

How Did We Get Here? The Roots of Social Investing

STEPHEN CALLAHAN

In the Beginning

The origins of ethical investing can be traced to early biblical times, when Jewish law laid down many directives on how to invest ethically, treat slaves equitably, tax fairly and loan money in a non-usurious manner. Many of the reform minded denominations have been leaders in this area. In the mid-1700s, the founder of Methodism, John Wesley, even went so far as to claim that the use of money was the second most important subject of New Testament teachings. As many small Christian sects settled North America, some brought with them strict norms with respect to how money should be used. Dating back to the 18th century, the Quakers and the Mennonites—whose traditions embrace peace and nonviolence—have actively avoided investing in enterprises or products designed to oppress or kill fellow human beings. For example, most Quakers refused to invest in weapons and slavery. Many other religious investors over the decades have actively avoided the “sin” stocks of the alcohol, tobacco and gaming industries.

For Catholics, social investing was a practice that gained little or no attention until well after the Second Vatican Council. Post WW II Catholics began entering the mainstream of middle class



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prosperity, and while official teaching forbade investments in companies that were operating in the legal shade, there was no widespread awareness of social investing as a screen for making personal or institutional investments. Prior to the 1960s, Catholics and Jesuits alike were rarely engaged in this question.

Social Investing and Contemporary Culture

The modern roots of social investing can be traced to the impassioned political climate of the 1960s. With the great social awakening of that time, people began to call into question the morality of certain types of investment practices and choices. Largely started during the Vietnam War by investors who did

not want their money supporting the conflict, socially responsible investing (SRI) rapidly spread as investors began screening their portfolios, zeroing in on military arms production and corporate environmental practices. Into the 1970s, a series of social and environmental movements—from civil rights and women’s rights to the antiwar and environmental movements—served to increase awareness around issues of social responsibility. These concerns also broadened to include management and labor issues, as well as antinuclear sentiment.

In 1971, the Episcopal Church and others established the Interfaith Center on Corporate Responsibility (ICCR); the Jesuit Conference has been a member of ICCR in some fashion since 1975 (see *The Evolution of a Movement* on page 4).

The Galvanizing Effect of Apartheid

In the late 1970s, the concept of social investing began attracting a larger group of American investors, due in large part to concerns about the racist system of apartheid in South Africa. This issue resonated deeply in both Europe and the United States. Making profits under a system of racial apartheid became an

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Socially responsible investment is, for Jesuits, the work of structural justice. It involves the investment portfolios of the ten USA Jesuit provinces in efforts to positively influence corporate behavior. As shareholders in corporations, Jesuits have an opportunity to influence corporate activities in our country and throughout the world. Jesuits also have the opportunity to make investments in places where traditional investment monies do not flow, such as in community development loan funds which develop the human capital and housing stock in underserved, undercapitalized geographical areas.

—National Jesuit Committee on Investment Responsibility, Shareholder Advocacy Guidelines, 2002

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From the Office...

JOHN KLEIDERER

This issue of *In All Things* comes at an opportune time. With the backdrop of corporate scandals and mistrust, we bring you an edition focused on socially responsible investing (SRI). Predicated on the belief that one can do “well” while also doing “good,” this issue explores the various facets of SRI, how to get involved, and the Catholic calling to partake in it.

SRI is a work of justice—the active witness of the Gospel in the marketplace. As proponents of a preferential option for the poor, we are called to exercise our influence, whenever and wherever we are able, to better the lives of the poor. Socially responsible investing is one way to do that. The poor and marginalized lack influence with corporations, but as institutions and individuals with substantial investments, we have access and clout. We encourage all of our institutions—Jesuit high schools, colleges and universities—to join the provinces in engaging in the structural work of SRI.

Unfortunately, Jesuit institutional involvement in SRI is limited. Perhaps this speaks to the need for deliberate formation of board members, or the need to raise awareness about SRI. This issue aims to do just that—to educate investors about socially responsible investing, and to examine the Christian calling to engage in SRI activities. But in the end, we are challenged to translate our rhetoric into action.

You may be skeptical. Can one really do this and still see financial growth? Isn't this just feel-good investing—does it really make a difference? How could I actually influence a large corporation? We hope you'll find some answers herein.

The issue opens with the roots and history of socially responsible investing, followed by an article tracing the Jesuit involvement in the SRI movement through the years.

Bill Lockyear, chairman of the National Jesuit Committee on Investment Responsibility, covers the nuts and bolts of SRI and provides practical advice for institutions interested in exploring SRI as a viable business strategy. And Jesuit scholastic and lawyer Kevin O'Brien, SJ, addresses questions of Christian ethics: Is there an ethical responsibility to engage in SRI? What ethical considerations underlie the Ignatian call for SRI?

You will read a case study—still in progress—of how several Jesuit provinces are using their investments to influence a pharmaceutical company to provide affordable HIV/AIDS medication to Africans. And you'll hear that CEO's account of how his company is responding.

The issue concludes with a spiritual reflection, looking at how Ignatian spirituality relates to SRI and asks the question of why Jesuits and others should care.

Be sure to check out the online supplement as well. You will find web links and helpful resources in getting started with SRI, in addition to articles looking at alternative investments—an aspect of SRI not touched upon in the print edition.

We hope you will find this *In All Things* not only interesting and educational, but also challenging. Whether you are a Jesuit, a board member of a Catholic, Jesuit institution, an educator, or a former volunteer, we hope this issue gives you pause and invites you to reflect.

“As Isaiah promised, the call to justice becomes attainable when we come together in prayer and action. As communities of faith—in local congregations, in regional, national, and institutional settings—we have great power. We have the power of our endowment funds and our collective voice to influence the princes and principalities of our day. Our investments give us representation at shareholder meetings and other venues to discuss just wages, fair treatment of workers, safer working conditions, care for the environment, attention to human rights, and ethical balance sheets.”¹

If not us, Who? If not now, When? If not for the Kingdom, Why?

¹ From the *Interfaith Center on Corporate Responsibility 2001-2002 Annual Report*, page 3.

anathema. Concerned U.S. investors joined international efforts to put economic pressure on South Africa to end apartheid. A growing number of investors throughout the 1970s and 1980s used both screening and shareholder advocacy to press for change in South Africa. Both individual and institutional investors refused to invest in companies that did business in South Africa and sponsored shareholder resolutions asking them to withdraw from the country.

Activists called for divestment from U.S. business operations that actively or even tacitly supported apartheid. This became a primary focus for many young people on college campuses and in the boardrooms of colleges and universities across the land. Most, after some internal struggle and conflict, implemented strict policies of divestment from South Africa. Although economic sanctions against South Africa ended in 1993, investors continued the practice by applying similar principles to other companies.

Until the mid 1980s, SRI was considered to be nothing more than what *Fortune* magazine sarcastically called “feel-good investing” or what would be labeled today as “politically correct” behavior. The movement needed to get over two credibility hurdles—one social/political and the other economic.

Wall Street “wisdom” had long preached that making social judgments in the investment process would have no effect on corporations, especially large ones. A second bit of wisdom was the belief that making social judgments would limit return to investors. The first hurdle was successfully negotiated as a result of the South African divestiture movement in the late 1980s. As more and more U.S. corporations stopped doing business in or with apartheid South Africa, foreign corporations continued to do business and even expand their operations. There was one major factor that accounted for this different response: a successful and strong social investing movement in the United States. American corporations listened to the

voices in this movement; ultimately, the apartheid government was brought to its knees.

While it had made a clear moral statement and set a standard in terms of opposing apartheid, the SRI movement had not yet won the hearts and minds of mainstream investors, who continued to view the practice as an inappropriate blurring of public business and private morality. Most investors believed that social activists, in their zeal to advance their left-leaning social agenda, simply wanted to deny business their right to a just

In 2001, one out of every eight dollars invested in stocks was prompted by a socially conscious decision. That comes to 12 percent of the professionally managed investments in the U.S.

return on capital. Thus, social investing was generally viewed as a zero sum game of sacrificing profit to do good, and most investors quickly and willingly steered away from it.

Evidence Mounts for “Doing Good and Doing Well” through SRI

Socially responsible investing got a serious foothold in the financial industry in the 1980s with the establishment of screened mutual funds like Domini Social Investing and Citizens Mutual Funds (see *Resources* on page 20). From the mid-1980s and into the 1990s, accumulated research began to demonstrate that corporations with good social records on the whole outperformed corporations with bad social records. In turn, socially screened portfolios, no matter what the issue, rewarded investors better than unscreened portfolios. In other words, investors and businesspeople could “do good” socially while also doing very well financially. As a result, SRI took off in the U.S. in the 1980s. The portfolios of churches, universities and colleges, and state and city pension

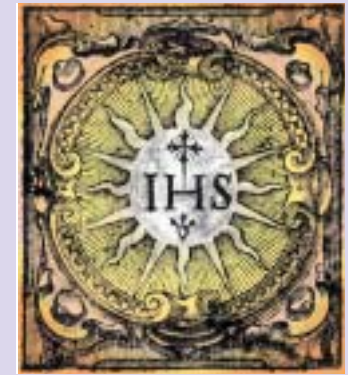
funds were among the largest financial assets involved with SRI.

The number of bond, equity, mutual and money market funds that utilized some type of social screening increased from a handful in the early 1980s to well over one hundred by 1997. The Social Investment Forum¹ published a 1995 study entitled *After South Africa: Responsible Investment Trends in the U.S.*, which showed that \$639 billion was invested in managed portfolios utilizing one or more social investment strategies. This represented a ten-fold increase for the decade, the majority of which involved shareholder advocacy.

