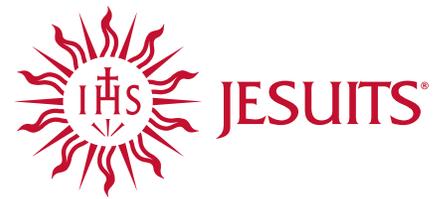


National Jesuit Committee on Investment Responsibility

2012 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 the work of NJCIR more fruitful. Jesuit-sponsored institutions and Ignatian colleagues can advocate for and influence corporate behavior for the common good in many ways. Below are some possibilities for collaborating with NJCIR.

- **Contact your Jesuit Provincial Representative.** Your provincial representative can offer you more information on how to collaborate with NJCIR, describe what is happening locally with Jesuit shareholder advocacy, and provide 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 easiest and most practical way for parishes, universities, high schools, retreat centers and other Jesuit-affiliated institutions to express their commitment to shareholder advocacy. At any given time, no more than five stocks would be held in your advocacy portfolio. Establishing an advocacy portfolio separate from other institutional investments has emerged as a best practice for Jesuit treasurers and business managers of Jesuit institutions.
- **Influence your investment manager.** Mutual funds and other registered investment companies are required to make their proxy voting records available to their clients. Review the voting records of your investment manager and encourage them to vote your proxies according to guidelines established by the Interfaith Center on Corporate Responsibility (ICCR), an organization of 275 faith-based investors, including the Jesuit Conference, that works to build a more just and sustainable world by integrating faith-based values into shareholder advocacy.
- **Vote your proxies.** Strong votes for shareholder resolutions are often the catalyst for dialogue and change in corporate policies and practices. Annually, ICCR publishes helpful resources: the *Proxy Voting Guide* gives an overview of socially responsible resolutions and a guide to voting proxies; the *Proxy Resolutions Book* contains the texts of shareholder proposals. Visit www.iccr.org for more information.
- **Co-file on a shareholder resolution led by 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 NJCIR shareholder initiatives and learn more about current news items and the history of the U.S. Jesuits' commitment to socially responsible investing.
- **Recommend an engagement.** See page 9 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

Thank you for your interest and welcome,

This has been a remarkable year of transitions and new connections for NJCIR as we continued to engage companies regarding their use of water and their care for human rights. We welcomed Nick Napolitano as the new representative for the Maryland, New England and New York Provinces and said goodbye to our long-time NJCIR colleagues Matthew Johnson, John Kleiderer, and Michael Linden, SJ who have each moved on to new work and ministry.

Relationships are central to our work and this year we also bid farewell to some of our company representatives. Silvia Garrigo has been a tireless internal proponent for Chevron's Human Rights Policy. Even as she takes on new responsibilities, we expect her to continue her leadership in support of human rights performance at Chevron and within the oil and gas sector. At Bunge Limited, Carl Hausmann retired as Managing Director for Global Government and Corporate Affairs. He is an insightful executive who understands how vital sustainability is to good corporate performance. Silvia and Carl are Jesuit educated which provided both common ground and shared commitment to the common good.

NJCIR also collaborates with other Jesuit ministries at gatherings such as the Ignatian Family Teach-In for Justice and the Jesuit Secondary Education Association Business Managers Conference. Responsible investing, shareholder advocacy and informed proxy voting advance the service of faith and promotion of justice, and NJCIR welcomes such opportunities to discuss our work and consult with Jesuit institutions regarding socially responsible investing.

In addition to the company reports which follow, we also include some guest insights. The *A Jesuit Reflects* column is offered by former Wisconsin Provincial Thomas Krettek, SJ who makes a strong case that shareholder value is best served when companies are committed to the well-being of all stakeholders. Guest commentaries are provided by Kathleen Rehbein of Marquette University, who addresses corporate social responsibility in her management classes and Patricia Jones, who offers a faith-based response to ensuring safe and sufficient water for all. Readers who want to become more informed and involved will also find practical information throughout the report.

NJCIR welcomes readers to consider how you and your institution can join our work. Our shared Ignatian values guide our corporate engagements. We do so respectfully but also thoroughly informed by local communities who may be adversely affected by company operations. May our efforts continue to be informed by the Church's option for the poor and provide voice to those whose suffering remains unheard.

For the Greater Glory of God,



John Sealey, Chairperson
July 31, 2012
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.

