

National Jesuit Committee on Investment Responsibility

2011 Annual Report



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NJCIR Mission

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

Invitation to Participate

Jesuit connections make our work more fruitful (*GC 35, D 6, n 29*). Jesuit-sponsored institutions and Ignatian colleagues can advocate for and influence corporate behavior for the common good in many ways. Below are some possibilities for collaborating with NJCIR.

- **Contact your Jesuit Provincial Representative.** Your provincial representative can offer you more information on how to collaborate with NJCIR or to learn more about what is happening locally with Jesuit shareholder advocacy and for guidance on how to vote your proxies consistent with our priorities. Contact information is on page 14.
- **Establish an advocacy portfolio that mirrors NJCIR's.** This is the most practical and easiest way for parishes, universities, high schools, retreat centers and other Jesuit-affiliated institutions to express their Jesuit mission through shareholder advocacy. At any given time, no more than five stocks would be held in your advocacy portfolio. Establishing a separate advocacy portfolio has emerged as a best practice for Jesuit treasurers and business managers of Jesuit institutions.
- **Influence your investment manager.** Encourage your investment manager to vote your proxies according to guidelines established by the Interfaith Center on Corporate Responsibility (ICCR), an organization of 275 faith-based investors that works to build a more just and sustainable world by integrating faith-based values into shareholder advocacy. Mutual funds and other registered investment companies are required to make their proxy voting records available.
- **Vote your proxies.** Strong votes for shareholder resolutions are often the catalyst for dialogue and change in corporate policies and practices. Annually, ICCR publishes helpful resources: *Proxy Voting Guide* gives an overview of socially responsible resolutions and guide to voting proxies, and the *Proxy Resolutions Book* contains the texts of shareholder proposals. Visit www.iccr.org for more information.
- **Co-file on a shareholder resolution led by NJCIR.** A large number of co-filers demonstrate broad support for change in corporate policy. Co-filers are consulted and included regarding corporate dialogues and strategies to engage the company. While NJCIR does not anticipate filing a resolution for the coming year, your provincial representative can assist you with this straightforward process as necessary.
- **Stay informed.** Visit www.njcir.org to keep up to date on Jesuit advocacy priorities and learn more about the history of the Jesuits' commitment to socially responsible investing and current news items.
- **Recommend an engagement.** See page 10 for guidelines for proposing a new engagement.
- **Pray.** Your prayers for NJCIR and for all those with whom we dialogue help to ensure that NJCIR engagements advance the service of faith and the promotion of justice.

Chairperson's Message

Greetings,

"It's not that we don't care, we just know that the fight ain't fair, so we keep on waiting, waiting for the world to change." John Mayer's lyrics showcase the frustration of many who know that we can't just wait – we must be proactive to change the world. That's what NJCIR does through socially responsible investing. We advocate for change in corporations by promoting human rights and water sustainability so that all of God's creation can flourish.

I wish you could witness how influential the Jesuits are in the work of shareholder engagement. In our meetings with companies, we encounter Jesuit alumni and parents of Jesuit students who are board members and executive officers. Their appreciation for their academic preparation and spiritual formation confirms the wisdom of the Provincials who mandate NJCIR's mission.

NJCIR's care in proceeding with shareholder resolutions is validated by the endorsements received in the past few years from major proxy advisory services. The favorable recommendation from ISS Proxy Advisory Services and strong vote received on this year's OM Group resolution to develop indicators for a human rights policy acknowledge that our position resonates with a larger shareholder constituency beyond socially conscious investors.

While NJCIR works on two issue areas and leads five shareholder engagements, we are inspired by and inspire other Jesuit initiatives for responsible investing. The Responsible Endowments Coalition (REC) is a catalyst for corporate social responsibility on campuses, including Loyola University Chicago and Seattle University (see page 11). As the representative of the New Orleans province to NJCIR, I am especially happy with how my province is working to promote human rights for inmates and detainees at for-profit prisons and detention centers (see page 11).

We appreciate the work of all of our collaborators and colleagues in promoting responsible investment. NJCIR is particularly grateful to Mark Hallinan, SJ and Carrie Nantais, both former Chairs, who have ended their formal terms of service but who will always be ambassadors for our work.

