

Committee on Corporate Social Responsibility

New York, New York

January 10, 2017

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Attending: Brian Grieves, Kate Cullinane, Chase Danford, Doug Fisher, John Floberg, Mike Kerr (IC), Paul Neuhauser, Bill Smith; from the staff, Kurt Barnes, Margareth Crosnier de Bellaistre, and Nancy Caparulo; from the Church Pension Fund, Anne Mallonee and Nancy Sanborn.

Absent: Barbara Mann.

Chair, Brian Grieves, called the teleconference to order at 2:03 PM EDT, called the roll, and opened with prayer.

The Minutes from September's meeting were accepted by consensus.

Climate change – DFMS signed onto a resolution for Chevron. Pepsi deadline was not met. Union Pacific continues in dialogue. Warren Wong, Chair of EJLC, noted to Brian that the Church of England was very involved in this area and Brian suggests we make contact.

Diversity – no deadlines were made for fall. Will file in June with CACI.

Human Trafficking – Brian and Anne participated in a call with United Airlines HQ in Chicago. The thrust is to try to get United to be more forthcoming about how to engage in the work having to do with human trafficking. Anne added that they were encouraged to be more visible in their efforts concerning the issue. CPF's consultant expressed her good feeling about the conversation. We also have dialogues with Delta, Swift, and Marriott.

Human Rights – DFMS filed with Caterpillar asking that they include someone on their board having expertise in human rights. The company has been resistant to engage on this issue. Merrill Lynch (ML), which handles the 100 shares list for CCSR, refused to provide the required ownership of stock letter to Caterpillar. Paul's understanding is that the 100-share list was set up decades ago from funds that were kept in the treasurer's office for cash-on-hand. The total amount wasn't more than \$25,000. Paul thinks the 100-share list should be moved to another brokerage. Kurt noted that the treasurer is authorized to open and close bank accounts; no committee action would be required. Paul suggested speaking one last time to the branch manager to see if he would send letters and, if not, move the account elsewhere. Margareth has e-mailed the individual at ML who has happily signed letters for the DFMS in the past. After an exchange in December, it was learned that ML would no longer provide the requested letter(s). Margareth asked for a copy of the policy change that would make it impossible for them to provide the letter. It has not yet come. BNY Mellon would be a possible firm to use that will issue the letters if ML will not. Given the experience thus far, Brian asked Kurt and Margareth to look into it further. Paul advocated getting in touch with ML and obtaining a history of how long they've held the stocks so the history can be passed along to the new broker. Acquisition

dates need to be provided for all of the stocks. There was concurrence in the committee to proceed in that direction.

DFMS no longer owns ReMax but does own Facebook. Dialogues continue with that entity. There have been items on Facebook that cause legitimate concerns and others that do not, and for which Facebook has had to backtrack and apologize to Palestinian entities. We will monitor. John Floberg noted that in North Dakota concerning the pipeline matter, live feeds were often dropped or taken off FB sites. These were live feeds that would be able to help document wrong-doing by law enforcement. It was not clear whether there was a signal problem or whether Facebook was actually taking down the posts, but the evidence points to Facebook taking the live feeds down. When it was suggested that a good newspaper investigation would turn up further information, John explained how the press has aligned with the state and the pipeline company. It was agreed that a dialogue letter to Facebook would be a good way to proceed. Brian will check to see if other ICCR partners want to participate in such a letter.

ANADARCO (climate change, human rights) Paul took over the dialogue that has been going on regarding Human Rights. There is no recent dialogue but there is one later in January which Paul will attend by phone. The ongoing dialogues have to do with shale and human rights – the right to water. Paul has an agenda for that meeting and will report the results. Meanwhile, there are other environmental resolutions that have been filed by others – a climate risk disclosure (42% vote of support at the annual meeting), requesting a report on the effect on the company if the temperatures rise 2 degrees.