Loyola University Chicago is proud to be a long-time partner to NJCIR in its many initiatives to advocate for corporate behavior for the common good and protect shareholder value. NJCIR's work reflects the University's Jesuit mission to pursue inquiry in service of humanity.

Eric Jones, Chief Investment Officer and Treasurer, Loyola University Chicago



A Jesuit Reflects



Thomas Krettek, SJ

Business in Service to the Common Good

Jesuits are committed to making the case that corporations can and must both serve the good of shareholders and promote the common good because in the framework of Catholic social doctrine they are fundamentally the same. Shareholder value is increased rather than diminished when the common good is included in the equation.

The legal obligation of corporate officers to operate in the best interests of the corporation usually means maximizing shareholder wealth. This leads Joel Bakan, in his book *The Corporation: The Pathological Pursuit of Profit and Power*, to conclude that "Corporate social responsibility is thus illegal—at least when it is genuine." This state of affairs makes the ministry of NJCIR and socially responsible investing all the more important and imperative for they challenge the equating of "maximizing shareholder wealth" and "the best interests of the corporation." In so doing, they support and encourage what Bakan also notes as the commitment of contemporary corporate culture to conducting business in a socially responsible manner. The educational ad-

vocacy of shareholder engagement needs to address not only corporate officers but our fellow shareholders in whose interests corporate officers act.

Since we ourselves depend upon return on investments to support our ministries, we too stand in need of believing what we preach and teach. We are challenged to engage in shareholder activism not as antagonists but as co-learners, in the spirit articulated by Benedict XVI's counsel in Caritas in veritate that "The sharing of reciprocal duties is a more powerful incentive to action than the mere assertion of rights." Indeed, Catholic social teaching that views corporations in service to the common good and the Jesuit commitment to creating "a more humane business culture" (GC 35, D 3, n 28) work to ease the commonly held dichotomy of private profit and common good.

Rev. Thomas Krettek, SJ is Professor of Philosophy and Dean of First Studies Program Fordham University. He was previously provincial of the Wisconsin Province that led the engagement with Chevron that resulted in a human rights policy in December 2009.

Our Engagements on the Sustainable Use of Water

Bunge Limited (NYSE: BG)

Founded in 1818, Bunge celebrated its ten year anniversary of being listed on the New York Stock Exchange in 2011 and is now one of the world's largest agribusiness companies with assets on six continents. The company's size and global reach give it the potential to lead on critical sustainability issues such as water impacts of farmers in its supply chain, and assessing and managing water impacts on local communities as a result of company owned facilities.

Bunge formed a Water Task Force last year to educate its operating units on water risks, to evaluate impacts on the value chain, and to propose a global approach to addressing water scarcity. At the December 2011 dialogue, Mary Baudouin, who leads this engagement on behalf of the New Orleans Province, congratulated the company for setting a more aggressive goal to reduce water use per ton of output by 10% by December 2013. The company's prior goal set in 2009 was to reduce water use by 1% by the end of 2010; and the company exceeded that by an actual reduction of 14%. In addition to improving water use performance in its direct operations, the company also filed its first report on water with the Carbon Disclosure Project in June 2012.



The next dialogue will be in the fall of 2012. In addition to considerations of water management for the crops that Bunge processes, which is the point of greatest water use, social impacts on communities will also be a prominent topic. This engagement is supported by the Missionary Oblates of Mary Immaculate and Ceres, a national coalition of investors, environmental groups and other public interest organizations that work with companies to address sustainability challenges.

Ingredion (NYSE: INGR)

Ingredion, formerly Corn Products International, is NJCIR's newest engagement that began in September 2010. Like its agribusiness peers, the company operates in one of the most water-intensive sectors as corn is the company's basic raw material. A major objective of this dialogue is increased disclosure on water use that investors believe will drive improved management of water resources. This is significant since several of the company's plants source water from river basins with a high degree of water scarcity as is the case with company operations in Pakistan, Mexico, and Kenya.

Three NJCIR representatives and Winston Rye, SJ, who leads this engagement on behalf of the English Canada Province, met with company representatives twice in the past year. NJCIR congratulated the company on its formation of a Sustainability Council and the publication of its first Sustainability Update that was released right before the May 2012 annual meeting. At NJCIR's suggestion, in March the company held its first observance of World Water Day that featured programs on sustainability at several company facilities. NJCIR is joined in this engagement by Loyola University Chicago, the Missionary Oblates of Mary Immaculate, and Ceres.