As always, we ask all within the Ignatian family to be mindful of ways your investments can indeed change the world. We invite you to collaborate with NJCIR so that "aided by grace and drawing on whatever professional capacities we may have that we try to offer ourselves to God fully, for his service" (*GC 35, D 2, n 13*).

With renewed vigor and zeal,

Mary Baudouin
NJCIR Chairperson
July 31, 2011
Feast of St. Ignatius of Loyola

Our Strategy

The National Jesuit Committee on Investment Responsibility (NJCIR) promotes social change in corporate practices through shareholder engagement. In light of Jesuit apostolic preferences, the NJCIR identifies social and economic justice priorities and collaborates with other religious institutional investors to advocate for corporate social responsibility. We strive to support internationally recognized norms for community and economic sustainability, environmental justice and human rights. We present the fiduciary case that Catholic social teaching principles (such as respect for human life, environmental stewardship, sustainable development, rights of workers and communities) best serve the interest of *all* stakeholders and therefore preserve shareholder value. NJCIR respectfully engages selected companies on issues in which we have proficiency, interest and capacity.

Faith-informed socially responsible investment (SRI) is a work of structural justice (*GC 35, D 3, n 28*). The NJCIR seeks to increase the participation, prayerful solidarity and awareness of SRI at Jesuit-sponsored institutions and among our friends and public. As active shareholders, the NJCIR expresses to corporations the concern and experiences of Jesuits and religious communities who witness the social impacts of multinational corporations both here and abroad.

Creighton Preparatory School is pleased to be able to partner with the Christ-centered work of NJCIR. We teach our young men in the classrooms that they are called to be men for others and instruments of social justice. This mandate calls us all to make decisions with regard to the dignity of the human person. Our participation with NJCIR is an example to the larger community that we live what we teach our students. When instructing our high school students that their decisions can and do make a difference in the world, our participation in socially responsible investing is a concrete example to them and others.

Michael F. Masek, Vice President for
Finance and Operations,
Creighton Preparatory School

A Jesuit Reflects



Jim Webb, SJ

You Cannot Serve Two Masters

Jesus said to his disciples: "No one can serve two masters.....You cannot serve God and wealth." (Matthew 6:24)

In reflecting on my foray into the corporate world at the May 18 annual meeting of Corn Products International, I was struck by the first words in this Gospel passage. Jesus said to his disciples: "No one can serve two masters..... You cannot serve God and wealth." As Jesuits we depend heavily on the income earned from investments in corporations whose primary aim is to maximize profit. As Jesuits too, we are invited to live in right relations with God, with fellow human beings and with creation. If we take the profits without challenging issues that involve corporate and ecological justice, we risk living a contradiction, a contradiction that would challenge the integrity of our mission.

Fr. Jim Webb, SJ
Provincial, English Canada Province

Bunge Limited (NYSE: BG)

Dialogue on Water Sustainability

Bunge is one of the world's largest agribusiness companies. Despite operating in one of the economy's most water-intensive sectors, the Company ranks low when considering how environmental stewardship is integrated into operations.

In her remarks at the Company's annual meeting on May 27, 2011, Mary Baudouin, NJCIR representative from the New Orleans province which leads this dialogue, summed up investors' concerns: "A global shortage of freshwater represents a financial risk. Shortcomings in water disclosure make it difficult for investors to assess the degree of water risk resulting from direct operations and key suppliers."

Investors have encouraged Bunge to complete the 2011 Carbon Disclosure Project Water Disclosure Questionnaire whose purpose is to make meaningful, systematic and comparable reporting on water a standard corporate practice globally. The questionnaire requests information on the risks and opportunities companies face in relation to water on behalf of 354 investors with assets of \$43 trillion. Data collected includes water usage and exposure to water stress in companies' own operations and in their supply chains and on companies' water management plans and governance. This information will provide valuable insight into the strategies deployed by many of the largest companies and will help drive investment towards sustainable water use.



Partially as a result of NJCIR's second dialogue with Bunge in April 2010, the Company used the World Business Council for Sustainable Development's "Water Tool" to identify 17 facilities that are near or adjacent to areas of water stress. The Company invited the Jesuit-led investor coalition to a third dialogue on February 3, 2011 to discuss a new Water Taskforce they formed to educate the operating units on water risks, to evaluate impacts on the value chain, and to propose a global approach to remediating problems. During the meeting, investors cited the need for analysis of impacts on local communities, including Bunge's impact beyond its industrial fence-line, to include assessing the water risks of contract farmers and other major suppliers.

