

Maryknoll Office for Global Concerns' Update -- January 2000

Maryknoll in the Corporate Social Responsibility Movement

Much has been written about the rapid globalization of the international economy and the growing power of transnational corporations (TNCs). For many years, Maryknollers have been concerned with the policies and practices of TNCs because of the impact they have on the people and communities with whom we live and work, and on the planet itself.

Our thoughts and actions in the economic sphere are guided by Church teaching:

“The fundamental purpose of society’s productivity must not be the mere multiplication of products. It must not be profit of domination, rather, it must be the service to humankind, and indeed of the wholeness of what it means to be human, viewed in terms of their material needs and the demands of their intellectual, moral, spiritual and religious life.” (*Gaudium et Spes*, #64)

“Our faith calls us to measure this economy, not only by what it produces, but also how it touches human life and whether it protects or undermines the dignity of the human person.” (*Economic Justice for All: Catholic Social Teaching and the U.S. Economy*. U.S. Catholic Bishops, 1986)

“The global economy has moral dimensions and human consequences. Decisions on investments...should protect human life and promote human rights, especially for those most in need wherever they might live on this globe.” (*Catholic Framework for Economic Life, National Conference of Catholic Bishops Annual Meeting, 1997*).

The Maryknoll Society voiced its concerns during the 1972 Chapter in the document, “Social Responsibility in the Use of Our Resources.” The Chapter passed motions calling on the Society to exercise social responsibility in its investments and property and called on the Treasurer, “under the direction of the General Council, to ascertain the ethical social aspects of Society investments and work with other like-minded groups to seek change in corporations policies causing grave social injury, or to dispose of our investments in such.”

The Congregation stated at its 1974 General Assembly: “On all our investment undertakings care should be taken to exercise social and moral responsibility so that our funds may be used to bring about positive social change.” Four years later, the Sisters called for strengthening their cooperative efforts with the Interfaith Center for Corporate Responsibility.

MMAF’s Socially Responsible Investment Guidelines, adopted in 1999, state that MMAF seeks to practice stewardship of financial resources in a manner that promotes justice, peace and solidarity and recognizes that the way financial resources are invested is an expression of MMAF’s mission.

Working with Others

The Society, Congregation and MMAF are members of the Tri-State Coalition for Responsible Investment (TriCRI). The Coalition is made up of over 30 religious organizations in the Metro New York area, and works to hold companies accountable to social, environmental and ethical concerns.

TriCRI and the Society are member organizations of the Interfaith Center for Corporate Responsibility (ICCR), a coalition of over 275 Protestant, Catholic and Jewish congregations, denominations, agencies, dioceses, health care corporation and pensions, with combined portfolios worth over \$90 billion. ICCR members work to invest their funds in ways that are consistent with their tradition’s social teaching. They use their investments to hold companies accountable for their impact on society and the environment. They also

invest in community development loan funds (nationally and internationally) and other enterprises seeking economic justice and development for low-income people.

Maryknoll's participation in ICCR helps us to use our shareholder power in the following ways: dialogues with corporate management; filing shareholder resolutions; applying social and environmental screens to our institutional portfolios; divesting stock; participating in hearings and investigations; consumer boycotts; letter-writing. At times, we will ask our entity's treasurer to authorize purchase of shares in a company that may not pass our screens in order to join with others in pressing that company to change its behavior.

Examples of Maryknoll's Corporate Social Responsibility Activities

Our work corresponds to ICCR's Issue Groups, which plan and create strategies for shareholder action in the following areas: **Global Corporate Accountability; Global Finance & Community Economic Development; Energy & Environment; Militarism; International Health & Tobacco; Equality.** Maryknoll focuses its corporate responsibility work in areas where we can press for corporate change for respect for human rights, economic justice, peace and integrity of creation.

- **Global Corporate Accountability:** For many years, the Society has taken leadership on the issue of human rights violations in Burma. ICCR's work with students, human rights activists and Burmese exiles has persuaded 28 corporations, including PepsiCo, Texaco and Atlantic Richfield, to leave Burma. The Society is a major participant in the long struggle to persuade Unocal to take the same step.

This struggle, on-going since 1994, has highlighted the deeds of this corporation that go beyond its activities in Burma. A growing body of research has identified Unocal's unconcern for its environmental damages in California, Pennsylvania and areas in Canada. Additionally, we've recently highlighted Unocal's active presence in Afghanistan where human rights abuses are noteworthy as to be scandalous. Unocal later withdrew from that country.