Instead of taking the defensive, corporate America began to respond more proactively, often just to improve its tarnished image. Nonetheless, increasing numbers of American corporations initiated corporate codes of conduct and mission statements that included what came to be known as “the double bottom line”—a commitment to serving the special needs of employees and the communities in which the business operated, in addition to making a profit and serving the needs of customers. This was reflected in the spread of voluntary corporate family- and environmentally-friendly programs and practices, which in many cases went far beyond governmental requirements.

While precise demographics of socially responsible investors are not available, certain segments of the population are more inclined to participate, including baby boomers, women and minorities. In 1984, only \$40 billion was put into socially responsible investing.² Contrast that figure with today, when one out of every eight dollars invested in stocks was prompted by a socially conscious decision.³ That comes to \$2.34 trillion of the \$19.9 trillion professionally managed in the United States (or 12 percent), an increase of 81 percent from 1997.⁴

If history is any guide, socially responsible investing can only continue to grow and with it, not just profits, but awareness. It is, for Jesuits and their lay colleagues, more than a matter of financial investment. It is a work of structural justice. ✧



Church as Economic Actor

Although all members of the Church are economic actors every day of their individual lives, they also play an economic role united together as Church. On the parish and diocesan level, through its agencies and institutions, the Church employs many people; it has investments; it has extensive properties for worship and mission. All the moral principles that govern the just operation of any economic endeavor apply to the Church and its agencies and institutions, indeed the Church should be exemplary. (347)

— U.S. Catholic Bishops Pastoral Letter,
Economic Justice For All

1 www.socialinvest.org

2 *After South Africa: Responsible Investment Trends in the U.S.*, Social Investment Forum, 1995 Study.

3 *Nelson's Directory of Investment Managers*, 1999.

4 *2001 Report on Socially Responsible Investing Trends in the U.S.*, Social Investment Forum.

The Evolution of a Movement: From Fringe to Credibility

TIM SMITH AND SR. PATRICIA WOLF, R.S.M.

Social Screening describes the inclusion or exclusion of corporate securities in investment portfolios based on social or environmental criteria. Socially concerned investors generally seek to own profitable companies with respectable employee relations, strong records of community involvement, excellent environmental impact policies and practices, respect for human rights around the world, and safe and useful products. Conversely, they often avoid investments in those firms that fall short in these areas.

Alternative Investing describes investments designed to provide traditionally hard to obtain capital for such programs as preservation of family farms, loans to small businesses, and construction of low- to moderate-income housing.

Shareholder Advocacy describes investor efforts to submit and vote corporate proxy resolutions as a means of influencing company behavior. This strategy was successful in pressuring corporations to pull out of South Africa. It has also been instrumental in reporting minority hiring practices and improving environmental practices through adoption of the CERES principles (an environmental code of conduct).

Mr. Smith is the senior vice president of Walden Asset Management and president of the Social Investment Forum. Sr. Wolf is the executive director of ICCR.

In the last three decades, the socially responsible investing movement has grown by leaps and bounds. From the beginning, religious institutions were motivated by their religious values and grounded in their work in the world. In the matter of investments, it is clear that religious organizations committed to social and economic justice nationally must examine the ways in which global corporations advance or delay their social justice agendas. And since the faith community owns a “piece of the rock” through its investment portfolios, it is, in fact, a participant in the decisions and behavior of global corporations. Thus, as global citizens and as global investors, religious organizations find themselves intertwined with global corporations.

This has led religious organizations to some strange and wonderful places for which there was no seminary training: to corporate board rooms discussing human rights, to corporate stock-

holders’ meetings dealing with the issue of climate change, and before city and state pension funds urging them to vote their proxies in favor of shareholder resolutions on equal employment opportunity.

But this work is not simply the general task of speaking the Gospel in the marketplace. It has matured and aims to change specific company policies and practices. In other words, while it is indeed our responsibility to call powers and principalities to account, it is our obligation to try to change corporate behavior that harms individuals and society.

In the early days of socially responsible investing, the landscape was unknown, the expectations of religious investors undefined. Now we look for specific results, for companies to agree to change their policies and behavior. These changes, large and small, together constitute significant movement in the business community towards greater social responsibility.

Beginnings of ICCR

The Interfaith Center on Corporate Responsibility (ICCR) was founded in 1971 in part as a response to clergy concern over American involvement in the Vietnam War. The group’s first social policy resolution was filed with General Motors in 1971, calling upon GM to withdraw from South Africa. By 1975, ICCR membership embraced 12 national Protestant Church agencies and 28 Roman Catholic organizations. The increasing involvement of the Catholic community coincided with a deepened consciousness of the integration of faith and action, as called for by the Jesuit General Congregations 31 and 32, and the internalization of the 1971 World Synod of Catholic Bishops’ document *Justice in the World*, which stated:

Action on behalf of justice and participation in the transformation of the world fully appear to us as a constitutive dimension

The CERES Principles (Coalition for Environmentally Responsible Economies)

By endorsing the CERES Principles, companies not only formalize their dedication to environmental awareness and accountability, but also actively commit to an ongoing process of continuous improvement, dialogue and comprehensive, systematic public reporting. Endorsing companies have access to the diverse array of experts in our network, from investors to policy analysts, energy experts, scientists, and others.

Principles

Protection of the Biosphere

We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.

Sustainable Use of Natural Resources

We will make sustainable use of renewable natural resources, such



The CERES Principles are named after Ceres, the Roman goddess of agriculture.

as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.

Reduction and Disposal of Wastes

We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.

Energy Conservation

We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

Risk Reduction

We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

Safe Products and Services

We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or

of the preaching of the Gospel, or, in other words, of the Church's mission for the redemption of the human race and its liberation from every oppressive situation (JW 6).¹

Today, ICCR's membership numbers 275 Protestant, Catholic and Jewish institutional investors, including denominations, orders, pension funds, health care systems, foundations, publishing houses, and dioceses. The U.S. Jesuit Conference Office of Social and International Ministries is also an active member of ICCR. Since its inception, the faith community has re-imagined the world from the perspective of justice, and corporations have felt our impact. Once we were considered a fringe movement. Not so today!

Our members connect their mission, with its emphasis on justice, to their investment strategies and decisions. Commonly adopted principles for investment activity include human dignity, environmental responsibility and world peace; ICCR core programs support these member principles. We address issues such as global warming, environmental justice, human rights, global codes of

conduct, predatory lending, militarism, workplace equality, affordability and accessibility of pharmaceuticals, as well as issues related to indigenous peoples.

Elements of Socially Responsible Investing

There are several basic types of socially responsible investing, including **screening investment portfolios**, **shareholder advocacy** and **alternative (direct) investment** in community economic development. Within the faith community, *negative screens* are often

The voice of the faith community in the marketplace is more urgently needed today than ever before.

applied to restrict investment in certain industries or companies, such as for-profit health care or companies that manufacture abortifacients, nuclear weapons, landmines, tobacco or pornography. The screens grow out of a conviction that it would be wrong to make money from industries whose purpose or products run counter to the responsible invest-

tor's mission and beliefs. *Positive screens*, on the other hand, serve the purpose of pointing the investor toward companies and financial institutions that serve a specific social good.

Shareholder advocacy consists of several components: letter writing, direct dialogue with corporate management, the public filing of shareholder resolutions, speaking at the annual meeting of shareholders and voting proxies to constructively influence corporations. No institution is more closely associated with social policy shareholder proposals than ICCR; none are more closely associated with influencing corporate social policy than the faith community. While some companies view the shareholder resolution as a hostile act, ICCR views this activity as a statement of stewardship and responsibility.

Alternative investments direct capital toward projects that benefit the poor and are critical to a multi-pronged strategy of socially responsible investing. For more than 20 years, ICCR members have collaborated with community development organizations, credit unions, minority-owned

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Recent ICCR Activities

- In 2002, ICCR members asked British Petroleum (BP) to stop using the Crazy Horse name for its Gulf of Mexico oil operation, in recognition of the harm that commercialization of this great spiritual leader causes to the American Indian community. In response, BP changed the name to Thunder Horse. BP is the second major corporation to address this issue following last year's decision by Stroh's Brewing Company to cease bottling its Crazy Horse malt liquor.
- ICCR members asked Texaco, PepsiCo, and Unocal, as well as other companies, to withdraw from Burma (Myanmar) in 1997 due to the egregious human rights violations brought against the Burmese people by a military junta. Texaco and PepsiCo withdrew; Unocal has remained in Burma and is now the subject of a federal lawsuit.
- ICCR members helped to change the terms of the global warming debate by challenging corporations to take responsibility for climate change and greenhouse gas emissions. As a result of this strategy, ICCR resolutions received record support among investors in 2002, resulting in votes of 20 to 30 percent. For instance, an ExxonMobil motion outlining how the company will promote renewable energy sources received 23.9 percent of the vote.
- Also in 2002, ICCR filed a motion (receiving 26.81 percent of the vote) requesting that American Standard report on greenhouse gas emissions—including steps the company would take to reduce emissions substantially.

¹ *Justice in the World*, World Synod of Catholic Bishops, Second General Assembly, November 30, 1971, #6. www.osjspm.org/cst/jw.htm.

health or safety hazards. We will inform our customers of the environmental impacts of our products or services and try to correct unsafe use.

Environmental Restoration

We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

Informing the Public

We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

Management Commitment

We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully

responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.

Audits and Reports

We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.

For more on the CERES Principles, visit www.ceres.org. CERES is the leading U.S. coalition of environmental, investor and advocacy groups working together for a sustainable future. More than 70 companies, including multinationals as well as small and medium-sized companies, have committed to continuous environmental improvement by endorsing these CERES Principles.