Gun Safety/Violence

Sandy Hook Principles. Doug spoke with Ian Douglas, who supports the principles. Bishops United Against Gun Violence have not endorsed these but support the spirit of them. CCSR wanted the bishops to endorse the Sandy Hook Principles (developed by the US Congress of Mayors, a bipartisan group). CCSR will recommend to Executive Council (EC) to endorse them in light of Church policy. Doug will seek endorsement on January 19 during a bishops' teleconference. He thought they would endorse. The principles can be easily Googled for those who would want to review them. Based on Doug's recommendation, they will be sent to Executive Council for its meeting in February. John, as an Ex Council liaison to CCSR, will advocate. Tess Judge, also of Ex Council, was supportive of this move at the September meeting.

DAPL

The Dakota Pipeline matter has been much in the news. Ex Council supported opposition to the pipeline at its last meeting. ICCR, under its human rights group, is engaged with Goldman Sachs and Wells Fargo to ask them how they evaluate loans in this area. How do they conform to their policies on indigenous populations. Brian proposed a letter be sent to Goldman Sachs. John observed that Wells Fargo is often talked about. Three Scandinavian banks have withdrawn their support, largely because of their sensitivity to their own indigenous peoples. John said that Standing Rock would ask to apply the greatest amount of pressure on any and all banking institutions in America that are funding the pipeline. At the same time, Standing Rock is very involved with Wells Fargo as the bank holds all their accounts. John also reported that all permits were not in hand when the digging was begun. John's opinion is that a number of banks

were unaware that the permits had not been obtained before they went ahead and funded the pipeline work. Brian said this is on the radar of ICCR and suggested that DFMS participate in the dialogues with these companies. Action is to participate and a letter to be sent to Goldman Sachs supporting the shareholder resolution that went forward in December. All agreed. DFMS could not be co-filers owing to a problem getting items approved in a timely way. Paul asked if we have the ability to participate in dialogues. Brian has been participating in some of them and asked if John would be willing to get connected with the group that is working in this area to participate in the dialogues. John agreed to do that. Brian will make that arrangement. John reported a new ecumenical bridge that may be worthwhile having some discussion with – eight denominations that repudiated the Doctrine of Discovery. A larger body might be engaged with the banking institutions as well, bringing a bit more weight to bear. Brian believes they will be connected to ICCR through their various denominational offices.

Chase and Margareth left the call at 2:46 PM.

Status of Constable Application The proposal was submitted to the General Convention office in October. A decision is expected at the February Executive Council. Kate will speak with Steve Nishibayashi, a member of Council, to support the proposal. The recommendations will be sent to the Executive Council meeting by the committee that screens the applications. John will meet with Executive Council members that might be helpful as well.

Evolving procedures. Brian expressed his frustration with getting approvals of items to go forward in a timely way. The resolutions involve ICCR staff less and are being developed by ICCR working groups which slows the process and sometimes allows only 2-3 days turn around, not adequate for Council's Executive Committee to act. CCSR must take things to the Executive Committee and needs a better process for interfacing with that committee. Typically, the Executive Committee meets once a month. Brian observed the CPF gets things moving with greater alacrity. Apparently with the last approvals, the matter was the luck of the timing. Kurt suggested CCSR outline a preferred process, write it in a letter to the appropriate committee of Executive Council requesting a resolution for CCSR procedures. Brian will pursue with those in the General Convention Office the appropriate content for such a letter.

Economic Justice Loan Committee

Brian and Warren Wong spoke. EJLC is trying to decide whether to renew the \$500K loan to the Bank of Palestine. The issue under discussion is whether or not the occupation is perpetuated by DFMS putting money into the area. The Presbyterians are involved in micro-loans in Palestine even though they have divested from several companies. They are being thought of as "fair" investments. Brian's recommendation would be to suggest to EJLC that they renew the loan. There being no objection within the committee, Brian will make that recommendation to Warren.

Proxy Voting

There is a long list of proxy actions posted on the finance office website. CCSR has used those in the past and form the basis for instructions to Glass-Lewis for voting. Brian asked how Glass-Lewis knows what actions the DFMS has taken. Nancy Sanborn suggested looking at the list about decisions that were made in the past and decide about changes (or not) in the voting

instructions going forward. Kurt will post a link so that a review can be made. Brian will review the list to be certain the votes are going forward according to Executive Council's position.

Next Meeting: Discuss how to prepare for next season's issue areas and review the prior season. Wednesday, May 10, 2:00 PM Eastern Time.

With thanks to those participating, Brian adjourned the meeting at 3:07 PM, EST.

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