

Midwest Coalition for Responsible Investment

Annual Report August 2013

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FOR ALL PARTICIPATING MEMBERS:

"We are now exploiting all our social and ecological systems! ...The basic elements of planetary security (food and nutrition, human rights for all, education, health, housing, etc.) are being threatened more and more. These tendencies are very dangerous, but they are not inevitable." Sr. Griselda Morales hsjl, Congregation of St. Joseph, UN Special Representative, July 20, 2013

Implicit in Griselda's mention of food and nutrition is water availability, access and security.

The Midwest Coalition for Responsible Investment believes that God gives water in abundance or in drought, but it is lack of human stewardship that makes a scarcity. This scarcity is a Global Water Crisis according to the US Intelligence Community (*Atlantic Monthly*, 2012/May). By 2025, the global demand for fresh water will outstrip a reliable supply in parts of the world such as North Africa, the Arabian Peninsula, Asia, and even USA. Congress is now squabbling over water rights among Georgia, Alabama and Florida. Texans are squabbling among themselves. A UN Human Rights group held a listening session in Central Appalachia in spring of 2013 regarding the health, land and water impacts of Mountain Top Removal. President Obama declared that the USA would no longer invest in coal projects overseas and called on other banks to do the same. The next day the World Bank agreed to plans to limit financing of coal-fired power plants.

Our 14 Members and 6 Associate Members continue to press corporations to be better managers of water use, recycling, and restoration. If a company says they recycle 616 million gallons of water in a year, we ask how much they did not. How much are they putting back that is purified and potable? If a company says they are restoring groundwater, we ask what independent third party is verifying? If a company says they are proactively assisting with water projects in regions where they operate, we ask them for specifics; who is benefiting, how much is the company spending, exactly what are they doing and where is this disclosed? We ask companies to adopt a policy for the Human Right to Water, especially if they are operating in water scarce regions.

Here is a brief summary of our actions 2012-2013:

Ameren. We filed a resolution asking Ameren to disclose more information on their efforts to identify and reduce the health and environmental hazards of their water releases into rivers. We agreed to withdraw our resolution in exchange for data from Ameren on contamination and hot water releases.

Arch Coal, Inc. After our 44% vote in our 2011 resolution, the Company promised us in April of 2013 to report out more fully on their water treatment using bioreactors at their Mountain Top Removal sites. As of this writing, Arch has put off our proposed summer meeting, due to internal issues.

Monsanto. Monsanto has declared water use a Central Focus, but has not written or adopted a Human Right to Water policy. We filed a shareholder resolution in early August 2012 asking for data and

transparency in their water management; we are particularly concerned about their measurements of water availability before they establish business in Africa, Asia, and South America. Monsanto promised to increase their reporting by bioregion; their Corporate Social Responsibility Report of May 2013 did improve, including efforts in Africa.

Peabody Energy. Peabody started a three-year water study in 2011; in October of 2013, we will ask them for specific update on this study; Peabody is active in water stressed areas such as Mongolia, Australia, and Wyoming. Their Water Manager attended the ICCR Water Roundtable in February 2013.

Boeing. Our dialogues with Boeing have been around human rights in general. Boeing has agreed to put forth its relationship to the International Labor Organization Principles in a consolidated and detailed report on its website, with the first draft coming in late September 2013. We will be critiquing this first draft and making suggestions. Boeing has an obligation to these principles in its Dept. of Defense (taxpayer) business, but has not disclosed principles for its civilian business; this website will include both. So we will see what Boeing is doing in the areas of employee training on human rights, trafficking, wages, hours, health benefits, freedom of association in **all** its factories, subsidiaries, supply chain.

Another egregious practice that has come more to light this year is the number of banks making PayDay Loans, euphemistically called 'Advanced Direct Deposits.' PNC, Wells Fargo, Fifth Third especially promote these products to their customers.

Since February 2012, ICCR and MCRI members have been discussing the divestment of fossil fuels companies, promoted by Bill McKibben and 350.org. This initiative has gained ground on some university campuses. At this time, we are in sympathy with 350.org and its passionate call for the end of global warming, but we also know that once divested, there is no dialogue. Despite our positive criticism approach, some companies would welcome our divestment, one less group to talk to. For more info go to www.350.org

Through ICCR, we also work with many other companies; if you are interested in any one company or any one issue, I can send you a short account of ICCR action. Other active work through ICCR includes human trafficking, foreclosures, environmental health, green house gas emissions, nutrition and labeling, advertising to children.

Since so many MCRI members are involved in the immediacy of climate change, we will continue to be vigilant in these related areas for another shareholder year, especially in water sustainability. As Sr. Morales encourages us: *These tendencies are very dangerous, but not inevitable.*

Below are some related links:

www.iccr.org

www.ceres.org/resources/reports/aqua-gauge

www.waterfootprint.org

www.350.org