"Food production and distribution are at the heart of Bunge's mission and at the heart of global food security. The world needs to increase global food production, and we all know that water is an essential ingredient to growing all crops. This increased production must be done sustainably! Bunge has been addressing this challenge as a company in a variety of ways."

"Our dialogue with the Jesuits on water has helped us view our operations and the broader issue of sustainable agriculture in new and rich ways. The dialogue has been respectful and, we believe, productive for both sides."

Carl Hausmann, Managing Director for
Global Government and Corporate Affairs,
Bunge Limited and Boston College Alumnus

Water-Related Business Risks

Unmanaged water risks can lead to increased costs or lost revenue because of diminished supply or quality. Types of water-related business risk include:

Physical risks stem from having too little water (scarcity), too much (flooding), or water unfit for use (pollution). These risks are caused by drought or long-term water scarcity, over-allocation among users, flooding or pollution that renders water unfit for use.

Regulatory risks occur because of changing, ineffective, poorly implemented, or inconsistent water policies and include higher tariffs, the redistribution of water rights and more stringent regulations governing water quality.

Reputational risks harm the corporate brand as a result of changes in how stakeholders view real or perceived negative impacts on water resources, the health and well-being of workers, ecosystems and communities.

Infrastructure risks disrupt operations because of inadequate or poorly maintained equipment and systems to deliver water of adequate quality and quantity. This can necessitate expensive investment to protect operations of long-lived assets already in place.

Product risks relate to decreased demand for water-intensive products.

Sources: Pacific Institute, CERES

Corn Products International (NYSE: CPO)

New Engagement on the Business Risks Associated with Water

NJCIR voted in September 2010 to initiate a new engagement on water sustainability with Corn Products International. As one of the world's largest corn refiners, water is intrinsic to the Company's operations at 48 plants in 20 countries when joint ventures, alliances and technical licenses are included. Jesuit alumni are well represented among the board and executive officers, including graduates of Georgetown, Loyola Marymount University, Loyola University Chicago and Marquette.

While the Company's website acknowledges the importance of corporate responsibility and sustainability, there is no meaningful data reported on water consumption, liquid and solid waste, or goals to reduce resource consumption. Moreover, Corn Products has yet to publish a Global Reporting Initiative sustainability report.

Fr. Jim Webb, SJ, provincial of English Canada which leads this engagement, wrote to the Company in December 2010 requesting a dialogue on the business risks associated with water. He was warmly received at the annual meeting on May 18, 2011 at the Company's suburban Chicago headquarters and the Vice President for Investor Relations agreed to convene a meeting with appropriate executives for later in the summer.

Winston Rye, SJ, the NJCIR representative from the Jesuits in English Canada, notes that "approximately 14% of Corn Products' sales are to the soft drink industry. The Company will likely be

subject to the inevitable requirements that Coca-Cola, PepsiCo and other soft drink manufacturers will make of their supply chains. This will also allow NJCIR to leverage the support of ICCR colleagues who are already engaging many of these companies on water risk issues.”

Chevron Corporation (NYSE: CVX)

Dialogue on Implementing and Monitoring Human Rights Policy

Chevron is one of the world’s six “supermajor” oil companies and operates in an industry with high incidences of human rights and environmental complications. Its operations in many countries with weak governance put the Company at risk for complicity in a range of human rights abuses. John Sealey, NJCIR representative for the Wisconsin province that has led this engagement, notes that NJCIR’s large shareholder coalition has continuously held that “strong human rights practices will reward shareholder value.” The Company announced a human rights policy in December 2009, after seven years of Jesuit-led dialogues and shareholder resolutions.

NJCIR’s October 2010 dialogue with Chevron was attended by 28 colleagues and Silvia Garrigo, Chevron Global Issues and Policy Manager. She reported that the four-year roll-out to embed the policy within the Company should be completed by 2013. New tools and trainings are being developed, including a guidance manual on resettlement and relations with indigenous peoples. Impact assessments have identified Nigeria, Indonesia, Colombia, Bangladesh, Vietnam, Angola and China as priority countries.