The first step is to recognize that when we invest in a corporation, we are literally enabling its mission. When we object to any part of that mission, we bear witness as faith communities and as shareholders. We can use our power to influence corporate decisionmaking. And we can focus attention on policies that affirm the whole of creation.

—ICCR 2001-2002 Annual Report



PHOTO COURTESY OF BP-AMOCO

Rosebud Sioux tribal leaders and Crazy Horse's descendants come together with British Petroleum executives for a landmark meeting.

banks and loan funds—agencies that play a vital role in meeting basic human needs such as housing and job creation. These efforts have resulted in the investment of more than \$100 million in community economic development (CED) enterprises. (For more on CED, see *In All Things* online supplement.)

On occasion, however, ICCR members have decided divestment is the stronger strategy, either because their shareholder activity has not achieved significant progress or because the activity or product of a corporation is deemed so egregious that ICCR investors cannot in good conscience profit from it. Divestment was a powerful tool in the campaign to end apartheid in South Africa, but it is no longer embraced as a key strategy.

The Evolution of a Movement: From Fringe to Credibility

When we first became involved in the corporate responsibility movement, investment managers would accommodate inclusion of investment screens if requested by a religious order or denomina-

tion, but rarely offered the option upfront. Shareholder advocacy efforts have shown significant results, particularly through the initiatives of religious organizations in concert with environmental groups, labor unions and pension funds.

Using their leverage, religious shareholders have sponsored thousands of resolutions with companies. These resolutions often become

We as religious investors need to find ways to work with other socially concerned stockholders to make a difference.

the basis for dialogue with management and have led to hundreds of “agreements.” For example, companies have agreed to issue reports on diversity, the environment or codes of conduct. Other companies have made specific changes in policy endorsing the CERES (Coalition for Environmentally Responsible Economies) Principles for environmentally sound business practices and reporting annually on their environmental progress and challenges (see *Principles* on page 4).

The recent wave of corporate scandals has shaken investor con-

fidence in companies and in the marketplace and convinced investors that corporate governance structures must be made more accountable. At the same time, many companies are looking at the impact of their decisions in new and different ways. The voice of the faith community in the marketplace is more urgently needed today than ever before. Looking at the wave of global social problems—from AIDS, to global warming, to sweatshops, to dishonesty in corporate board rooms—we as religious investors need to find ways to work with other socially concerned stockholders to make a difference. Indeed, many such investors exist and are joining in this movement for corporate social responsibility.

The faith community has been engaged in the corporate responsibility movement for more than 30 years. Some ICCR issues will never gain wide shareholder support, and nearly all take years to come to public consciousness, but we will continue to be a voice within the movement and for one simple reason: to bring forth God’s reign of justice. The faith community will be there, seeking to make a world of difference. ♦

U.S. Jesuits and Investment Responsibility History

REV. JOHN DISTER, S.J.

The Society of Jesus in the United States is actively involved today in Socially Responsible Investing (SRI), initiating shareholder resolutions and choosing investment opportunities on the basis of the potential to “do good while doing well.” We set down this road in earnest in 1974, when the U.S. Jesuit Conference formed the Jesuit Advisory Committee on Investment Responsibility (JACIR). This Committee worked to get the U.S. provinces to vote their proxies from the substantial portfolios they managed, comprised primarily of endowment monies for seminary training.

At the same time, another Jesuit Conference group, the National Office of Jesuit Social Ministries, was taking part in shareholders’ meetings and proposing resolutions. At the time, stockholder activism was increasing among religious and secular investors to divest from corporations operating in apartheid South Africa. Groups such as the Interfaith Center on Corporate Responsibility (ICCR), with the U.S. Jesuit Conference as a member, were organizing the divestiture movement (see *The Evolution of a Movement* on page 4).

In the 1970s, within Jesuit and Catholic circles, the SRI movement increasingly reflected the broader society. Clearly there were some—particularly younger people open to the reforms of Vatican II and active in civil rights and other pressing social questions—who were openly advocating for more thoughtful approaches to SRI. But they were not the dominant voices in the Church or among the Jesuits; those who controlled decision making in this arena were still of

an earlier generation, less inclined to question the practices of revered and respected institutions and less likely to challenge market capitalism. The question of so-called “sin” stocks like tobacco, along with the apartheid question in South Africa, began to chip away at these staid and stolid views.

At Jesuit universities and colleges, where youthful voices of dissent found some ready backers among younger Jesuits, especially in light of more recent Vatican II pronouncements and the “radical” results of the Jesuit General Congregation 32, the concerns about ethical investment practices gained more credence. But not all were in agreement, just as in the larger society and culture. And there were strong objections to overcome.

By the 1980s, some of the U.S. Jesuit provinces—most notably Maryland, New York and Detroit—were involved with the ICCR in stockholder activism. Although most of the activity came from the social ministry people at the province and national levels, some of the most proactive voices were province financial officers: the late Fr. Dave Meier, S.J., at the Jesuit Conference, Fr. Henry Chamberlain, S.J., and today, William Lockyear, the lay CFO of the Oregon Province.

Creative tension arose between the JACIR, which tended to vote proxies with corporation management (and sometimes against ICCR initiatives), and the National Office of Jesuit Social Ministries, which was increasingly

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“It’s Irv Pelton, Mr. Mather, from the Voice Crying in the Wilderness Department.”

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Purpose of NJCIR

The primary purpose of the National Jesuit Committee on Investment Responsibility (NJCIR) is to advocate for and effect changes in corporate behavior by supporting work on the province and national levels. NJCIR members encourage one another on province level efforts, such as filing shareholder resolutions, voting proxies, participating in corporate dialogues, and developing investment guidelines. Nationally, the NJCIR works to broaden awareness of socially responsible investment in Jesuit-related institutions, to involve Jesuits in collaborative efforts with others committed to socially responsible investment, and to make unique contributions using the resources of as many provinces as possible.

—NJCIR, *Shareholder Advocacy Guidelines*, 2002

Fr. Dister (Detroit Province) is the provincial assistant for social ministry, assistant for retreat ministry and regional director of the Ignatian Lay Volunteer Corps.

SRI Through the Years

1970s

Interfaith Center on Corporate Responsibility (ICCR) begins. The first social policy resolution is filed with General Motors, calling upon GM to withdraw from South Africa.

Jesuit Advisory Committee on Investment Responsibility (JACIR) forms.

SRI movement increasingly reflects the broader society; “sin” stocks, along with the apartheid question in South Africa, chip away at stolid views of earlier generations.

Vatican II pronouncements and the “radical” results of the Jesuit General Congregation 32 garner credence for ethical investment practices.

Key Terms

- SRI—Socially Responsible Investing
- JACIR—Jesuit Advisory Committee on Investment Responsibility
- ICCR—Interfaith Center on Corporate Responsibility
- NJCIR—National Jesuit Committee on Investment Responsibility

Why consider this work a distinct, social priority?

“Catholic social teaching understands the rightful ownership of all property to depend, in some sense, upon the exercise of responsibility, accountability and stewardship with regard to ownership. In order to use what we own in accordance with the purpose for which it was created, we need to remain connected to its exercise. However, the creation of limited liability ownership during the age of mercantilism gave rise to the first corporations of the sort in which we now invest our endowments. This kind of ownership for the first time allowed individuals or institutions to own something without being completely responsible for it. The benefits are clear: if the company went bankrupt, the investors lost their investment but were not held responsible for the remaining debts of the corporation. The potential social cost is equally clear: we have created in this kind of ownership a form of agency that is divorced from morality. Corporations act in the world with some degree of moral, though not necessary legal, impunity specifically because no one is truly

responsible for their actions. This kind of investing arose out of necessity during a period of intense globalization. When investors could no longer keep track of the operations of companies halfway across the world they naturally refused to be held personally responsible for the actions facilitated by their investment. The world is again experiencing intense globalization; every corporation is multi-national in at least some fashion. As Catholic investors, it is important that we bear witness to the robust understanding of property in our tradition. This could be considered an evangelical moment in the course of global capitalism.”

—NJCIR Resolution, April 2001

activist in opposing corporations in an effort to bring about corporate change. The Jesuit Conference board dissolved the JACIR in 1984 in favor of a new Jesuit approach to corporate investment responsibility.

The Jesuit provincials decided that each province would form a committee on investor responsibility—made up of members representing a balance of socio-economic views—to serve as the major consultation group to the provincial. In turn, the Jesuit Conference staff was to propose structures to coordinate information and discussion among the province investment responsibility committees. This led to the creation of the National Jesuit Committee on Investment Responsibility (NJCIR). NJCIR is made up of representatives from all 10 U.S. provinces and Upper Canada who meet twice yearly to set strategies, share information and receive input from ICCR. Members of the NJCIR educate one another about alternative investment opportunities and report any progress they’ve made with corporate executives. NJCIR’s major areas of interest are the six issue groups of ICCR: health care, militarism, equality, global finance, global accounta-

bility, and energy and environment.

Last year, the Chicago, Detroit and Oregon Provinces were among a number of co-filers with the Maryland Province on a resolution with Abbott Laboratories (see *Shareholder Advocacy and the AIDS Pandemic* on page 16). Most of these same provinces co-filed similar resolutions with ICCR members on Bristol-Myers, Merck and Pfizer, but these were withdrawn after further dialogue. Several provinces also co-filed resolutions with Conesco, Citigroup and Wells Fargo on predatory lending issues.

