

MEETING RECORD
Committee on Mission Responsibility Through Investment
April 17-18, 2008
Minneapolis, MN

Thursday, April 17, 2008

MRTI met at the Westminster Presbyterian Church in downtown Minneapolis.

MRTI INTRODUCTORY BUSINESS

Roll Call and Introductions

Members present: Carol Hylkema, Chairperson (GAC), Karen Breckenridge, (ACWC), Brian Ellison (Board of Pensions), Adele Langworthy (Board of Pensions), Jacque Lyman (ACREC), Bernice McIntyre (At-Large), Roscoe Overton (Foundation- substitute for Lois Clarke), Bill Saint (ACSWP), Gary Skinner (GAC), and Shelly Wood (At-Large).

Members excused: Liz Letzler (At-Large), Lynwood Battle (New Covenant Trust Company) and Lois Clarke (Foundation).

Staff: Bill Somplatsky-Jarman (MRTI Associate), Judy Freyer (Board of Pensions), Sara Lisherness (GAC Director, Compassion, Peace and Justice Ministry) and Mindy Marchal (GAC Communications Representative).

Liaison: Don Kuespert (MRTI Representative to ICCR).

Observer: Jim Berkeley, IRD Presbyterian Action.

Opening Devotion

Meeting was convened with devotions led by Carol Hylkema. Carol's began her devotion with Micah's prophecy "to do justice, love kindness, and walk humbly with the Lord." She talked about the "behind the scenes" work of MRTI that changes lives. She noted that the work of MRTI moves more slowly than some of us might like. Some of us will be leaving MRTI in 2008 with work not yet completed but others will pick up where we leave off and the work of MRTI will continue.

MRTI Appreciation

During the meeting, MRTI expressed its appreciation to departing members Carol Hylkema, Gary Skinner, Adele Langworthy, Karen Breckenridge and Bernice McIntyre. Thanks were also expressed to Jack Terry, ACSWP member and former MRTI member,

for his assistance with local arrangements. Rev. Tim Hart-Anderson also stopped by to welcome MRTI to Westminster.

Conversation with Best Buy

Following introductions, MRTI entered into conversation with Mr. Hamlin Metzler, Senior Manager for Corporate Responsibility, and Ms. Paula Prahl, Vice President of Public Affairs and Communications, of Best Buy related to their work in areas of sustainability, diversity especially as it impacts women, and sales of video games. Best Buy started in 1966 with one store in St. Paul, MN and today is a world-wide company and their primary business is electronics and electronics-related business. Best Buy published its first CSR report two years ago and uses the Global Reporting Initiative guidelines for crafting its report. The company's reports are available through its webpage.

Best Buy has been very active in the "rating" processes related to videos. The company believes the ESRB (Entertainment Standards Rating Board) needs attention. Best Buy is doing more to publicize the rating system in their stores and has also established a "carding" system in their stores to be sure the purchasers are of age. One frustration is that parents buy age-inappropriate materials for their children. BB has tried to make sure the rating system is functional for parents to use. The company is cooperating with Microsoft to do a publicity campaign related to the rating system. There are some games that Best Buy will not sell. Best Buy is also exploring how video games can be used constructively to educate. Video games are powerful tools to educate but they are not the answers to education.

With regard to the issue of diversity and inclusiveness, Best Buy is very concerned that their retail outlets "reflect" the areas where they are located. The company is an EEO employer. Best Buy spends a great deal of time building programs that help "jump start" learning for managers and employees related to diversity. The training program is designed to get at deep-seated biases in areas related to racism with Afro-Americans and also Hispanics, and Best Buy has worked on making their retail stores places where women are comfortable working.

The question was asked, "What from the company's standpoint would be most helpful for MRTI to do to effect change?" Their response was that dialogue is very helpful, and it is better to have the dialogue early on rather than waiting until tensions arise. The company stressed its appreciation for thoughtful feedback.

Best Buy leases space for most of its stores, and that limits their capacity to work in areas related to environmental issues. The company has to work with landlords so that the retrofitting of properties is a challenge. However, all new stores owned by the company are LEED certified, and they are working on LEED certified retrofits for older stores. Daily recycling of batteries, computers, etc. is available at Best Buy stores. Computers are recycled, and, whenever possible, are reused. The goal is for all their products are to be recycled including the packaging.