Investors have requested more specifics on human rights training and incentives and a fuller discussion on the internationally recognized concept of Free, Prior and Informed Consent (FPIC) with indigenous groups whose lives and livelihoods are affected by oil and gas operations. Furthermore, a 2010 report by the law firm Foley Hoag suggests that extractive companies that practice FPIC and fully engage local communities enjoy longer term project success and shareholder value.

Monsanto Company (NYSE: MON)

Dialogue on Implementing and Monitoring Human Rights Policy

Monsanto is a global leader in producing agricultural and vegetable seeds, plant and biotechnology traits, and crop protection chemicals. Over the past six years, NJCIR has worked with the Company to embed human rights due diligence into its global operations by training employees, using human rights impact assessments, monitoring and auditing results. In doing so, the Company has been very responsive to eradicating child labor among its contract growers which has been the focus of this engagement led by the Jesuits of the Missouri Province. However, the Company has agreed to expand the dialogue to include human rights impacts of the right to food, specifically seed saving rights for farmers, and the right to water.

Paul Desmarais, SJ, Director of the Kasisi Agricultural Training Institute (KATC) in Zambia, participated in a call with a dozen ICCR colleagues in December 2010 to present the merits of traditional agriculture. Operated by the Jesuits, KATC taught conventional (industrial) agriculture from its be-

Seed Policies and the Right to Food

I believe that both systems through which seeds are developed, improved, and distributed, deserve to be supported and strengthened. *But with the development of seed certification schemes and with the promotion by both governments and the private sector of uniform and 'commercial' varieties of seeds, the farmers' seed systems risk being marginalized and displaced. We would all lose, in the end, from such an evolution.* At the same time, small farmers should be given a real possibility to choose. If they consider commercial varieties to be more suitable to the kind of farming they wish to practice, they should have access to seeds at an affordable price, and in conditions that do not result in a dependency on firms whose economic power remains unchecked. If they wish to maintain the practice of exchanging and trading seeds that they have improved in the fields, they should be supported in doing so. For farmers at least, the right to food can be given a very simple definition: it is about being able to produce at conditions that are viable.

Olivier De Schutter
UN Special Rapporteur on the Right to Food
Statement to the 64th UN General Assembly
October 19, 2009
Emphasis in original

ginning, but then shifted to organic, sustainable agriculture in 1990. Farmers are taught how to produce more food on their farms by improving farm soil fertility and conserving a healthy environment through the use of organic fertilizers (e.g., compost and green manures) and crop rotations. Br. Desmarais contends that farmers using traditional agriculture can compete with yields of commercial seeds and is preferable for emerging economies like Zambia and many other parts of the world.

The Company values this dialogue to search for solutions to lessen the tensions that exist around the world between small farmers employing traditional agriculture methods and those using commercial seeds developed by the Company.



Bro. Paul Desmarais, SJ, Director of the Kasisi Agricultural Training Center in Zambia, speaking to Canadian Jesuits International during his sabbatical in 2010.

OM Group, Inc. (NYSE: OMG)

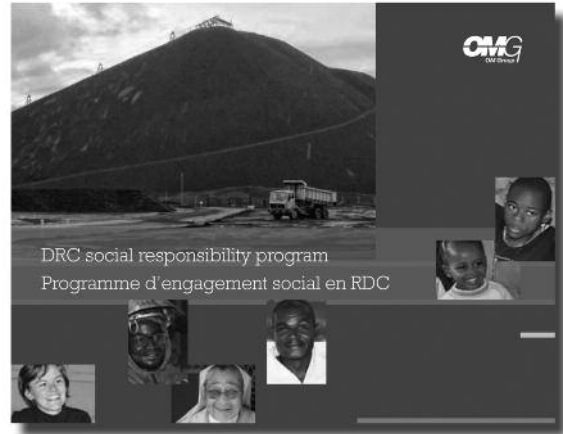
Resolution to Develop Indicators for a Human Rights Policy

NJCIR has engaged OM Group since October 2007 on issues related to safety concerns of small scale miners, including children, around the Company's cobalt smelter in Lubumbashi, Democratic Republic of the Congo (DRC). Cobalt is a small but essential component in many products from batteries to electronics.

The Jesuit-led stockholder proposal to *Develop Indicators for a Human Rights Policy* received 28.47% support (7,456,802 shares voting for) at the OM Group annual meeting held May 10, 2011

in Cleveland, OH. The resolution was filed by the Detroit Province and co-filed by nine other Jesuit provinces in the United States and English Canada, Loyola University Chicago, Creighton Prep, Regis High School, Catholic Health East, Mercy Investment Servicers and the Ursuline Sisters of Tildonk.