A commitment was made at the most recent NJCIR meeting (September 2002) that all provinces will be strongly encouraged to purchase at least a minimum equity position in a corporation when a Jesuit province is the lead filer on a shareholder action. It is hoped that the 28 Jesuit colleges and universities would also participate in this important work (see *Investors: It’s Just Money* on page 9). At that meeting, the group determined that HIV/AIDS would continue to be its primary shareholder advocacy priority, followed by predatory lending and global warming.

For the coming year, this

means that most of the U.S. provinces will co-file on various HIV/AIDS resolutions with Abbott, Bristol-Myers, Merck and Pfizer, or will continue the dialogue with them. Predatory lending and global warming resolutions will be the subject of several province co-filings as well.

Much has happened in the Society of Jesus and in the corporate world in the 25 years since the U.S. provinces were first involved in stockholder activism. In the early days, Jesuits involved in social ministry on occasion found themselves at odds with their province treasurers, who were reluctant to support stockholder activism. Today, half the members of the NJCIR are province treasurers or their lay assistants. More recently, there is a growing awareness of the value of a more collaborative relationship between socially active investors and corporation management—in large part because prioritizing social justice enhances the corporation’s reputation and increases profits for all. Wall Street is slowly learning the lesson. ♦

Special thanks to Frs. Henry Chamberlain, S.J., Joe Daoust, S.J., and Gap Lo Biondo S.J., who contributed valuable information to this history.

SRI Through the Years

1980s

Some U.S. Jesuit provinces—notably Maryland, New York and Detroit—engage in ICCR stockholder activism.

Jesuit Conference board dissolves JACIR in favor of a new Jesuit approach; creation of the National Jesuit Committee on Investment Responsibility (NJCIR).

2000s

ICCR members ask Texaco, PepsiCo, Unocal, and others to withdraw from Burma. Texaco and PepsiCo withdraw; Unocal remains and becomes the subject of a federal lawsuit.

Chicago, Detroit and Oregon Provinces co-file with the Maryland Province on an HIV/AIDS resolution with Abbott Laboratories.

ICCR members ask British Petroleum (BP) to stop using the Crazy Horse name for its Gulf of Mexico oil operation, and BP complies.

Investors: It's Just Money

WILLIAM LOCKYEAR

Market drops 300 points!

A common headline in recent times.

Jesuit investment portfolios double their returns!

But how can that be?

Jesuit institutions and sponsored works have become increasingly reliant on investment portfolios to generate returns sufficient to support their mission. After years of sky-high returns, most are bemoaning the recent declines. But imagine that during this time of market fluctuation, a broader measure of investment return was considered—one that took into account the moral and social consequences, as well as the financial implications, of investment decisions.

The difficulty is that non-financial returns are not as easily quantified. Simple mathematics provides us with a rate of return, P/E ratio and manager comparisons, but how does one measure community improvement, a clean environment or the value of democracy? To gauge the success of non-financial returns requires a different mindset, as well as an understanding that an investment represents support (tacit or explicit) of the management practices of the company in which one has invested. It also provides management with a resource base to continue its operations. How to ensure that these relationships result in a positive investment return for the faith-based investor?

Those in leadership at Jesuit institutions must:

- Develop the involvement of boards and the administrators of Jesuit works in socially responsible investing (SRI).
- Plan for the involvement of all levels of leadership teams in SRI.
- Plan for the involvement of students and constituents in SRI.
- Most importantly, lead by example and involve Jesuits themselves in SRI.



How to go about involving all these friends and supporters? First and foremost, we must educate Jesuits in the SRI movement. Only when they themselves are fully aware of the possibilities can Jesuits ask questions with confidence in any leadership role that they fill.

Generally speaking, board members and trustees are not selected for their strong sense of Ignatian tradition. More typically,

members are asked to support the institution as a result of their business knowledge and community contacts. A primary task, then, is the formation of the board membership: an awareness of the plight of those who have less and our service of a faith that does justice should become part of each board member's worldview. Justice concerns must inform and permeate Jesuit boards—we cannot simply put on the "faith that does justice hat" as we enter the boardroom or the chapel. It is a lifestyle choice that should influence everything we do as Christians and investors.

National and international involvement of Jesuits, friends and benefactors is critical. All 10 provinces of the U.S. Assistancy have been involved in recent SRI activity led by the National Jesuit Committee on Investment Responsibility (NJCIR) (see *U.S. Jesuits and Investment Responsibility History* on page 7). Because the Jesuit name commands immediate attention and respect, their efforts have influenced corporate America. (For a recent example of this activity, see *Shareholder Advocacy and the AIDS Pandemic* on page 16.)

Underlying the SRI movement is a basic assumption that

All of us recognize the everyday demands on our assets and resources. But equally demanding is the need to invest well—not just for the greatest growth, but for the greatest good.

—ICCR 2001-2002 Annual Report

Mr. Lockyear is the chief financial officer of the Oregon Province and chairman of NJCIR.

As people of faith, we act out of respect for the dignity of every human being, community, and all of creation. Our mission is to hold corporations publicly accountable for the human, social, and environmental consequences of economic globalization. We challenge corporations to implement policies, programs, and practices that protect human rights, communities, and the environment which are based on principles of justice and sustainability.

—ICCR 2001-2002 Annual Report

shareholder activism is an effective tool. Often the first response to a call for investment responsibility is divestiture. Clearly that is the simple way out. It is also the surest way for an investor to lose his or her voice and any possible influence in the entity's operations. The Abbott Laboratories example reflects the value of maintaining and using that voice. Only by forcing the conversation were we able to convince Abbott executives to fly to Tanzania and Uganda to witness for themselves the devastation wrought by AIDS. Without our Jesuit shares, there would have been no discussion—no investment, no seat at the table.

Jesuit institutions have a responsibility to investors to use the proceeds of their investments to maximize the work being done

by the institution. Once, divestiture would have been the popular response to a corporation's questionable business practices. Today, Jesuit institutions realize that they can continue to hold stock

A primary task, then, is the formation of the board membership: an awareness of the plight of those who have less and our service of a faith that does justice should become part of each board member's worldview. It is a lifestyle choice that should influence everything we do as Christians and investors.

that was purchased based on sound investment fundamentals and use that position as a voice for the poor. Rather than raise possible oversight questions and

impact future contributions by eliminating companies from their investment portfolios, institutions can instead effectively manage contributions while continuing to act in the service of faith and for the promotion of justice.

It is important to maintain one's voice. Begin with small steps, perhaps selecting one company or one issue. Clarify with investment managers who should be voting proxies and how they should be voted. Identify other organizations that consider themselves shareholder activists and learn how to assist each other. Don't try to do

too much. Tackling too many issues at once is a recipe for failure, the surest way to cast doubt on the effectiveness of your efforts and to dissipate your ener-

SRI: Frequently Asked Questions

● Do our bucks walk our talk?

As individuals on mission we can have an impact in many different ways: our presence, our teaching, our leadership and our finances. Often finances are left off that list in search of a "better return."

● Why is a better return only measured in percentages?

In upholding the board's or leadership's fiduciary responsibility, specific market driven benchmarks are the only consistently applied yardstick for measurement. Does a 10 percent return with an active voice in corporate operations provide a higher level of leadership than simply a 10 percent return?

● How is business related to human issues such as justice?

Business is not an ethical being. Ownership of stock provides an opportunity to influence businesses to be more aware of their impact on fairness and justice.

● Do Jesuit financial officers, at all levels (parishes, schools, social ministries, etc.), operate outside the Jesuit mission? Should they?

All functions within any ministry should be well informed of and actively support the Jesuit mission—a faith that does justice.

● Does Socially Responsible Investing decrease our return?

Not necessarily. Use your portfolio for advocacy, not for exclusion. It takes a minimal commitment in terms of investment (at least \$2,000 for one year) to have a voice. Without that commitment, your accounts will be managed like any other.

● Our managers actively trade our portfolio. How can we be assured that we'll hold a stock

for one year?

Establish an advocacy account. Move sufficient shares (at least \$2,000 worth) into this account to be held until your advocacy activity is complete.

● How can a minimal amount of investment provide a significant voice?

A minimal investment provides an entry point into the conversation. Once involved, we have several forums of influence:

- **Public forum:** Each issue has a public presence that can and should be used to spread support.
- **Shareholder forum:** Shareholder meetings and the proxy process provide an efficient method to effectively present our thoughts and concerns.
- **Boardroom forum:** We have directly influenced many corporate board members through education and ministry. We can build on this connection as a basis to initiate dialogue and propose change.

● There are too many issues. How do we avoid spending all of our time on SRI?

The organization needs to focus on one or two specific issues that are heartfelt. Each institution needs to evaluate which "forums" it can most directly influence and evaluate them for possible participation.

● Who votes our Jesuit proxies?

Typically, investment managers fill this role. However, proxies can and should be voted by the shareholder. As Jesuit shareholders, we should be in a role of understanding the issues and having a voice in those issues.

● Why haven't Jesuit students raised these

gy and resources. This only promotes a decline in future activity. Pick your causes wisely and do them justice.

Good luck. I look forward to crossing paths with you in this Ignatian pursuit of the greater good. His tradition of prayerful, knowledgeable and honest communication is just what corporate America needs. ✧

If your institution is interested in more information on socially responsible investing or how to get started in it, contact the NJCIR consultant, Sr. Doris Gormley, at dorisgormley@yahoo.com, or William Lockyear at wlockyear@nwjesuits.org. They are available to provide workshops and presentations to your institution and/or board.