Debriefing of Best Buy conversation

1. There is interest in looking at the company website regarding diversity and demographics of their workforce.
2. Could an additional standard be added to the rating system that deals with issues like racism, sexism, abuse of women, etc.?
3. Is it possible an interfaith, ecumenical conversation with Microsoft, Best Buy, Target, Wall-Mart and others related to ratings of video games?

Approval the Docket

Carol Hylkema and Bill S-J were given permission to modify the docket so as necessary.

Approval of MRTI Meeting Records

November 2007: Adele Langworthy moved and Bernice McIntyre seconded approval of the Nov. 2007 MRTI Meeting Record as amended. Changes involved typographical errors. Motion **PASSED**.

January 2008 Conference Call: Brian Ellison moved and Adele Langworthy seconded approval of the Jan. 2008 conference call Meeting Record on proxy voting recommendations with the addition of Karen Breckenridge as a participant. Motion **PASSED**.

Review of Reading Materials

Bill S-J briefly introduced the materials mailed and distributed to MRTI.

TRAVEL INDUSTRY UPDATE

March 25th State Department Seminar

Bill S-J reported on a meeting held in Washington, D.C. with representatives of the travel industry as regards sex “trafficking” of children. Hilton was contacted but did not attend the meeting. Carnival Cruise Lines also did not attend. Marriott, Wyndam, Northwest Airlines and Continental Airlines were present. The meeting was considered partially successful as it was “first” for involvement of US based travel-related corporations. The partnership with the State Department was viewed as very productive. Avenues for continued partnership will be explored.

Adele Langworthy moved and Gary Skinner seconded that the response received from Hilton be forwarded to the GAC with the understanding that this is a first step in what

will be a continuing effort by MRTI to hold conversations with Hilton and other travel related corporations regarding the exploitation and abuse of children. Motion **PASSED**.

MRTI WORK PLAN UPDATE AND STATUS OF RESOLUTIONS

Climate Change

Four resolutions were filed. Both Dominion Resources and FirstEnergy agreed to produce the reports requested on climate risk. A conference call with ConocoPhillips was informative, but the company is not close to setting a target for reduction of greenhouse gas emissions. The resolution will go to a vote at the company's annual meeting in May. Arch Coal filed a challenge with the SEC to the resolution, and its objection was sustained. The resolution will not appear on the proxy statement. There was no dialogue.

Product Safety

The resolution with Mattel was withdrawn following agreement by the company to include a section on product safety in its next sustainability report. The concern was prompted by the finding of lead in some toys made in China.

Foreign Military Sales and Human Rights

A shareholder resolution was filed with ITT Industries requesting disclosure of its foreign military sales by country of destination. The company submitted an objection to the SEC. However, the company met with representatives of the religious shareholders in early March, and reiterated its position that it would not disclose the requested information. Subsequently, the SEC rejected the company's objection, and upheld the shareholders. The resolution will go to a vote at the annual meeting in May.

Human Rights Review

A resolution was submitted to Motorola requesting a review of its human rights policies. A conference call dialogue was held in January where the company sought input from the shareholders for a review that Motorola said was already underway. However, the company provided only sketchy details about the scope of the review. In addition, the company noted that its human rights policies did not apply to its relationships with governments. The shareholders decided not to withdraw the resolution, and it will be voted on at the Annual Meeting in May.

A similar resolution was filed with Caterpillar. A dialogue was held in late January in Louisville. The shareholders opted to withdraw the resolution in exchange for a dialogue later in the year on the end-use of Caterpillar products. A separate resolution on foreign military sales will go to a vote at the annual meeting in June.

Other MRTI Work

Dialogues were held in February with Citigroup and J.P. Morgan Chase on their bank lending, risk exposure related to the mortgage crisis, and programs to avert foreclosures.

During the Ceres conference, stakeholders will meet with Timberland to review its soon-to-be launched interactive web site on the company's sustainability efforts. A stakeholders' meeting with McDonald's has been scheduled for May. In March, Bill S-J also participated in a stakeholders' meeting with American Electric Power that included a conversation with the CEO Mike Morris.