Unocal is presently under litigation for human rights violations in Burma. A serious lawsuit <*John Doe I, et al., vs. Unocal Corp., John Imle and Roger Beach*> brought to the U.S. District Court of the Central District of California has all the markings of a major legal statement to all U.S. corporations. If won by the plaintiffs, it will mean that any U.S. corporation operating overseas may be taken to a U.S. federal court by those whose human rights have been violated. All this action is based under a law written in the 1790s. Already it has the corporate world very nervous. Joe LaMar will be a witness for the plaintiffs when the trial takes place probably in the Fall of 2000.

The Congregation, MMAF and Society address a number of companies with company-owned or contract-supplier operations in Latin America and Asia. We press for payment of sustainable living wages, and improvements in working conditions. We have worked together in addressing Johnson & Johnson (which has a plant in Ciudad Juarez) on these issues. Separately, we have been involved in shareholder actions and dialogues with Disney, Philips Van-Heusen and Wal-Mart.

A unionizing experiment with Philips Van-Heusen in its major maquila in Guatemala appeared to be working well until the company closed the plant for reason we cannot accept. What was to become a model for Guatemalan workers turned into a, "let's not become another PVH plant." We continue in dialogue with them.

- **Global Finance.** Each of the Maryknoll entities has been involved in calling on the major banks, including Bank of America, Citigroup, J.P. Morgan, Chase Manhattan and Morgan Stanley to develop social and environmental criteria in their international lending practices. We have called on them to develop controls on the flow of short-term capital in order to prevent speculative practices in the international financial markets. This year, our shareholder resolution calls for canceling the debt of the 46 (+5) Highly Indebted Poor Countries and for developing transparent and accountable lending policies.

Commercial banks, historically conservative in their response to shareholder actions, appear to be giving a listening ear to the possibility of debt relief or perhaps better stated debt transfer in this Jubilee period. In reality, they own very little of the third world debt, but as small as it may seem to them, it is quite large to the countries involved. We are enjoying a period of cooperation with them never seen before. We've high hopes.

- **Environment.** For the last three years, the Congregation has joined with other religious groups along the Hudson River in pressing General Electric to clean up the River, polluted by PCB (polychlorinated biphenyl) emissions from GE plants. Persistent for decades, PCBs are potent toxins linked to immune deficiency, reproductive disorders and developmental disabilities. Arguing that PCBs do not cause cancer, GE refuses to accept responsibility. The issue is critical not only because of the effects on health and the environment, but also because many corporations are watching to see if GE will be held accountable for its actions and if "the polluter pays" principle will prevail.

Maryknoll is involved in two emerging issues in ICCR's work, global warming and genetically engineered food and seeds. Climate change is already having an impact in many areas where Maryknollers live and work. The Society and Congregation are participating as shareholders in Campaign Exxon Mobil, a new campaign of religious investors which challenges the newly merged Exxon Mobil and other fossil fuel companies to stop obstructing international efforts to reduce greenhouse gas emissions and to invest in renewable energy.

The Congregation and MMAF are addressing companies (American Home Products, Monsanto) involved in the development of genetically engineered seeds and food, out of concern for the impact of this new technology on small farmers around the world, and for its potential health effects. We are joining with other ICCR members in calling on these companies to stop marketing and distributing these products until long term tests show that they are not harmful to humans, animals and the environment.

Proctor and Gamble and Freeport McMoRan Cooper and Gold are two corporations where we've invested years of dialogue on the issue of environment (P&G for use of chlorine in paper processing and Freeport for the movement of hundreds of thousands of tons of tailing in its mining activities in Irian Jaya.) Both of these corporations also give us deep concern over human rights issues. With Freeport it continues to be studied, while with P&G it is becoming a new issue now that we've discovered their presence in Burma.

- **Militarism.** This is a difficult issue group to get involved with as our restricted lists prohibit the Society, Congregation and MMAF from investing in corporations producing military goods. However, the Society has gone pro-active with a few companies so as to gain entrance to their boardrooms. The current issue that we care to address is the manufacture of land mines. It is most difficult to locate these corporations and is equally as difficult to talk with them when located.

Media Attention

Our work with members of the Interfaith Center on Corporate Responsibility is of such significance as to be constantly reported in local, national and foreign news media. Major newspapers, national and international television and radio reveal to the world that the church is in the market place. Such access to the press often allows us to reach the ears of corporate executives when knocks on the corporate door go unheard. Maryknoll's name has been well represented in a large portion of this media reporting.

Working with the Office of Global Concerns

There are many issues (labor, human rights, environment and militarism, to name a few) where corporate responsibility work intersects with the Office of Global Concerns. The Corporate Social Responsibility Coordinators of the Society (Joe LaMar) and the Congregation and MMAF (Cathy Rowan) communicate regularly with OGC staff and participate in discussions which mutually inform and enrich Maryknoll's work for justice, peace and integrity of creation.