How Do We Get Started?*

1. Identify whether your mission or activities place you in the path of current or future issues (e.g., a number of Oregon Province Jesuits are active in Africa, in the heart of the AIDS pandemic).
2. Involve your community, board and friends in the process of developing a policy that addresses that issue.
3. Identify who will lead the activity.
4. Contact the Interfaith Center on Corporate Responsibility (ICCR), the National Jesuit Committee on Investment Responsibility (NJCIR) and/or a regional coalition to determine with whom you can collaborate.
5. Identify companies with which you would like to work.
6. Make arrangements to hold the stock or to acquire shares if you don't already own some.
7. Ensure that you are voting the company's proxy.
8. Once you have held the stock for a year, consider co-filing on any shareholder resolutions addressing the company and the issue.
9. Identify people who have expertise and can assist in developing a professional approach.
10. Consider becoming the primary filer.

* Visit *In All Things* online for more concrete guidelines on filing shareholder resolutions.

Church as Shareholder and Investor

Individual Christians who are shareholders and those responsible within church institutions that own stocks in U.S. corporations must see to it that the invested funds are used responsibly. Although it is a moral and legal fiduciary responsibility of the trustees to ensure an adequate return on investment for the support of the work of the church, their stewardship embraces broader moral concerns.

As part owners, they must cooperate in shaping the policies of those companies through dialogue with management, through votes at corporate meetings, through the introduction of resolutions and through participation in investment decisions. We praise the efforts of dioceses and other religious and ecumenical bodies that work together toward these goals.

We also praise efforts to develop alternative investment policies, especially those which support enterprises that promote economic development in depressed communities and which help the church respond to local and regional needs. When the decision to divest seems unavoidable, it should be done after prudent examination and with a clear explanation of the motives. (354)

— U.S. Catholic Bishops Pastoral Letter, *Economic Justice For All*

issues?

Good question.

- **Our portfolio is not large enough to have independent managers. We only use mutual funds. Are we out of the game?**

Today there are many mutual funds available with a variety of screens and activities. With a little research, you can find one that addresses your interests. (See *Resources* on page 20.)

- **How do you approach a company with your concerns?**

First and foremost, you are not an adversary. You are a shareholder concerned that your investment return be maximized. Your approach, most likely through shareholder relations, should be well informed, professional and on task.

- **How will they respond?**

The drawbridge to the corporate castle will quickly be raised. Be persistent and don't be driven off by the legal response you will most likely receive.

- **How do we identify relationships?**

Who in your realm of relationships has knowledge, experience or expertise in either the company or the issue? Look to your boards, advisory committees, students, parishioners, friends, faculty, researchers, development offices and other co-laborers. Remember that SRI is only one piece of your institution's efforts—be realistic about what can be accomplished and aware of whom you might alienate.

- **Should we select board members with SRI in mind?**

Board members are asked to participate for a number of reasons, generally related to finance, development or relationship building. Living a life of faith that does justice may not be that reason. How do we insert "justice" into their everyday life and thought? This begins with a process of education. Invite your board members to participate with you in events serving the poor. Consider short retreats, continuing education and meeting participation by those who have been on mission. Focus a portion of your meeting on how your organization has served the poor and additional ways it can continue to do so.

When we invite board members to sit with us and advise us, we take on the role of conversion. This conversion begins to take place as we bring board members into our lives and leadership. This is board formation in its purest sense.

End each meeting with the question: how has our meeting reflected a faith that does justice?

The Ethics of Corporate Social Responsibility

KEVIN O'BRIEN, S.J., J.D.

"The organization needs to be an ethical creature — an organism capable of both reaping profits and making the world a better place to live."

—Robert Haas, Chairman and Chief Executive, Levi Strauss

Mr. O'Brien (Maryland Province) is a Jesuit scholastic and visiting instructor of philosophy and ethics at Saint Joseph's University in Philadelphia. A former corporate lawyer, Mr. O'Brien assists the Maryland Province in its shareholder advocacy work.

The tactics of socially responsible investing and divesting rest on the assumption that corporations have an obligation to act in a socially responsible manner. This assumption is not beyond dispute. A more traditional understanding of corporate responsibility asserts that corporations exist only to make a profit. Business ethics require nothing more of managers and employees than that they follow the law in the conduct of their business. Underlying this free-market view is the premise that society is best served when the corporation is free to respond to market forces, which drive the company to provide products and services that people need and want. In return, the company earns a profit, good jobs are created, shareholder value increases, and income is generated. Any action that the corporation takes to benefit society—beyond what the law and market demand—is simply a matter of charity, commendable but not required.

This traditional, free-market view of corporate social responsibility has in recent decades fallen more and more out of favor, especially as corporations have become larger and multinational. In many ways, the largest corporations resemble small governments in the influence they wield over people's lives. Moreover, advances in technology, communications, and travel have made the world a much smaller place. Today, a large corporation's business decisions have far-reaching effects. With this greater power and influence comes the need for safeguards to ensure that corporations exercise their power responsibly. Ethical rules, along with statutory regulations, serve as a check on corporate power.

Just as governments of wealthy nations have recognized their responsibility to people living in developing countries, corporations have recognized that they have duties beyond earning profits and following the letter of the law. The contemporary view of corporate social responsibility affirms

the profit-making function of a corporation, but insists that the corporation need not make the maximum amount of profit possible. Adherents to the contemporary view ask managers to settle for less-than-maximum profits, so that some earnings can be used for non-economic ends. Contributing to society is not discretionary, but obligatory, under a variety of ethical principles. Among these principles are the following.

• Principle of Human Dignity:

Every person, as uniquely created in the image of God, enjoys a special dignity that is inviolable. For over a century, Catholic social teaching has relied on this principle to insist that economic systems must serve and promote human dignity. With this dignity come certain fundamental rights, both economic and political, such as the right to a living wage, adequate housing, health care, education, free speech, assembly and the practice of one's religion. The exercise of these rights, and their corresponding duties, is essential

The Global Sullivan Principles

The Preamble

The objectives of the Global Sullivan Principles are to support economic, social and political justice by companies where they do business; to support human rights and to encourage equal opportunity at all levels of employment, including racial and gender diversity on decision making committees and boards; to train and advance disadvantaged workers for technical, supervisory and management opportunities; and to assist with greater tolerance and understanding among peoples; thereby, helping to improve the quality of life for communities, workers and children with dignity and equality.

The Principles

As a company which endorses the Global Sullivan Principles we will respect the law, and as a responsible member of society we will apply these Principles with integrity consistent with the legitimate role of business. We will develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these Principles throughout our organization. We believe the application of these Principles will achieve greater tolerance and better understanding among peoples, and advance the culture of peace.

Accordingly, we will:

- Express our support for universal human rights and, particularly, those of our employees, the communities within which we operate, and parties with whom we do business.
- Promote equal opportunity for our employees at all levels of the company with respect to issues such as color, race, gender, age, ethnicity or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse.
- Respect our employees' voluntary freedom of association.
- Compensate our employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities.
- Provide a safe and healthy workplace; protect human health and the environment; and promote sustainable development.
- Promote fair competition including respect for intellectual and other property rights, and not offer, pay or accept bribes.
- Work with governments and communities in which we do

business to improve the quality of life in those communities—their educational, cultural, economic and social well-being—and seek to provide training and opportunities for workers from disadvantaged backgrounds.

- Promote the application of these principles by those with whom we do business.

We will be transparent in our implementation of these principles and provide information which demonstrates publicly our commitment to them.

For more on the Global Sullivan Principles, go to www.globalsullivanprinciples.org.

to safeguarding the dignity of each person. This principle has been codified in Catholic social teaching. These rights are not absolute—they must be balanced against the rights of others in a community. But no balancing of rights should undermine the integrity of the human person.

• **Principle of the Common Good:** As human beings, we are social creatures—we necessarily live in community with other people. Without community, we would not be able to thrive as human beings. The common good calls us beyond our own self-interest and asks us to consider our obligation to other individuals and to the community as a whole. Just as it must promote the dignity of the person, our economic system must enhance the communities in which we live. In a world drawn more closely together by travel, communications and commerce, our notion of community and the common good encompasses more than our local community. It embraces the entire world.

• **Principle of Justice:** In human relationships, we must treat one another with fairness and equity, giving to others that to which they are entitled as human persons. Catholic social teaching has emphasized our special obligation to help the poor, marginalized and vulnerable in our society. Justice demands that a corporation must treat not only its employees fairly, but must consider how its business decisions affect others in the community. Business leaders must be responsible stewards of the resources at their disposal. In their 1986 pastoral letter, *Economic Justice for All*, the U.S. Catholic Bishops emphasized, “The freedom of entrepreneurship, business, and finance should be protected, but the accountability of this freedom to the common good and the norms of justice must be assured.”¹

Those who embrace the contemporary view of corporate social responsibility

would generally accept these principles and rely on them to help guide their business decision-making. Still, asking managers and shareholders to look to the long-term and to settle for less-than-maximum profits is a hard sell in many boardrooms, especially in recent times when stock prices have tumbled and attorneys, analysts and auditors have scrutinized every business decision. Cost-benefit analysis still rules the day. In spite of the cold, utilitarian calculus of the bottom line, adherents to the contemporary view persist in urging managers to consider the non-economic consequences of their actions.

If “doing the right thing” according to ethical principles is not enough reason to convince skeptical managers and shareholders, then one could more practically argue that it’s good business. First, by helping to improve the quality of life in communities where their goods and services are sold, corporations sustain markets for the future. Moreover, acting in a socially responsible manner can create good will among consumers. Good works by business often lead to good PR, which is especially valuable today when many corporate executives are under suspicion for suspect accounting, insider trading or extravagant compensation deals. Finally, governments frequently both reward and encourage social responsibility with a variety of business-friendly regulations and tax breaks, thus lowering the cost of doing business.