GA PLANNING

Members Attending

MRTI members attending the 2008 General Assembly include Carol Hylkema, Adele Langworthy, Brian Ellison (Parliamentarian for the Youth Committee), Jacquie Lyman and Roscoe Overton. Judy Freyer and Bill S-J will attend as staff.

GA Business Items Related To MRTI

There are three items specifically related to MRTI: MRTI's Response to Referral on Sudan and Phased, Selective Divestment provides narrative of the committee's work and its recommendation to the GAC; several overtures related to Israel-Palestine plus MRTI's report. MRTI will offer the final paragraph of its amended report to the GAC should the GAC choose to comment on Overture 99.

REPORTS FROM MEMBER GROUPS

General Assembly Council

Gary Skinner and Carol Hylkema reported that a name new has been chosen – General Assembly Mission Council—that will be submitted to the General Assembly for approval. There will be dramatic changes in the composition of the smaller GAC following the 2008 GA. There will be no synod representatives on GAC, but there will be a greater number of presbytery representatives. There will be more youth on the GAC. Elected as members of the GAC will be persons who were commissioners to the 2004, 2006 and 2008 GA's. The process for the selection of persons is not clear, and issues of diversity and inclusion may be challenging.

Board of Pensions

Judy Freyer noted that from an investment point of view the last twelve months have been the most challenging time in the last several years. There have been enormous swings in the portfolio. Through the end of 2007 the portfolio increased sufficiently that an apportionment adjustment will be recommended for all pension plan members effective July 1. A second positive is that costs related to the medical plan have stabilized. There is a new website for the Board of Pension with links that allow members to see their pension benefits plus other information. The increasing costs of health care and the risks involved seem more and more to be justice issues because people who now have reasonable decent health care coverage feel vulnerable in the face of a major health crisis.

Presbyterian Church (USA) Foundation/New Covenant Funds

Roscoe Overton noted the continued concern for Lynwood Battle's granddaughter, and said that Bob Leech had been slated to present a report, but was unable to attend at the last minute due to a family emergency.

Advisory Committee on Social Witness Policy

Bill Saint reported that eight separate studies will be presented to the 2008 GA: Energy Use, Lessons for the Iraq War, Katrina, Pay Equity for Women, Voting Rights, Serious Mental Illness, Social Creed for the 21st Century, and Homelessness. Two of these reports – Homelessness and Katrina - raise questions regarding the use of creative investments to address aspects of these two issues. This might impact the overall financial return on a portion of the GA's unrestricted funds, but would contribute to addressing vital social needs.

Advocacy Committee on Racial Ethnic Concerns

Jacquie Lyman reported that ACREC also is focusing on issues related to Katrina and homelessness, and on issues related to racial ethnic concerns in Africa as well. In response to a question, she noted that the goals and objectives related to multi-cultural ministry programs of the PC(USA) include cultural sensitivity, leadership development among racial ethnic and immigrant groups, how to create supportive advocacy networks in presbyteries and congregations, and development of multi-cultural worship.

Advocacy Committee on Women's Concerns

Karen Breckenridge noted that much of the work of ACWC overlaps with the work of the other advisory committees, and some effort is being given to greater coordination among the advisory groups.

CONVERSATION WITH SARA POTTSCHMIDT LISHERNESS

Sara is the Director of the Compassion, Peace and Justice. She described for MRTI some of the administrative changes that have recently occurred within GAC particularly in areas related to justice and compassion. Among those changes is the creation of a new grouping that includes Peacemaking, Presbyterian Hunger Program, Presbyterian Disaster Administration, Self-Development of People, Washington Office, UN Office, and Social Witness Ministries. Bill S-J is the new coordinator for Social Witness Ministries. MRTI along with Presbyterian Health Education Welfare Association (PHEWA), the Child Advocacy Office, and National Health Ministries are lodged in Social Witness Ministries.

There are several concerns receiving major attention currently including environmental and climate change, refugees and immigration, and worldwide hunger.