The company made its Fortune 500 debut as the 390th largest U.S. based company when ranked by revenues for 2012. This ranking suggests that it will be included in future sustainability performance evaluations such as the annual Newsweek Green Rankings. The next dialogue will focus on measuring water use, the impact of wastewater discharge on local communities, and ways to improve sustainability reporting.

Reconciliation with Creation

"Care of the environment affects the quality of our relationships with God, with other human beings, and with creation itself."

GC 35 D 3 n 32

Guest Commentary

The Human Right to Water – Justice Flows Through Us



Patricia Jones

"The human right to water entitles everyone to sufficient, safe, acceptable, physically accessible, and affordable water for personal and domestic use." UN General Comment 15, Committee on Economic, Social and Cultural Rights, 2002

Communities of faith are finding increasingly that our pastoral care is inadequate to ease the suffering of 2.6 billion people who lack access to safe, affordable water and sanitation. Hundreds of thousands of women and girls spend four to six hours each day walking to water and hauling it home in heavy containers. Even more people are susceptible to water-borne diseases. Still more lack access to sufficient quantities to meet daily human needs for drinking, bathing, and preparing food – water that is enough for a life with dignity.

As the data began to emerge about the water crisis, in 2009 Pope Benedict XVI writing in Caritas in veritate urged people of faith to act: “The right to food, like the right to water, has an important place within the pursuit of other rights, beginning with the fundamental right to life. It is therefore necessary to cultivate a public conscience that considers food and access to water as universal rights of all human beings, without distinction or discrimination.” (CV 27)..“The Church has a responsibility towards creation and she must assert this responsibility in the public sphere.” (CV 51)

Corporations have a duty to respect human rights, including the human right to water. In a major development in international human rights law, PepsiCo adopted the first corporate human right to water policy through shareholder engagement by faith investors in 2009. Other corporations followed suit – Intel, Proctor and Gamble, and Connecticut Water. It is difficult to estimate the impact of the corporate actions on the international debate for an effective human rights framework to respect, protect and fulfill the human right to water. Equally, it would be difficult to estimate the impact of the faith traditions who took up the call. Internationally and domestically in the United States, the corporate adoption of human right to water policies was pivotal, and would not have happened without the engagement of faith investors. What is certain is that it will require the active engagement by faith investors to ensure that corporate policies related to the human right to water are implemented for the most marginalized communities – to ensure that “rivers of living water” are a reality on the ground.

Patricia Jones, PhD is the Environmental Justice Program Manager for the Unitarian Universalist Service Committee and has been the guiding force behind engaging corporations on the social impacts of corporate water use and human rights. She represents ICCR to the CEO Water Mandate.

Our Engagements on Promoting Human Rights

Chevron Corporation (NYSE: CVX)

Chevron is the third largest company in the United States and sixth largest in the world according to *Fortune* magazine’s 2012 rankings of companies by revenues. This globally integrated energy company acquired Atlas Energy, Inc. in 2011. In so doing, the implications of the controversial extraction method of hydraulic fracturing (commonly known as fracking) was added to the list of social and environmental issues the company faces. NJCIR, led by the Wisconsin Province, has engaged the company since 2004 regarding the promotion and protection of human rights.

Four NJCIR representatives attended the 2012 annual meeting in San Ramon, CA. During the meeting, Chair and CEO John Watson referenced the importance of the Company’s Human Rights Policy as part of the Company’s commitment to excellence. The NJCIR group spoke at length with Executive Vice President Rhonda Zygocki, who was upbeat regarding the company’s progress in implementing the Human Rights Policy adopted in December 2009 after five years of dialogue, proxy resolutions and votes. She reiterated that having a policy gave the Executives the authority

to mandate actions and to require accountability. She also introduced Thomas Wise who is the newly appointed Manager of Global Issues and Policy.

While the company has invested over \$1 billion in social programs over the last six years, there are still adverse impacts which are not resolved. The next dialogue at Chevron corporate headquarters will be an opportunity to encourage more tangible documentation of existing human rights concerns and the development of a comprehensive approach to policy implementation which perceives the full spectrum of human rights.

Cost of Conflict with Communities

We're still finishing a research project called the *Cost of Conflict with Communities*, which was triggered by a Goldman Sachs study about the international oil majors. Goldman looked at 190 projects and found that the time from first approval to the time the first drop of oil was pumped out of the ground had doubled over the course of the previous decade, creating substantial cost inflation. They looked into what the factors were and they discovered that it had a lot to do with various permitting issues, with resistance from communities, with demonstrations against projects, with lawsuits.