These practical arguments, however valid, reduce corporate practice to the lowest common denominator: self-interested profit making. They obscure from view the unique vocation of the Christian business person. As the U.S. Catholic bishops asserted: “Business people, managers, investors, and financiers follow a vital Christian vocation when they act responsibly and seek the common good. We encourage and support a renewed sense of vocation in the business community.”²

This, like any vocation, is not always easy, for business leaders



“Have you noticed ethics creeping into some of these deals lately?”

must try to live out neatly defined ethical principles amid the messy complexities of doing business. Balancing the interests of shareholders, employees, managers and the community is not an easy task. In a year where so much attention has focused on the alarming greed and misconduct of a few business executives and big-time investors, we must commend and support those who have faithfully lived their vocation. Let us recall, especially now, Pope John Paul II’s own encouraging words to business managers in 1983: “The degree of well-being which society today enjoys would be unthinkable without the dynamic figure of the business person...”³

A corporation is a fictitious person, a construct of the law. A corporation has no conscience, no moral center, apart from those who work for the corporation and invest in it. Socially responsible investing and business practices thus depend on the conscience of each person who has economic power. Both investor and manager share the obligation to form their own conscience. To do so, they must sensitize themselves to the struggle for economic justice, become more aware of the plight of the poor, boldly strive for the common good and vigilantly defend human dignity. Only then do they uphold their vital Christian vocation in this complex world. ♦

1 U.S. Catholic Bishops, *Economic Justice for All*, paragraph 110.

2 U.S. Catholic Bishops, *Economic Justice for All*, paragraph 117.

3 Pope John Paul II, Address to Business Men and Economic Managers (Milan, May 22, 1983) in *L’Osservatore Romano*, weekly edition in English (June 20, 1983):9:1, as quoted in U.S. Catholic Bishops, *Economic Justice for All*, paragraph 110.

Summary of Abbott's programs in developing countries

Abbott Access

Launched in 2001, the aim of Abbott Access is to broaden access to Abbott's antiretrovirals and rapid test to 68 countries, covering Africa and Least Developed Countries, at a loss or at no profit, respectively, to Abbott. To learn more, visit www.accesstohivcare.org.

Determine Donation Program

In June 2002, Abbott announced it would donate up to 20 million of its rapid (15 minutes) test, *Determine HIV*, over five years to programs aimed at preventing mother-to-child transmission (PMTCT) in Africa and Least Developed Countries. This offer is available to qualified PMTCT programs. To learn more, visit www.abbott-pmtct-testing.org.

Tanzania Care

In 2002, Abbott initiated a program to help strengthen the national health care system in Tanzania in partnership with the government. This program will cover multiple hospitals and laboratories to increase training of medical workers and laboratory personnel; to expand access to voluntary testing and counseling and treatment; and to create a national reference and teaching center at Muhimbili National Hospital. The long-term vision is for Muhimbili to become a center of excellence for the region.

Mr. White is the chairman and CEO of Abbott Laboratories.

A Trip of Hope

MILES WHITE

No boardrooms. No presentations. No familiar faces. Indeed, nothing familiar. It was a business trip unlike any other, and one of the most informative, productive, humbling and uplifting trips I have ever made. I traveled to Tanzania and Uganda this past April to see, first-hand, the impact of AIDS on the population there.

I was also there to see the results of several Abbott Laboratories projects launched in 2000. It was heartening to hear from doctors, community leaders, government officials, nongovernmental organizations and patients who showed me how our efforts are making a difference in the fight against AIDS. By the time I boarded the plane to return home, I had decided to expand our AIDS-response activities throughout Africa.

Corporate social responsibility has long been a part of Abbott's business ethos. Nearly two decades ago, none of us could have imagined the catastrophic impact of AIDS on entire communities, countries, a continent and, indeed, generations. Abbott's own history in the fight against AIDS began with the development of the first licensed test to detect HIV in 1985. Since then, we have introduced other diagnostics and antiretroviral drugs¹ to enhance quality of life for patients.

Clearly one of the greatest challenges in addressing HIV/AIDS is expanding health care access to people in countries that are hardest hit and with the fewest resources. Under our Abbott Access initiative launched in 2001, we began making our antiretroviral drugs and rapid HIV tests available at no-profit levels to Africa and the Least Developed Countries (LDCs). Based on what I learned on my trip to Tanzania and Uganda, we reduced the prices of

our drugs even further, making them available at a loss to our company and redoubling our efforts to get these products to as many developing countries and patients as possible.

As critical as it is, providing drugs is only one aspect of a much larger response that is needed. Fighting AIDS in a sustainable manner means putting partnerships and community engagement at the center of all of our initiatives. For us, this involves listening to needs and developing solutions together. Of particular interest during my trip was the progress of our *Step Forward ...for the world's children* initiative, which funds model community programs to help orphans and other children affected by AIDS.

One such program is at the Kipande School in Tukuyu, a remote village in the mountains of southwestern Tanzania. The local people there were justifiably proud to show me what they had accomplished with a grant from

I urge other CEOs to travel to the developing world. Nothing is more powerful and compelling than seeing the face of AIDS directly; it would be difficult for anyone to visit these countries and not want to do more.

Step Forward and their own labor. They built new classrooms, a kitchen and a dining room in the school; planted a vegetable garden to feed the children; installed a new water harvesting system; improved a main road; and constructed a bridge over one of the rivers surrounding the school. In one year alone, Kipande school attendance rose from 50 percent to 94 percent, and its academic ranking soared from 22nd in the district to first place. The Kipande School has become a focal point for transforming lives in that community.

In my travels, I also identified new partnership opportunities. In village after village, the stark reality of seeing children affected by the disease from birth brought home the issue of prevention of mother-to-child transmission (PMTCT). Unfortunately, due to the lack of testing and the stigma of AIDS, less than 10 percent of pregnant women throughout Africa know their HIV status. Speaking with nongovernmental organizations, I learned that while testing is a crucial component of PMTCT programs, it is also one of the most expensive because of the need for skilled labor, infrastructure, counseling services and the cost of the tests themselves. I believed Abbott could fill an immediate need that would have far-reaching impact. Soon after I returned, we announced that Abbott would donate up to 20 million of our rapid tests, *Determine HIV*, to qualified PMTCT programs throughout Africa and LDCs over the next five years.

Our donation program is the first of its kind. It eliminates the cost of purchasing tests and reduces related labor expenses due to *Determine*'s relative ease of use in comparison to traditional diagnostics. Our hope is that Abbott's offer of free tests will spur the creation of new PMTCT programs. Abbott's donation will enable more pregnant women to get tested, and in partnership with Boehringer-Ingelheim—whose drug helps reduce the transmission of the virus to newborns—more women who are HIV-positive will receive treatment. Our other partners include the Elizabeth Glaser Pediatric AIDS Foundation, Catholic Medical Mission Board, governments and others.

My conversations during this trip also affirmed how private-public partnerships contribute to the sustainability of AIDS programs.

¹ **Antiretroviral medications** — Medications that temporarily suppress viral replication and improve symptoms, but do not cure the HIV infection. They have various adverse effects and patients receiving these medicines require careful monitoring by adequately trained health professionals. For these reasons, continued rigorous promotion of measures to prevent new infections is essential. —World Health Organization (www.who.int)



PHOTO: CRAIG BENDER, PARIS, COURTESY OF ABBOTT LABORATORIES

Miles White, chairman and CEO of Abbott Laboratories, hears directly from children at the Kurasini Children's Home during his visit to Dar es Salaam, Tanzania. Abbott's "Step Forward" grants helped pay for renovations of Kurasini, which houses and cares for some 75 children who are without immediate or extended family to care for them due to AIDS.

Muhimbili Hospital in Dar es Salaam plays a critical role in Tanzania, yet this public hospital is in desperate need of revitalization and basic repair. It was clear that some targeted infrastructure and systems improvements would dramatically expand the hospital's ability to treat HIV patients. Walking through the wards, I decided that Abbott must contribute to Muhimbili's modernization. Over the next five years, we will partner with the Ministry of Health to restore the hospital's laboratory capacity; build an HIV center that includes a day hospital, outpatient clinic, counseling and psychosocial support facilities; create a national HIV teaching center; and introduce pharmacy, health information and management systems. We will also enhance the laboratory capabilities of 20 additional hospitals throughout Tanzania.

By the year 2007, Abbott expects to invest \$100 million in

all of our AIDS-related humanitarian programs. We will also continue to urge other companies to join the fight. At forums such as the recent International AIDS Conference in Barcelona, the Global Business Coalition on HIV/AIDS, the Global Health Council, and the Corporate Council on Africa, we are sharing our programs, experiences and best practices.

Moving forward, I will seek opportunities to invite business leaders to visit our projects throughout Africa and to get involved with us. Advocacy by the faith-based community—which has long been in the forefront of delivering health care in Africa—has also kept the world's attention on AIDS. Indeed, we must continue to encourage each other's work.

I urge other CEOs to travel to the developing world. Nothing is more powerful and compelling than seeing the face of AIDS directly; it would be difficult for

anyone to visit these countries and not want to do more.

Much more needs to be done. Turning the tide against AIDS requires the cooperation and leadership of governments, nongovernmental groups, faith-based organizations, patient advocates, United Nations agencies, foundations and companies.

Most remarkable to me during this trip was the sense of hope among the people affected by AIDS and those who are serving them. It takes hope to convince others to invest in fighting this pandemic and to sustain the energy and resources of those already engaged. I have seen firsthand how partnerships, commitment, resources and a shared sense of hope are helping people throughout the continent.