UPCOMING MEETINGS

The next MRTI meeting will be September 12, 2008. Future meeting dates will be selected when the new committee members are named.

MRTI OUTREACH & COMMUNICATIONS REPORT

Website and Brochure

Bill S-J and Mindy are working together on the MRTI website with an update slated to be ready for GA. MRTI meeting records are being posted as well as news about the MRTI Work Plan. The MRTI brochure is being updated for GA.

Meetings With Congregations

Since the last MRTI meeting, Bill S-J has met with the Trustees and led a Sunday School program at East Liberty Presbyterian Church, Pittsburgh, PA, and met with the Trustees and conducted an open forum at the Market Square Presbyterian Church, Harrisburg, PA. In October Bill will be at the West Raleigh Presbyterian Church in Raleigh, NC. Bill also did a short interview for the NPR station in Louisville on MRTI's work on climate change. A newspaper in Toledo, OH, also featured MRTI's work with FirstEnergy.

REPORTS FROM MRTI PARTNERS

Interfaith Center on Corporate Responsibility (ICCR)

Don Kuespert, MRTI's Liaison to ICCR reported that ICCR has a new director, Laura Berry, and she began her work by asking, "What is ICCR all about?" This question resulted in a weekend retreat's exploration of the question. ICCR was started over thirty-five years ago and in the intervening time the whole issue of "socially responsible investing" has emerged as an industry wide concern. Religious based investors and

those who invest with simply with a socially responsible perspective (sometimes referred to as “values-based” investors) are now at the table. Religious groups are guided by policies formulated by the religious bodies they represent. Clients who have a commitment to socially responsible investment but not necessarily from a religious perspective guide other investment groups.

ICCR is in the midst of a strategic planning process that will likely result in structural changes, and new approaches to socially responsible investing. This will include the adoption of a new mission statement at the Annual General Meeting in June.

Ceres

Ceres and the Investor Network on Climate Risk held another Investor Summit on Climate Risk at the United Nations in February. More shareholder proposals related to climate are getting support from institutional investors. This is increasing the proxy voting percentages. The Ceres annual conference will be later in April in Boston. Several CEO’s are scheduled to speak. Bill S-J is on the Ceres Board, and chairs the Nominating Committee.

CANICCOR, Inc.

CANICCOR has published a background report on the economic crisis caused by the sub-prime loans particularly as it relates to the proposed acquisition of Countrywide by Bank of America. CANICCOR also resourced the shareholders in the conversations with Citigroup and J.P. Morgan Chase.

National Labor Committee

National Labor Committee has been focusing their attention on issues in China, Bangladesh, and other areas where sweatshops are involved. They recently produced a report on factories in China making swimsuits for Speedo. At the recent annual Coca Cola shareholder meeting there was a demonstration of Tibetan people because of issues related to water and the upcoming Olympics.

Coalition for Justice in the Maquiladoras

The Coalition for Justice in the Maquiladoras has an international board and focuses its attention on labor related issues of plants in Mexico on the US/Mexican border. The religious communities were instrumental in getting this group started. It continues to be active in providing education opportunities for persons to learn about the conditions affecting workers along the US/Mexican border and also the challenges faced by undocumented persons attempting to cross the border.

Prayer at Recess of Meeting

Adele Langworthy led MRTI in prayer as the committee recessed at 5:30 p.m.

Friday, April 18, 2008

OPENING DEVOTIONAL

Bernice McIntyre opened the MRTI with a devotion and prayer. She expressed appreciation for the persons who had played a role in her becoming a member of MRTI. She also reminded MRTI that its work is not focused simply on socially responsible investing but is involved in changing the world in ways that bring justice to those who are oppressed and in need.

ELECTION OF MRTI LEADERSHIP

Brian Ellison was elected as the new chair of MRTI and Shelly Wood was elected vice chair.