Shareholders decided to file the resolution because the Company's progress on developing a human rights policy lacked the substance required of the ordinary elements of human rights due diligence. Missing were plans for impact assessments, developing procedures to integrate human rights throughout the company, and monitoring and reporting on performance. The Company could demonstrate it respects human rights within its operations and spheres of influence through these standard operating procedures.



OM Group's recently published report on its DRC Social Responsibility Program was distributed at the annual meeting to inform shareholders of its charitable programs. However, international standards make clear that charitable good works do not absolve a corporation from infringing on the human rights of others. John Ruggie, the Special Representative for Business and Human Rights, explains in his 2009 report to the UN Human Rights Council: "These are worthy endeavors that may contribute to the engagement of human rights. But what is desirable for companies to do should not be confused with what is required of them. Nor do such desirable activities offset a company's failure to do what is required, namely to respect human rights throughout its operations and relationships."

At the annual meeting, shareholders reiterated their request that the CEO make his first-ever visit to the DRC. They also expressed concern that international standards hold OMG complicit for the human rights shortcomings of its joint venture partner, which owns the property adjacent to the smelter where small scale miners are routinely injured and deaths have occurred. Shareholders also suggested that future Board members come with experience of operations in countries with weak governance such as the DRC.

Wisdom from the Sages: Peter Henriot, SJ on the Church's Social Teaching and the Economy

"Something that distinguishes the Church's discussion of the economy – in Zambia or anywhere else for that matter – is that we are immediately drawn to ask questions, not about macro-economic indices, introduction of new technologies, or return on investments, but about people – what is happening to the people, and especially what is happening to the poor. That is because we are impelled to look not at a profit-centered economy but at a people-centered economy. We are pushed to ask questions about community, about rights, about cooperation, about gender, about empowerment, about ecological respect, about distribution, ultimately, about justice."

Peter Henriot, SJ, "The Church's Social Teaching and the Economy in Zambia,"
Presented at the University of Zambia, November 29, 2003

Occidental Petroleum Corporation (NYSE: OXY)

Concluding the Dialogue on the Engagement on Promoting Human Rights

With human rights firmly integrated into Occidental Petroleum's operations, NJCIR voted at its fall 2010 meeting to conclude this engagement. Led by the California Province, NJCIR contacted the Company in 2003 with concerns of the Jesuits of Colombia with possible human rights abuses by security forces assigned to protect the Company's oil pipeline operations in the Arauca region. Oxy formally adopted its Human Rights Policy in December 2004, after working closely with NJCIR. By 2010, it was evident that the Company was fulfilling its objectives of being an industry leader with respect to human rights. Mark Potter, NJCIR representative for the California province, reports that "Oxy places its corporate reputation as an explicit value to protect and is steadily improving its reporting to stakeholders."

Over the course of this engagement, dialogue topics included human rights training, impact assessments to determine human rights risk, integrating the policy throughout Company operations, protocols for use of armed security, social and economic aspects of community engagement, and transparency and reporting of human rights performance, including the need for independent verification of results. Additionally, Oxy executives presented at corporate social responsibility forums at Loyola Marymount University and the University of San Francisco.

Several Jesuit connections and ICCR colleagues contributed to the success of promoting human rights at Oxy. In Colombia, the Jesuit-run Center for Research and Popular Education (CINEP) provided reliable information as it closely monitored conflict and political violence in the country's oil producing region, and NJCIR facilitated meetings between Oxy executives and the Center. Human rights scholars affiliated with Jesuit law schools helped incorporate complex and nascent legal concepts into dialogues. Prominent ICCR colleagues included the Catholic Equity Fund, Christian Brothers Investment Services, Christus Health, Congregation of the Sisters of Charity of the Incarnate Word and the Sinsinawa Dominicans.