So we looked into this. One company went back over its own figures. It discovered that in a two-year period it had left \$6.5 billion on the table. Now that attracted attention. We also did some work in the mining industry. For a world-class mining operation, which requires about \$3-5 billion capital cost to get started, there's a cost somewhere between \$20 million to \$30 million a week for operational disruptions by communities. Another estimate used by the mining industry is that an asset manager is supposed to spend between 5 and 10% of his or her time on community engagement issues. We found that it can be anywhere from a one-third to 50%, and in some cases 80% of their time. So there are opportunity costs, financial costs, legal costs and reputational cost.

Business Ethics, October 20, 2011 interview with John Ruggie, Former UN Special Representative for Business and Human Rights

Monsanto Company (NYSE: MON)

Monsanto is one of the world's largest biotechnology companies and provides seeds and crop chemicals to farmers. The Jesuits of the Missouri Province began this engagement in 2004 because of concerns from Colombian Jesuits regarding the health and safety consequences of the Colombian government's use of the company's product *Roundup* to eradicate drug crops. Since the adoption of the company's Human Rights Policy in 2006, the focus has been on eliminating child labor by contract farmers around the world.

Just as the Missouri Jesuits responded to concerns of their brothers in Colombia, they do so now with broadening the focus to protecting the rights of small farmers worldwide. Agricultural communities around the world have expressed concerns with the company's operations regarding environmental and health impacts of applying the company's chemicals, lawsuits against farmers for alleged patent violations, lack of compensation to farmers whose fields are ruined due to pollen drift that contaminates their fields, loss of biodiversity, and appropriation of indigenous knowledge for profit (biopiracy). NJCIR seeks to understand and engage the company with respect to these allegations.

NJCIR is seeking the counsel of Jesuit and Catholic social research centers and agricultural development programs around the globe to provide input into the dialogue. NJCIR has been impressed with Monsanto's commitment to eradicating child labor, and believes that this engagement's new focus on farmers' rights will yield goodwill for the company worldwide while leading to tangible improvements for farmers. This is especially important in developing countries where many small farmers must decide whether to continue using traditional farming methods or adopt the biotechnology of Monsanto.

"We value the perspectives of stakeholders who are committed to making agriculture more sustainable and benefit from their input. Monsanto's engagement with the Jesuit Conference is one example of a continuing dialogue on issues of importance to our stakeholders, including sustainable agriculture. Throughout our dialogues, the Jesuits have encouraged our human rights efforts and helped inform our decision to increase our level of transparency through our Corporate Responsibility and Sustainability Report and the use of the Global Reporting Initiative."

Maureen Mazurek, Director of Corporate Responsibility, Monsanto Company

OM Group, Inc. (NYSE: OMG)

After four years of engagement on safety issues regarding OM Group's cobalt smelter in the Democratic Republic of the Congo (DRC), the company adopted a Human Rights Policy in November 2011. During an October conference with the Corporate Secretary and chair of the board's Governance Committee, NJCIR critiqued and offered extensive recommendations based on the *UN Guiding Principles on Business and Human Rights*. Last year's human rights resolution received over 43% shareholder vote which indicates that institutional investors view human rights risks as material to OM Group operations, and want more disclosure and reporting on how risks are being assessed and managed.

This engagement has drawn interest from some in the academic community. In light of the shareholder vote on the human rights resolution at last year's OM Group annual meeting, Smith College Associate Professor Leslie King has made the NJCIR engagement a case study in her research on the efficacy of shareholder activism. At NJCIR's request, Jesuit researchers from Escuela Superior de Administración y Dirección de Empresas (ESADE) in Barcelona, Spain were allowed to visit the company's operations in the DRC.

At the 2012 annual meeting, Toussaint Kafarhire, SJ, from the DRC delivered our investor statement expressing the business case for strong human rights protections, not only within the company but also extending to suppliers, contractors and business partners. NJCIR representatives spoke with CEO Joseph Scaminace to express our expectation that this dialogue continue so that investors can learn more about OM Group's human rights training, accountability systems and performance reporting. This is especially important since the company has made significant acquisitions in the past year that have greatly expanded its global manufacturing footprint. In addition to NJCIR, this engagement is supported by Loyola University Chicago, Catholic Health East, Mercy Investment Services, and the Ursuline Sisters of Tildonk.

