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January 31, 2020

Vanessa A. Countryman, Secretary  
U.S. Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Re:  
S7-23-19 Procedural Requirements and Resubmission Thresholds under Exchange Act  
Rule 14a-8  
Via e-mail [rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Dear Ms. Countryman,

I write on behalf of the American Baptist Home Mission Society (ABHMS) to oppose the amendments to Rule 14a-8 proposed by the Securities and Exchange Commission (SEC) on November 5, 2019. Our institution is a founding member of the Interfaith Center on Corporate Responsibility (ICCR). This proposed change to the rules would severely limit our ability to fulfill our commitment to be active and engaged investors, which includes our use of the proxy process from time to time, to engage with corporations on issues with distinct benefits to society, investors, and corporations.<sup>1</sup>

ABHMS believes that prudent management of invested funds not only provides a source for funding mission, but also a vehicle for doing mission. Our prophetic commitment to confront systems that debase personhood, deny justice and destroy creation is reflected in our ministry programming. It is also reflected in the ways we steward our funds. We actively engage with companies in our Common Investment Fund (CIF) portfolio, raising awareness of the impacts of their business on environmental, social, and governance issues. ABHMS has been using its funds to fulfill its socially responsible investing commitment for 49 years (see attached brief history of

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<sup>1</sup> Tamas Barko et al., "Shareholder Engagement on Environmental, Social, and Governance Performance" (Sept. 2018) ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2977219](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2977219)); Clark, L., Gordon, and Tessa Hebb, (2004) Pension Fund Corporate Engagement The Fifth Stage of Capitalism: A study focusing on corporate engagement by pension funds found that shareholder activism through company dialogues and shareholder proposals promotes a long-term view of value that endorses higher corporate, social and environmental standards and adds shared value [https://www.riir.ulaval.ca/sites/riir.ulaval.ca/files/2004\\_59-1\\_7.pdf](https://www.riir.ulaval.ca/sites/riir.ulaval.ca/files/2004_59-1_7.pdf)

our SRI Ministry). For the past 12 years we have engaged the consulting services of Investor Advocates for Social Justice (IASJ) to support our socially responsible investing ministry. Engaging with companies through the shareholder proposal process is consistent with our commitment to address systemic practices related to environmental stewardship, consumer protection, human rights, and diversity issues. Over the years, these company engagements, in collaboration with other religious institutional investors within ICCR, have led to meaningful progress, often in the form of additional disclosure or new policy commitments that benefit all stakeholders, including investors, communities, and employees.

Based on nearly five decades of experience with this process, it is our view that the current shareholder proposal process is an effective, efficient, and valuable tool to foster meaningful engagement between shareholders and companies in which they invest. It allows us to communicate our priorities and concerns as shareholders and bring to light issues that, in our view, had not been adequately managed. We engage in dialogue with companies to build relationships and shared understanding. Our goal is to be constructive, as we have an interest in the company's long-term performance as well as meaningful contribution to a just society. Filing shareholder proposals with companies where we have identified risks that are not being properly managed, or when companies are not open to engagement with their shareholders, is a tool we use to meet our stewardship responsibilities and our fiduciary duty.

Since this work began, we have filed or co-filed over 150 proposals with companies in our portfolio on important environmental, social, or governance concerns, and 40 over the past five years. When this work began, we engaged many companies to encourage them to end their business in Apartheid South Africa, and we have long engaged around board inclusiveness, environmental stewardship, responsible financial practices, and access to medicines. Doing this engagement allows us to raise issues before companies that we identify warrant more proactive management or disclosure, and support values that are increasingly considered commonplace expectations from investors and the business community.

### **Our Concerns with the Proposed Rules**

We believe that the proposed SEC rule changes will limit our rights as shareholders to bring critical and diverse concerns to company management and will instead favor the interests of trade associations and CEOs. Our primary concerns with the proposed rule are:

- **Holdings and Aggregation.** We strongly oppose the proposed changes to the amount of shares held and length of time held, required to file a proposal (Proposed Rule at pg. 20).<sup>2</sup> This would limit accessibility of the shareholder proposal process to many investors. The current requirement of \$2,000 of shares

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<sup>2</sup> <https://www.sec.gov/rules/proposed/2019/34-87458.pdf>

is appropriate. Adding tiered timelines and holding amounts is not only unnecessary but would also be burdensome to implement as it would require monitoring our exposure across portfolio companies for various time periods and may even constrain our ability to sell stocks. This may be costly and difficult to implement from a practical standpoint and may create additional barriers to filing proposals. The proposal to eliminate shareholders' ability to aggregate holdings (at pg. 23), should be removed as this would be a constraint to shareholders with a smaller exposure to a company and is not necessary to demonstrate an economic stake in the company.