MRTI TRANSITION PLANNING

A brief discussion was held regarding elements to be addressed in the transition to a new MRTI committee. Mention was made that new members would benefit from:

1. Getting minutes of previous MRTI meeting(s)
2. A roster of MRTI members
3. A glossary of terms frequently used, e.g. CERES, ICCR, ESRB
4. A briefing on where MRTI fits in the GAC structure
5. A briefing on how MRTI forwards comments related to GA overtures

ACTION ON GENERAL ASSEMBLY REPORT AND PLANS

MRTI General Assembly Report on Israel-Palestine Corporate Engagement

Brian Ellison read proposed amendments to update the MRTI GA report – “Engagement with Corporations on Israel-Palestine Issues” – with the latest information. Karen Breckenridge moved and Adele Langworthy seconded that the amended report be approved. Motion ***PASSED***.

Brian Ellison moved and Adele Langworthy seconded to approve as amended the “Potential comment by GAC on Overture 99 (and other Israel-Palestine overtures)” Motion ***PASSED***.

CONVERSATION WITH GENERAL MILLS

Ms. Chris Shea, Senior Vice President at General Mills, and President of the General Mills Foundation, led a team of executives to discuss with MRTI the company's sustainability, diversity and community relations efforts.

Sustainability and Product Safety

The General Mills 2008 Corporate Social Responsibility report was distributed. The company does not own farms or grow crops but instead purchases agricultural products for use in their product development. Product safety is an uppermost concern as regards any agricultural products used by General Mills. Gary Olmstead outlined the company's sustainability efforts aimed at waste reduction and curbing greenhouse gas emissions. He noted the positive benefits to the company from its interaction with Ceres. General Mills recently became a Ceres-affiliated company.

Diversity

The company has an impressive record related to diversity in the workplace in the development of personnel from diverse backgrounds being used in all aspects of GM operations. It has a full range of programs to mentor employees, and guide them on career paths.

Community Relations

Ms. Ellen Goldberg Luger, Vice President and Executive Director of the General Mills Foundation, distributed the 2007 Community Action Report. The company contributes 5 percent of pretax profits to the community. This included \$20 million in fiscal year 2007 to nonprofit organizations in the focus areas of youth nutrition and fitness, education, arts and culture, and social services. There is also a strong emphasis on volunteerism encouraging General Mills employees to increase their leadership skills through volunteer work in not-for-profit companies. Currently, 78 percent of employees volunteer in the communities where they live and work.

Debriefing of Conversation with General Mills

There was consensus that General Mills gave an excellent presentation, and that several aspects of General Mills' programs and policies are impressive and commendable. There was a question about how many staff persons were focused on ethics and compliance for a company as large as General Mills. Historically, the Twin Cities area has not been as diverse as it is becoming, and hopefully General Mills will be reflecting these changes in its evolving workforce.

CONVERSATION WITH PROFESSOR PETER RACKLEFF

Peter Rackleff is a member of Macalester College's history department. His academic background relates to the history of working people beginning with a doctoral dissertation that focused on the issues facing African American workers in the Richmond, VA area. He was brought to Macalester College to serve the college as it relates to the local community. After a brief introduction, he focused his remarks on the student movement to ban Coca Cola products from the Macalester College campus. This was in response to concerns about the company's involvement in human rights violations in Columbia, and water issues in India. A social responsibility committee for the college was created to deal with the issue. The resolution of this issue was not to ban Coca Cola, but also not to sign an exclusive contract with Coca Cola. Macalester now provides a choice of products for its students. Today it is unclear what the level of social responsibility concerns is.

Debriefing

It was noted that significant financial pressures exist on colleges and universities all over the world that are leading college and university presidents and administrators to seek additional funding from many sources, including rebates from consumer product companies like Coca-Cola. Also of concern is the need to strengthen and reaffirm the covenant relationships with colleges that are historically Presbyterian-related as we work together to advance the mission and values of both institutions.

ADJOURNMENT

Prior to adjourning for the conversation with the Target Corporation, MRTI was closed with a devotion and prayer led by Gary Skinner.

CONVERSATION WITH TARGET CORPORATION

The committee then went to the Target headquarters to meet with Susan Kahn, Senior Vice President for Communications. Ms. Kahn had assembled a team to describe the company's policies and procedures on the sale of video games, diversity of the workforce, and sustainability issues, particularly in store design, solid waste reduction, and energy conservation.

Respectfully submitted,

Gary Skinner, Recorder

APPROVED: September 12, 2008