Guidelines for Proposing a New Engagement

Dialogues with companies are an effective way to address negative impacts of company operations on local communities. NJCIR's current or recent engagements with Monsanto, OM Group, and Occidental Petroleum (2003-2010) were initiated because of concerns by Jesuits in Colombia and the Democratic Republic of the Congo. As a result of NJCIR's actions, each company has adopted a human rights policy which provides a foundation to remediate local concerns. NJCIR welcomes suggestions for new engagements that reflect the following guidelines.

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.
4. Send suggestions to NJCIR at njcir@jesuit.org.

Reaching Out to Colleagues

Investment Decisions and Ignatian Values

The difficulty is that non-financial returns are not as easily quantified. Simple mathematics provides us with a rate of return, Price/Earnings 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. A primary task, then, is the formation of the board membership [of Jesuit institutions that make investments]: 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.

William Lockyear, CPA, is the Chief Financial Officer of the Oregon Province and a former NJCIR chairperson

Regis High School (New York) takes SRI to the Classroom

Two years ago, Regis High School President Philip Judge, SJ proposed that Regis direct a small portion of their endowment to create a socially responsible investing portfolio that mirrored the companies engaged in dialogue with NJCIR. By purchasing \$2,000 worth of shares in the five companies in the NJCIR advocacy portfolio, Regis joined the Jesuit Provinces in shareholder advocacy, using their proxy voting rights to call for these companies to improve their human rights and water sustainability policies. However, engaging in shareholder advocacy as an institution was not enough for Regis; they wanted to make sure that students were exposed to the concept of socially responsible investing (SRI) in the classroom.

“Students in the course of their formation must let the gritty reality of this world into their lives, so they can learn to feel it, think about it critically, respond to its suffering, and engage it constructively.”

Very Rev. Peter-Hans Kolvenbach, SJ,
29th Superior General of the Society of Jesus

Anthony Andreassi, CO, is a teacher in the Regis history department who also offers an economics elective to seniors. He incorporates issues of Catholic social teaching into his *Senior Macroeconomics* course. “Economics,” said Fr. Andreassi “has real life impacts on people’s lives.” By examining SRI, Andreassi’s students have yet another opportunity to examine economic concepts within broader questions of values and choices.

Students complete two projects that help them delve deeper into the concept of socially responsible investing and the shareholder advocacy portfolios of Regis and NJCIR. In one assignment, small groups of students offer their peers a presentation providing an overview of the companies with which the Jesuits are engaged in dialogue. Students then research what concerns the investor community has with one of the companies in the advocacy portfolio. What is happening on the ground in the DRC community surrounding the OM Group cobalt smelter which caused the Jesuits to engage the company on human rights? Why is it necessary for large agricultural companies like Bunge to monitor, track and report to investors on the availability of water in communities where they operate? Through this research, students gain an introductory



understanding of the issues investors are trying to address through dialogue with senior executives at each corporation. In the second project after researching SRI issues associated with a business in the advocacy portfolio, each student drafts a letter from Fr. Judge to one company raising concerns that as a shareholder they would like to see addressed.

Fr. Andreassi's economics class raises the consciousness of students about this important avenue for advocacy as a way that their faith and values can identify material business risks to shareholder value. By introducing socially responsible investing, he plants seeds that may one day bear fruit as students enlarge their economic agency beyond being consumers to being investors, business managers and owners. By using their endowment to teach students about shareholder advocacy and corporate responsibility, Regis encourages students to pursue the *Magis* through financial investment by asking "What more can I do for Christ?"

"We encourage the Society's government at all levels to explore means by which more effective networking might take place among all apostolic works associated with the Society of Jesus."

GC 35 D 6 n 29

NJCIR Addresses JSEA Business Managers Conference

The Jesuit Secondary Education Association Business Managers Conference met in Phoenix in March 2011. Thirty-two schools were represented. NJCIR consultant Anna Bradley invited the business managers to link Jesuit social mission with shareholder engagement and addressed the ease of establishing an advocacy investment portfolio, and ways to influence investment managers to vote proxies that promote social and environmental responsibility. The picture was taken on a tour of Brophy Preparatory School.