Every effort counts. Sometimes success is measured one child, one family or one village at a time. For each one who has been touched, it makes all the difference in the world. ♦



Launched by the Abbott Laboratories Fund in 2000, *Step Forward* assists orphans and vulnerable children who are infected and affected by HIV/AIDS and the communities that care for them. *Step Forward* funds model programs in Burkina Faso, India, Tanzania and Romania. The programs address four interrelated areas: health care services and infrastructure; voluntary HIV counseling and testing; education; and basic community needs, such as clean water.

To learn more, visit www.stepforwardforchildren.org



PHOTO: BLUE MANGO PHOTOGRAPHY, TANZANIA, COURTESY OF ABBOTT LABORATORIES

After nearly 50 years of marriage, this Tanzanian couple had hoped to be cared for in the golden years by their grown children. Instead, their daughter is extremely ill with AIDS and they have become parents once again, to her young children.

Shareholder Advocacy and the AIDS Pandemic: A Case Study

SR. DORIS GORMLEY, S.F.C.C.

No longer can our global society look the other way and ignore the fact that the spread of HIV/AIDS in the developing world has reached pandemic proportions. This disease has already infected 62 million people in Africa, killing nearly one-third of them—a staggering 22 million people. It is the world's fourth greatest killer, causing nearly five percent of all deaths worldwide and 20 percent of all deaths in sub-Saharan Africa. AIDS is destroying what there is of Africa's economy, dissolving the extended family structure and annihilating the 15–50 year old population. UNAIDS recognizes the epidemic as “the most devastating disease humankind has ever faced.”

General Congregation 34 exhorted the Jesuits “...to do whatever [they] can to change international attitudes and behavior towards Africa.” Having subsequently adopted the AIDS crisis in Africa as its primary shareholder advocacy priority, the National Jesuit Committee on Investment Responsibility (NJCIR) (see *U.S. Jesuits and Investment Responsibility History* on page 7) leveraged Jesuit province investments in a strategy to provide greater access to prevention and care of HIV/AIDS for the majority of infected persons in Africa. At that time (September 2001), five Jesuit provinces held Abbott Laboratories equities in their portfolios. In consultation with the Interfaith Center on Corporate Responsibility (ICCR), the Maryland

Province agreed to take the lead shareholder role in working with the company. The Chicago, Detroit and Oregon Provinces agreed to co-file the resolution with the Christian Brothers Investment Services, the Women's Division of the General Board of Global Ministries of the United Methodist Church, and the Amalgamated Bank Longview Collective Investment Fund.

During the summer of 2001, the U.N. General Assembly held a special session to address the AIDS crisis. Several initiatives resulted from that meeting, including the United Nations Accelerating Access Initiative (AAI) and the Global AIDS Fund, which identified a goal of \$7 billion per year to fight the disease. That same summer, ICCR began organizing a strategy to bring the issue of affordable drugs before the pharmaceutical corporations that research and develop products to treat AIDS.

In November 2001, NJCIR

Sr. Gormley is a consultant to the Jesuit Conference, facilitating communication and cooperation between ICCR and the Jesuit provinces.

notified Miles D. White, CEO of Abbott, that it was filing a shareholder resolution asking "...the Board of Directors to develop and implement a policy to provide pharmaceuticals for the prevention and treatment of HIV/AIDS, malaria and TB in ways that the majority of infected persons in African nations can afford." In addition to the Abbott filing, Jesuit provinces co-filed the resolution with Bristol Meyers Squibb, Merck, Eli Lilly and Pfizer, all of which are part of the Accelerating Access Initiative.

Faith-based investors believe that pharmaceutical companies have a unique mission to promote health and that all corporations, as stakeholders in the global community, have a responsibility to provide a social and environmental return to shareholders as well—as a financial return. This is commonly referred to as the "triple bottom line." With AIDS, there is also a clear

pragmatic reason to take decisive action: the devastation of the current and future African economy wrought by the AIDS pandemic will eliminate new markets for the distribution of products and services. In other words, multinational corporations have a business stake in the resolution of this crisis.

Before the resolution was filed, Abbott had already agreed to decrease the price for its two anti-HIV drugs, cutting the annual price per patient for each drug from \$6,000 to \$650 (a price that yields no profit to Abbott). On the surface, this seemed to be a bold step, but in fact, other companies were making their drugs available for even lower prices and a few companies were actually donating their products. On a continent where the average annual per capita income is less than \$400, Abbott's \$650 price tag still kept these drugs inaccessible for most of the

infected persons in sub-Saharan Africa.

In February 2002, after the shareholder resolution was filed, a group of the faith-based investors met with three members of Abbott's staff at ICCR's New York offices. At that meeting, the investors agreed that Abbott was lagging well behind in its efforts to address the HIV/AIDS pandemic, in contrast to the initiatives of its peer pharmaceutical companies. Merck & Co. Inc., for instance, was engaged in a public/private partnership with Botswana and the Bill and Melinda Gates Foundation to address the country's infrastructure and handling of the AIDS crisis; both Merck and the Gates Foundation contributed \$50 million. The consensus from the Abbott/ICCR meeting was that the shareholder resolution would remain on the proxy ballot for the April 2002 Abbott annual meeting.

continued on page 18

Many countries in sub-Saharan Africa are being decimated by the AIDS epidemic, with 28 million of the 40 million persons currently living with HIV calling that region home. Up to 35% of adults in some regions are living with HIV, and life expectancies in particularly hard-hit countries like Zimbabwe have dropped significantly—from 65 years before the AIDS epidemic to a current life expectancy of 36 years. In the next 15 years, up to 30% of the workforce in some countries will die from AIDS.

UNAIDS has shown that in Ivory Coast, families living with AIDS experienced a two-thirds reduction in monthly income, causing many to go into debt despite a 50% decrease in monthly consumption.



In Uganda, 65% of AIDS-affected households studied were obliged to sell property to pay for traditional care, and children were often forced to discontinue schooling because they were needed for labor, and because the family could no longer afford school fees. These data suggest that many of the 14 million children who have lost one or both parents to AIDS will face a future without an education and without an inheritance of land or livestock.

The annual per capita income of persons in countries like Burundi, Kenya, Rwanda, Uganda and Zambia is less than \$400, making the current cost of many HIV/AIDS drugs prohibitively expensive.

Source: UNAIDS, www.unaids.org

PHOTO: NASA. IMAGE DATA: AVHRR, MODIS, SEAWIFS, MODIS, JKEP, DNP2 & SVP 2000 CATALOG, AVHRR AND SEAWIFS TEXTURE, RETO STOCK, VISUALIZATION, MARIT, JENOT-HILSEN, VLA, NASA, GSFC

Accelerating Access Initiative

Begun in December 2001, Accelerating Access represents a redoubling of efforts by UNAIDS to assist countries in implementing comprehensive packages of care for their citizens living with HIV/AIDS. It includes UNAIDS' advocacy and policy guidance on HIV care at the global level and also involves "fast track" support for those developing countries that have formally indicated that they wish to significantly expand access to HIV care, support and treatment, and that want assistance from UNAIDS. At the same time, UNAIDS will continue to advocate for a basic package of care (including voluntary counseling and testing and psycho-social support) to be provided to all countries.

The initiative emerged out of a partnership between the United Nations (the UNAIDS Secretariat, UNICEF, UNFPA, WHO and the World Bank) and five pharmaceutical companies (Boehringer-Ingelheim, Bristol Myers Squibb, F. Hoffmann-La Roche, GlaxoSmithKline, and Merck & Co., Inc.). It has since been broadened to include other members of the industry.

See www.unaids.org for more details.



PHOTO COURTESY OF UNITED METHODIST CHURCH

Shareholder filers meet outside the Abbott Pharmaceuticals annual board meeting in Chicago in April.

FRONT L-R: Artemus Gaye, United Methodist Church; Doris Gormley S.F.C.C., Jesuit Conference; Laurie Michalowski, S.S.S.F., United Methodist Church. BACK L-R: Richard Ryscavage S.J., Jesuit Conference; Jon Fuller S.J., M.D., Boston Medical Center; Peter Clark S.J., St. Joseph's University; Kevin O'Brien S.J., J.D., St. Joseph's University; Kurt Denk S.J., Loyola College.

Prior to the annual meeting ICCR and the Jesuit Conference issued press releases outlining the reasons for filing the shareholder resolution. In addition, a letter was sent to all 28 Jesuit colleges and universities encouraging them to vote in favor of the resolution, and a request was circulated to all Jesuits and their associates to pray for the success of the vote.

Fr. Jon Fuller S.J., M.D., a clinician in practice with HIV/AIDS patients who has had clinical experience in Africa, agreed to speak at the Abbott annual meeting in support of the resolution. I was also a speaker. Fr. Rick Ryscavage, Fr. Peter Clark, Kurt Denk and Kevin O'Brien also attended. The presence of these Jesuits at the meeting and their informal conversation with Abbott executives afterwards were clear testimony to the Society's commitment to this issue.

When Fr. Fuller and I had finished our presentations, Mr. White recounted his recent trip to Tanzania and pledged to take further steps to address the AIDS crisis (see *A Trip of Hope* on page 14). The shareholder resolution received four percent of the vote (approximately 51 million shares). Although this outcome may seem quite small, most corporations recognize a four percent vote as a significant advocacy success, especially when company management advises voting against the proposal, which Abbott did.