While Oxy still must resolve legal issues on allegations of human rights abuses that happened before this engagement, the policy and implementation procedures it now has in place make the Company a more attractive investment. Not only did this engagement achieve advantageous social goals but also a significant return on investment. From October 2003 when then California Provincial Tom Smolich, SJ, first wrote to CEO Ray

"We received substantial assistance from the Interfaith Center on Corporate Responsibility (led by the Jesuits) in drafting our Human Rights Policy in 2003 and 2004. The Policy has been a platform for employees, customers, local governments and neighbors to raise and address what are often sensitive cultural issues in a safe and supportive forum, such as tolerance and discrimination, health and safety, environmental stewardship and how civil society uses the royalties and proceeds from our operations."

Charles Weiss, Occidental Petroleum's Vice President for Health, Environment and Safety, addressing the Business for Social Responsibility session on Risk and Reward: Incorporating CSR into Due Diligence, November 4, 2010, New York City

Irani asking for a human rights policy, each province's investment has increased 496% by the September 2010 NJCIR meeting that voted to sunset this engagement. Investment performance would be considerably higher if reinvested dividends were included in the calculation. The California province will maintain stock in the Company and remain in contact to encourage continued emphasis on human rights.

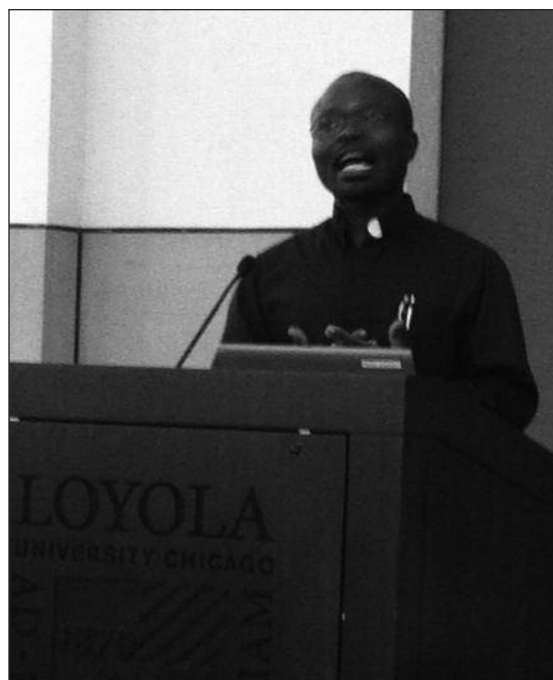
Guidelines for Proposing a New Engagement

Shareholder engagement is an effective way to address negative impacts of company operations on local communities. For example, NJCIR's engagements with Monsanto and Occidental Petroleum were initiated because Jesuits in Colombia expressed concern to their brother Jesuits in the United States. For Monsanto, there was concern with the impacts on local communities adjacent to fields where the Company's product *Round-up* was used to kill illegal narcotics.

Occasionally, NJCIR will end an engagement after satisfactory results have been obtained, such as with Occidental, which allows consideration of a new engagement. In addition, ICCR colleagues engage companies on a wide array of social and environmental issues and are another opportunity to address concerns forwarded to NJCIR.

NJCIR welcomes suggestions for new engagements that reflect the following guidelines. Please send suggestions to njcir@jesuit.org.

- 1 The company should be a U.S. based multinational that is publicly traded on the New York Stock Exchange, American Stock Exchange or NASDAQ.
- 2 Be specific about the adverse impacts of the corporation and what needs to be remedied. For example, human rights concerns include but are not limited to violations of the rights of indigenous populations or labor rights, abuses by armed security, pollution and other environmental damage including adverse health impacts on affected communities.
- 3 Identify local institutions or individuals, preferably Jesuit-related when possible, capable of providing reliable information to NJCIR.



Kafahire Murhula, SJ, a Jesuit of the Central Africa Province and doctoral student at Loyola University Chicago, gave welcoming remarks to the 2011 ICCR Annual Meeting held at Loyola, June 6-10, 2011. Fr. Murhula is a member of the Loyola Shareholder Advocacy Committee and has been an integral member of the Jesuit engagement with OM Group.

New Orleans Province Seeks Human Rights Protections for Inmates and Detainees

The New Orleans Province has engaged two of the proprietary prison industry's largest companies, which also have a concentration of facilities in the South. This is an example of how provinces occasionally join with other investors to address issues that are critical in their particular geographic region. The Jesuit Social Research Institute (JSRI), which is co-sponsored by the Jesuits of the New Orleans province and Loyola University New Orleans, has identified the growing number of detention centers, particularly those owned by publicly-held companies, as one of the most critical migration issues in the region. JSRI has documented violations of rights related to legal access, privacy, medical care, adequate food, personal security, and inhuman or degrading punishment. JSRI is now partnering with the New Orleans province and a cadre of faith-based investors that have asked Corrections Corporation of America (NYSE: CCA) and The GEO Group (NYSE: GEO) to review their policies and practices related to human rights to assess where additional protections need to be adopted.