Social Policy Shareholder Resolutions



Kathleen Rehbein

In recent years, issue areas that have been increasingly important for shareholder activists include environmental concerns, political accountability, and human rights. Filing shareholder resolutions requires relatively few resources and is a popular tactic among investors such as pension funds and institutional faith-based members of the Interfaith Center on Corporate Responsibility. Managers have considerable discretion about how and when to interact with shareholder activists, and a study I conducted with two other colleagues reveals that managers cannot ignore them completely. Empirical evidence suggests that targeting companies with social policy resolutions is a promising tactic for raising managers' awareness of social issues and for spurring change towards increased social responsibility.

Academic research examining social policy shareholder resolutions has looked at a wide range of questions from the activist and corporate perspective in an attempt to advance knowledge about social activism. A 2006 study argues that social movement theory explains the filing decisions of religious organizations who are morally motivated and have a long time horizon, so they are willing to file the same resolutions repeatedly in order to legitimate social issues.

Empirical work has tried to understand corporate responses in terms of letting a resolution go for a vote or acquiescing to shareholder activist demands. In a recent study I undertook with two colleagues, we concluded that corporate managers are more likely to avoid the entire resolution process by engaging in dialogue with shareholder activists when the firm is larger, is more responsive to stakeholders, the CEO is the board chair and the firm has a relatively lower percentage of institutional investors. A 2011 study examining the impact of environmental resolutions over a 13-year period found that they have a significant and positive casual effect on targeted firms which contrasts to an earlier empirical examination in 2007 that suggests that corporations' positive responses to activists are only a symbolic gesture rather than a substantive change in corporate social policies.

In order for academics to address the many questions that remain about the process of social policy shareholder resolutions and activism, it would be helpful for them to interact more with shareholder activists to develop more of an understanding of the nuances of their activity. The gap between practitioners and academics needs to be bridged. I think both groups would benefit from the interaction.

Kathleen Rehbein, PhD, is Associate Professor of Management at Marquette University. She has co-authored several articles on shareholder activism.

Featured Resources

Observing Human Rights Day (December 10) and World Water Day (March 22) provide an opportunity to learn more about NJCIR's two issues areas. Both days are annually designated and observed by the international community. NJCIR is grateful that this past year Winston Rye, SJ celebrated Mass to mark both occasions.

YouTube has numerous videos on human rights and water. NJCIR especially recommends:

What are Human Rights

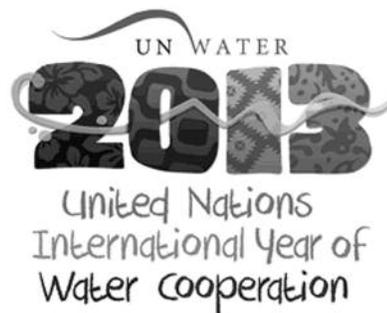
www.humanrights.com/#/what-are-human-rights

The Covenants (Human Rights Action Center)

www.youtube.com/watch?v=O8kP3pr6XPU

The World is Thirsty Because We Are Hungry

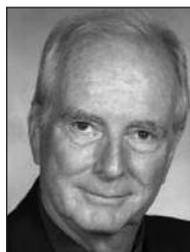
www.youtube.com/watch?v=qZ_pB28uVMI



A Note of Gratitude

NJCIR appreciates the collaboration of Jesuit Provinces and institutions and ICCR colleagues 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*).

In Memoriam



Rev. James Webb, SJ **July 29, 1944 - August 9, 2012**

NJCIR is grateful for Fr. Webb's support of our work to advocate for better corporate stewardship of the environment and promotion of human rights. As the former Provincial Superior of the Jesuits in English Canada, he was excited about the prospect of working with Ingredient on matters of water sustainability. He considered it a privilege to attend the company's annual meeting in 2011, and delighted in conversing with the CEO, many corporate officers and board members.

Fr. Webb was a champion of social justice and became a proponent of engaging corporations early in his ministry. While serving in Toronto following his ordination in 1973, he led an advocacy effort against apartheid in South Africa and helped to found the Taskforce on Churches and Corporate Responsibility and the Jesuit Centre for Social Faith and Justice. His life will continue to inspire our work.

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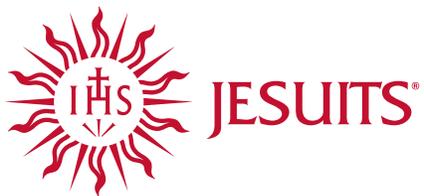
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Ad Maiorem Dei Gloriam



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