In an interview in *The Wall Street Journal* two months later, Mr. White discussed a host of new initiatives, which included a commitment of \$100 million over five years to rebuild a Tanzanian hospital network for treating AIDS, a further reduction of drug prices, and donations of Abbott's diagnostic test for HIV/AIDS to programs for prevention of mother-to-child transmission (PMTCT) in developing countries.

While pleased that Abbott was responding more significantly to this crisis, NJCIR was disappointed at the modest price reduction, which still kept the drugs beyond the reach of most infected persons. NJCIR requested a second dialogue with Abbott in August 2002. Members of Abbott's staff, representatives from AXIOS International (a consulting firm contracted by Abbott to implement its initiatives in developing countries) and members of the shareholder advocacy group gathered for this second meeting, at which Abbott presented the particulars of its new initiatives. The number of participants—24 in total—was a testament to the seriousness and focus that both groups brought to these dialogues. While the meeting was another step in nurturing positive working relationships, it was clear that issues remained to be addressed.

With these latest initiatives, it appears that Abbott has moved slightly ahead of its peers in its response to the HIV/AIDS pandemic. At the same time, there is room for improvement on the issue of accessibility for infected persons, for whom affordability of care is the primary stumbling block. This continues to be the investor-advocates' priority.

As faith-based investors, we strive for collaboration and common ground with companies. The leverage of stock ownership, coupled with the presence and witness of the faithful, brings the worldview and value prioritization of the Jesuits and others in the faith community into our deliberations with major global corporations. While these multinationals have the power to effect change on a dramatic scale, no sector of society can contain this pandemic alone. The issue is both complex and daunting, requiring the political will, commitment and partnership of public and private sectors to harness this disease. The scope and complexity of the problem are no excuse for delay or inaction. We will continue our efforts to challenge Abbott and other corporations to embrace a new perspective on this issue that affects all of us so profoundly. The Gospel calls us to be faithful, especially in the face of these continued challenges. We will continue to pursue justice for the afflicted in Africa. ✦

The Spirituality of Shareholder Resolutions

REV. JON FULLER, S.J., M.D., AND REV. TOM MASSARO, S.J.

St. Ignatius of Loyola bequeathed to us a distinctive spiritual vision, a way of seeing the world that affects all we do. Inspired by this Ignatian vision, Jesuits and those who share their spirituality find themselves engaged in numerous types of social involvements to serve humanity and to give glory to God.

We should not be surprised that the practice of socially responsible investing entails making unpopular political stances. We are called to undertake economic initiatives, such as shareholder actions pertaining to corporate responsibility on the part of multinational pharmaceutical firms (see *Shareholder Advocacy and the AIDS Pandemic: A Case Study* on page 16). Several Jesuit provinces have sponsored the Abbott resolution as a strategy to advance the cause of justice in the distribution of key resources.

The goal of filing resolutions with pharmaceutical companies is to increase the availability of the life-saving drugs they produce—in this particular instance, HIV drugs. Millions of infected people, particularly in the poorest nations on earth, have no access to these pharmaceuticals because of their high cost. Unless corporations that control the “intellectual rights” to these drugs come under pressure to expand their distribution at more affordable costs, the mismatch of need and supply will continue with tragic consequences. The universal social concern that is part of the Ignatian vision finds this status quo intolerable.

This initiative is an excellent example of the convergence of Ignatian spirituality and the Jesuit ability to engage diverse sectors of civil society in advocating for the marginalized. Its members and colleagues “on the ground,” who hear the voices of those clamoring for life-saving therapies, have joined hands with financial, clinical, corporate and

ethical experts. The Jesuit worldview, spirituality and value prioritization have been made clear to multinational corporations with the power to effect change on a dramatic scale.

The documents of recent Jesuit General Congregations have embraced the preferential option for the poor with a partic-

To support measures such as the Abbott shareholder resolution is to advance the Ignatian vision that includes a fervent desire “to be of help to souls” and “to find God in all things.”

ular regard for the least advantaged; we are motivated to make special efforts to improve their lot. Inspired by the care Ignatius showed to the poor and lowly of his time, Jesuits in all lands seek out opportunities to identify themselves more closely with the lives of the poor. We seek to work with the poor, for the poor and on behalf of the poor, using whatever expertise and influence we can muster to improve the life chances of those who are marginalized in any way. Among the distinctive contributions we can make is to enter the corridors of corporate power in order to advocate for business policies to make the world more humane.

It is certainly no accident that such Jesuit initiatives resonate with the social teachings of the universal church. For more than a century, Catholic social teaching has called believers to advance the common good through actions and policies that support not only charity, but social justice. A consistent theme of this teaching is the imperative to distribute resources necessary for survival to where they will do the most good. This principle, sometimes referred to as “the universal destination of material goods,” justifies occasional departures from purely market procedures, mechanisms and distributions when these do not fully serve human life and progress.

Those who control capital, particularly large corporations, have an obligation to employ their productive power in ways that serve the common good, beyond narrow self-interest.

In recent years, Pope John Paul II has been an especially bold voice for corporate social responsibility. In his message to the Jubilee 2000 Debt Campaign, he addressed these issues when he wrote: “The Church has consistently taught that there is a ‘social mortgage’ on all private property. This concept must be applied to ‘intellectual property.’”¹ The Pope spoke even more directly to the obligations incumbent upon drug manufacturers when, in Tanzania in 1990, he urged:

“The AIDS epidemic calls for a supreme effort of international cooperation on the part of governments, the world medical and scientific community, and all those who exercise influence in developing a sense of moral responsibility in society. The threat is so great that indifference on the part of public authorities, condemnatory or discriminatory practices toward those affected by the...virus or self-interested rivalries in the search for a medical answer to this condition should be considered forms of collaboration in this terrible evil which has come upon humanity.”

The teachings about the just use of corporate power are ultimately an application of Ignatian spiritual principles writ large. While legitimate differences will persist regarding the extent and precise shape of these obligations to the poor of the world, to support measures such as the Abbott shareholder resolution is to advance the Ignatian vision that includes a fervent desire “to be of help to souls” and “to find God in all things.” In a world sharply divided between great affluence and desperate poverty, followers of Ignatius can do no less. ♦



Shareholder Responsibility

Most shareholders today exercise relatively little power in corporate governance. Although shareholders can and should vote on the selection of corporate directors and on investment questions and other policy matters, it appears that return on investment is the governing criterion in the relation between them and management. We do not believe that this is an adequate rationale for shareholder decisions. The question of how to relate the rights and responsibilities of shareholders to those of other people and communities affected by corporate decisions is complex and insufficiently understood. We therefore urge serious, long-term research and experimentation in this area. More effective ways of dealing with these questions are essential to enable firms to serve the common good. (306)

— U.S. Catholic Bishops Pastoral Letter,
Economic Justice For All

Fr. Fuller (California Province) is a staff physician at the Adult AIDS Program at Boston Medical Center. Fr. Massaro (New England Province) is a professor of moral theology at the Weston Jesuit School of Theology.

1 *L'Osservatore Romano*, 25 September 1999, p. 5.

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• WEB RESOURCES

www.iccr.org
Interfaith Center on Corporate Responsibility. ICCR's membership is an association of 275 faith-based institutional investors, including national denominations, religious communities, pension funds, endowments, hospital corporations, economic development funds and publishing companies.

www.irrc.org
Investor Responsibility Research Center. Provides impartial, independent research on corporate governance, proxy voting and corporate responsibility issues. IRRC offers guidance and advice on proxy voting and company profile information for portfolio screening and other purposes.

www.paxfund.com
Pax World Funds. The first broadly diversified, publicly available mutual fund to use social and financial criteria in its investment decisions. Social screening, shareholder activism, voting proxies, community investment.

www.socialinvest.org
Social Investment Forum. Offers comprehensive information, contacts and resources on socially responsible investing.

www.greenmoneyjournal.com
Greenmoney Journal. Socially and environmentally responsible investing and business information since 1992. In print and online.



www.sri-adviser.com
SRI World Group. Socially responsible investment center for financial advisers, money managers, and financial planners. Provides objective news, tools, and information products to better serve clients.

www.shareholderaction.org
Shareholder Action Network (SAN). Serves as a clearinghouse of information and analysis to the socially responsible investing (SRI) community on shareholder advocacy.

www.worldcsr.com
worldCSR.com. Business-oriented site that provides links to organizations engaged in socially responsible investing and sustainable development.

www.fairlabor.org

Fair Labor Association (FLA). Non-profit organization combining the efforts of industry, non-governmental organizations (NGOs), colleges and universities to promote adherence to international labor standards and improve working conditions worldwide.



www.kld.com
KLD Research & Analytics, Inc. Promotes global socially responsible investing by providing superior corporate social research products and services to institutional investors.

• SOCIAL INVESTMENT FUNDS

Calvert Social Investment Fund
www.calvert.com
A full family of mutual funds designed to help investors achieve financial security while helping to build a sustainable world and protect quality of life. Calvert has been in the mutual fund business for 25 years and manages more than \$8 billion in assets in 27 screened and non-screened portfolios for over 220,000 shareholders.



DEVCAP Shared Return Fund
www.devcap.org
The DEVCAP Shared Return Fund is a socially-screened mutual fund with both financial and social investment criteria. Investors may contribute a percentage of their total returns to microenterprise programs in developing countries.



Domini Social Investments
www.domini.com
An investment firm specializing exclusively in socially responsible investing, they manage more than \$1.2 billion in assets for individual and institutional investors who wish to integrate social and environmental criteria into their investment decisions. They manage the Domini Social Equity Fund, the oldest and largest socially and environmentally screened index fund in the world, as well as two unique investment vehicles that invest in community economic development—the Domini Social Bond Fund and the Domini Money Market Account.



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