP water questionnaire; efforts to promote farm sustainability of agricultural suppliers increase.
- 2017 Depth and quality of water reporting increases. Company seeing value of water risk assessment and response, and disclosure of these efforts, on business model.

Aura Minerals:

- 2014 WIS and CAN provinces (under signatures of provincials Tom Lawler and Peter Bisson) open a co-led dialogue with mid-tier Toronto based mining company Aura Minerals due in large part to legacy and ongoing human rights and environmental

concerns at their industrial mine (one of the 5 largest mines) in Copan department of western Honduras. This action was in consultation with CAM Jesuits and colleagues working in Honduras. Dialogues have continued 2X per year working toward a human rights and environmental policy. Company also has assets in Mexico, Brazil, and Colombia. Since unifications, UMI and CAN now lead the dialogue.

2018 Meeting with community members, NGOs and Radio Progreso / ERIC staff in El Progreso, Honduras.