Guest Editorial

SRI: An Opportunity for Contemplatives in Action



By Dan Apfel, Executive Director of Responsible Endowments Coalition, and Maura Rendes, Board Chair and Seattle University alumna

Through their investments, colleges and universities have a great opportunity to impact the world and create valuable learning experiences for students while still garnering strong returns. Since 2004, the Responsible Endowments Coalition (www.endowmentethics.org) has worked with trustees, administrators, faculty and students at over 100 schools to help institutions invest in their communities and engage the companies in which they own stock. Students have the opportunity to participate in and learn from important decisions that shape investment practices that benefit people, the planet and the portfolio. Student participation also helps the school to realize its educational mission while leaving the ultimate investment decision to professionals.

Loyola University Chicago's Shareholder Advocacy Committee (SAC), which includes faculty, staff and students, has become a national leader in using the university's endowment to promote social and environmental justice. Working with NJCIR and other religious investors, SAC has filed shareholder resolutions. In 2010 for example, Loyola's SAC resolution with J.P. Morgan Chase asked the bank to end its financing of mountaintop removal coal mining. REC helped the Com-

mittee engage more students and partner with other colleges to support their work to end this seriously destructive practice for both the environment and public health.

Further west, with REC's counsel to students, Seattle University made an investment of \$500,000 in microfinance institutions in the U.S. and Latin America. This investment brought capital to those who lack access to it and also allowed students insight into alleviating poverty.

REC believes the best way to teach the practices of solidarity and global citizenship is to model them through institutional commitments coupled with hands-on exploration and *engagement*. This experiential education, a nexus of civic activism and reflection, is at the core of Ignatian pedagogy and reflects the Jesuit notion of "contemplatives in action." REC welcomes the collaboration of more Jesuit colleges and universities.

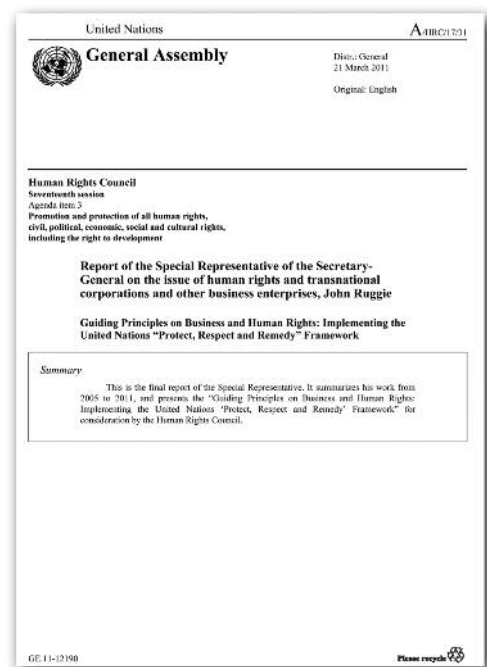
Featured Resources

New Guiding Principles on Business and Human Rights Endorsed by the UN Human Rights Council

The UN Human Rights Council (HRC) announced on June 16, 2011 that it had endorsed a new set of *Guiding Principles for Business and Human Rights* designed to provide for the first time a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity. The *Guiding Principles* are the product of six years of research led by Professor John Ruggie from Harvard University, involving governments, companies, business associations, civil society, affected individuals and groups, investors and others around the world. They are based on voluminous research and submissions from experts worldwide, including ICCR. The *Guiding Principles* provide a blueprint for companies to know and show that they are respecting human rights. The Human Rights Council commended Professor Ruggie for developing the UN "Protect, Respect and Remedy" framework, and recognized the role of the *Guiding Principles* in providing comprehensive recommendations for its implementation.

In his final report to the HRC, Ruggie noted that the *Guiding Principles* would not bring business and human rights challenges to an end but would provide a platform for action on which cumulative progress could be built. As a successor to Ruggie's work, the HRC established a three-year Working Group to be composed of five experts of balanced geographical representation to tailor measures when needed.

