

# EXECUTIVE COUNCIL COMMITTEE ON CORPORATE SOCIAL RESPONSIBILITY

## Membership

The Rev. Canon Brian Grieves, <i>Chair</i>	Hawaii, VIII	2018
The Rev. Canon Kathleen Cullinane	Hawaii, VIII	2018
The Rev. Chase Danford	New York, II	2018
The Rt. Rev. Douglas Fisher	Western Massachusetts	2018
The Rev. John Floberg	North Dakota, VI	2018
Mr. William B. McKeown	New York, II	2018
Mr. Paul Neuhauser	Iowa, VI	2018
Mr. William Smith	Iowa, VI	2018
The Most Rev. Michael Bruce Curry, <i>Ex-Officio</i>	North Carolina, IV	2018
The Rev. Gay Clark Jennings, <i>Ex-Officio</i>	Ohio, V	2018
Mr. Michael Kerr, <i>Liaison Investment Committee</i>	Virginia, III	
Ms. Patricia Zerega, <i>Consultant</i>		

## CHANGES IN MEMBERSHIP

Resigned: Barbara Mann. Appointed: William B. McKeown

Acknowledgments: The committee is grateful for the collaborative participation in its work to the Church Pension Fund represented by Anne Mallonee and Nancy Sanborn. Particular appreciation is expressed to staff support offered by Kurt Barnes, Margareth Crosnier de Bellaistre and Nancy Caparulo. Thank you to General Convention staff, especially Michael Barlowe, Brian Murray, Patrick Haizel and Marian Conboy and their team. Rebecca Linder Blachly, Director of Government Relations, has joined the committee's extranet communication, and offers important advice on shareholder rights in Washington, especially with the Securities and Exchange Commission. Appreciation is also extended to Michael Kerr, Liaison from the Investment Committee, and Warren Wong, from the Economic Justice Loan Committee.

## Mandate

AN/FFM 008 (2015-2018) Resolved, That the Executive Council, meeting in Linthicum Heights from November 15-18, 2015, establish the Executive Council Committee on Corporate Social Responsibility to be responsible for researching the social responsibility records of corporations whose stock is held in DFMS portfolios and recommending appropriate courses of action based on the positions established by General Convention and Executive Council. The procedures for this committee will be as follows: With the approval of Council, it will be responsible for developing shareholder resolutions on social justice issues to be submitted to companies in which the Church invests its funds. CCSR will also review similar resolutions being offered by other churches or advocacy groups and recommend

whether the Episcopal Church should support them. These recommendations will be forwarded to the Executive Council through the Standing Committee on Advocacy and Networking. As new issues come up during the triennium, CCSR will forward its recommendations to the next meeting of Executive Council. Membership will consist of nine (9) members, including at least one (1) bishop, one (1) priest or deacon and one (1) lay person; one (1) member of FFM, one (1) member of the Investment Committee, and one (1) member of A&N. Members will be nominated by the Presiding Officers of the Executive Council jointly and elected by Executive Council.

## Summary of Work

The committee met four (4) times (three (3) times by tele-conference, one (1) in person meeting at The Church Center) through the submission of this report. An additional two (2) to three (3) teleconferences are planned prior to and just after the 79<sup>th</sup> General Convention.

The committee identified six (6) priority areas for its work during the triennium:

### **HUMAN TRAFFICKING**

The committee participated in dialogues with United/Continental and Marriott Hotels on its training of staff to identify victims of trafficking and was active in strategy planning with ecumenical partners. There are additional dialogues with Delta Airlines and Swift Transportation (a trucking company).

### **CLIMATE CHANGE**

A shareholder resolution with Chevron titled “Climate Change Stress Testing and Scenario Impact Assessment” was withdrawn after the company’s publication *Managing Climate Change Risks*, believing that it marked an important first step toward the disclosure requested in the shareholder proposal. The committee monitored progress of the Investment Committee which was charged with implementing General Convention’s Resolution C045 (78th GC) calling on the Church to divest from companies engaged in fossil fuels. That monitoring is ongoing. Dialogue continues with Pepsico, EOG Resources, and Union Pacific. The focus with Union Pacific is safety in transporting oil.

### **CORPORATE BOARD DIVERSITY**

A shareholder resolution in which the Episcopal Church was the lead filer with the CACI corporation asking for appointment of a woman to the board led to changes in the company’s guidelines for serving on its board and agreement was reached to withdraw the shareholder resolution in favor of an ongoing dialogue with the company.

### **GUN VIOLENCE**

The committee recommended and the Executive Council endorsed the Sandy Hook Principles in order to guide the committee’s work with companies in the business of making and selling guns. This will help guide the committee’s work on this issue.

## HUMAN RIGHTS

Occupation of West Bank and Gaza: A shareholder resolution was filed with the Caterpillar Corporation asking the company to appoint an independent director to its board with expertise in human rights. The resolution was withdrawn after a successful dialogue with investors and company representatives, which included an employee appointed to a new position for human rights. Dialogues will continue twice a year by mutual agreement. Motorola, Facebook and PayPal are also in the DFMS portfolio and connected to the Occupation. Motorola provides sophisticated equipment to the Israeli military, Facebook has removed benign Palestinian postings and PayPal has offered services to residents of illegal settlements while not providing services to Palestinians. The committee supported renewal of a \$500K investment in the Bank of Palestine by the Economic Justice Loan Committee.

The committee also participates in an ongoing dialogue with Anadarko, an oil and gas company, on its human rights policies globally.

## DAKOTA ACCESS PIPELINE

The committee discovered that the DFMS held stock in at least five (5) banks that made loans to the pipeline project and joined other investors in asking the banks to exert pressure to reroute the pipeline away from water sources serving the indigenous community at Standing Rock.

Monitoring continues on all these issues. Future issue areas might include health care and immigration reform. All actions and recommendations of the committee adhere to policies of the General Convention and Executive Council. The work is done ecumenically through the Interfaith Center on Corporate Responsibility (ICCR), of which the Episcopal Church is a founding member.

## Proposed Resolutions

### [RESOLUTION A047: ETHICAL INVESTMENTS](#)

## Budget

- \$50,000 for half time salary and benefits per year
- 7,500 for staff travel and expenses per year
- 7,000 for committee expenses average per year
- 10,000 for Interfaith Center on Corporate Responsibility (8750 for dues and 1250 for fees)

---

\$74,500 per annum or \$223,500 for the triennium 2019-2021

The committee is deeply grateful to Church Center leadership for finding funding to resource the committee's work. Adequate funding has been an issue since 2010 and will hopefully be fully resolved by inclusion in the 2019-21 triennial budget.