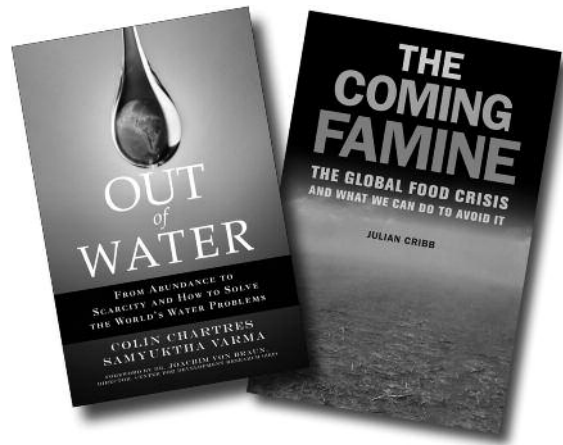
The *Guiding Principles* are available at: www.ohchr.org/documents/issues/business/A.HRC.17.31.pdf



Suggested Readings on Water Sustainability

Often during dialogues, shareholders will reference articles, reports and other expert commentary to support our case for a change in corporate behavior. However, at a recent meeting, Carl Hausmann, Managing Director for Global Government and Corporate Affairs at Bunge Limited, suggested that investors read the following two books to help understand the complexities of the world's food and water problems and to consider plausible solutions.

Out of Water: From Abundance to Scarcity and How to Solve the World's Water Problems by Colin Chartres and Samyuktha Varma and The Coming Famine: The Global Food Crisis and What We Can Do to Avoid It by Julian Cribb

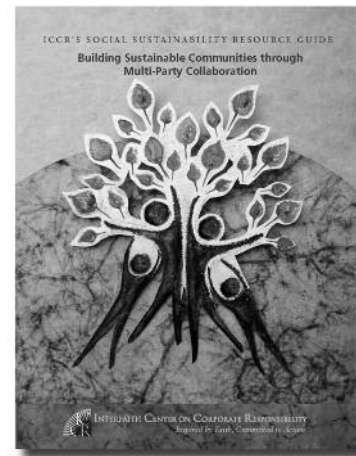


Social Sustainability Resource Guide

By Rev. David Schilling, Director of Human Rights, ICCR

Faith-based members of the Interfaith Center on Corporate Responsibility (ICCR) have one foot in companies as shareholders and one foot in communities as religious organizations with local, national and global faith-based partners. This dual role as investors and as community participants places ICCR members in a unique position to address the relationship between corporate operations and their social impacts on communities.

Drawing on this experience, ICCR recently published a *Social Sustainability Resource Guide (SSRG)*, "Building Sustainable Communities through Multi-Party Collaboration." The SSRG provides a framework for creating and applying social impact measurements in connection with corporate activities within communities where companies operate. ICCR calls for greater emphasis on a rigorous, collaborative, multi-party, multi-sector approach to social sustainability that is rooted in on-the-ground realities that impact people's lives. The SSRG includes a guide focused on communities at the center of the process to build structures that enhance community sustainability and positive change. Eight case studies drawn from different sectors and different parts of the world are included which provide learning opportunities of what works and why.



One case study is written by Austin Onuoha, African Centre for Corporate Responsibility, which describes a strategy of sustainable community empowerment in the Niger Delta area of Nigeria where Chevron shifted from a previous approach of "dumping" resources onto communities, to working through a community development model where community leaders have a greater role in the management of local development projects. The Jesuits, led by the Wisconsin Province, played an instrumental role in creating and supporting this community-based approach through filing shareholder resolutions and active dialogue with key Chevron representatives.

A Note of Gratitude

NJCIR appreciates the collaboration of the many ICCR colleagues, Jesuit provinces and sponsored institutions that supported our shareholder initiatives this year and for the many other ways they contribute to creating “a more humane business culture” (*GC 35, D 3, n 28*).

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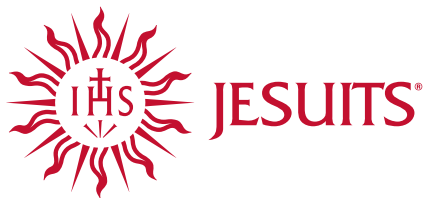
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Ad Maiorem Dei Gloriam



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