- **Representation.** Alongside many other faith-based institutions, the American Baptist Home Mission Society works in partnership with other investors through organizations like ICCR and Investor Advocates for Social Justice (IASJ). IASJ supports our ability to fulfill our commitment to socially responsible investment and active ownership through dialogue with corporate executives, implementing proxy voting, and filing proposals as needed. IASJ provides expertise and enables collaboration among investors to facilitate and strengthen our ability to file shareholder proposals. The proposed changes to limit the “one proposal rule” so that “each person” (at 38) may file only one proposal would be burdensome and negatively impact our existing working relationships with representatives like IASJ to file proposals and participate in shareholder engagements. We recommend you remove this amendment.
- **Vote Resubmission Thresholds.** Changes to the resubmission threshold to refile proposals (at 50) threaten to unnecessarily exclude important proposals on new and emerging issues that may need to gain traction over time and will ultimately stifle key reforms. Many of the proposals ABHMS files and supports raise issues, such as water stewardship or human rights, which are not yet on the radar of companies or other investors. The gradual increase of vote requirements allows investors to become familiar with new issues, while still ensuring there is sufficient support to be considered again. Additionally, shareholder proposals at companies with dual class stock, such as those we have filed at Tyson Foods, receive low votes despite high levels of public shareholder support and these would be substantially impacted by this change. We recommend that you do not make changes to the resubmission threshold and leave them at 3%, 6%, 10%. Research by the Sustainable Investments Institute indicates the proposed resubmission thresholds would have eliminated 30% of the proposals voted on between 2010-2019,<sup>3</sup> shutting down an important channel of communication between and among investors and their portfolio companies.

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<sup>3</sup> <https://www.spglobal.com/marketintelligence/en/news-insights/trending/dgOXuoNIWkBNX2hmo3bHlg2>

## Examples From Our Engagements on The Benefits of the Shareholder Proposal Process

ABHMS' engagements with corporations using the shareholder proposal process and voting on shareholder proposals have brought attention to important corporate social responsibility issues and prompted companies to take action and contribute to positive outcomes for society and company valuation. For example, ABHMS began engaging in dialogue with The Hershey Company in 2009 about the prevalence of child labor and hazardous working conditions in West African cocoa production where Hershey sources most of its cocoa. The chocolate industry has repeatedly failed to meet goals to eradicate child labor in West African cocoa production, despite numerous sector-wide commitments to end child labor that began in 2005. This is not only a concerning human rights issue, but presents legal, financial, regulatory, and reputational risks to the Hershey Company and its shareholders amid increased public scrutiny that presents risks to the loss of consumer trust.<sup>4</sup> This situation warrants more oversight from chocolate manufacturers' Boards of Directors and senior management to ensure there are effective controls in place.

Years of constructive shareholder engagement with Hershey helped lead the company to adopt a Human Rights Policy in 2019 as part of ongoing efforts to address child labor in the cocoa supply chain and other salient human rights impacts. ABHMS engaged with the company to encourage alignment of Hershey's Human Rights Policy with the UN Guiding Principles on Business and Human Rights. This engagement from a relatively small investor helped support increased policy adoption and disclosure on an issue that presents legal, financial, social and reputation risks. In an instance like this, if the ability of an institutional investor with a small exposure to a company to file a proposal as a way to express concern about an unmitigated risk is removed, it is difficult to know whether the company would have engaged with ABHMS, let alone whether it would have taken the steps to adopt more robust human rights management. This has clear benefits across the industry, not only to reduce potential harm through strong governance structures, but also to support long-term shareholder value.

Another example of the benefit of our right to file proposals is our engagement with Tyson Foods on the societal impacts of Concentrated Animal Feeding Operations (CAFOs), human rights, and water stewardship. ABHMS raised serious environmental and social concerns with the company that are material to shareholders and may jeopardize Tyson's social license to operate. Tyson for years has faced fines for violations of environmental regulations and permit exceedances for water discharges that may contaminate drinking water sources and interfere with the Human Right to Water of communities surrounding Tyson facilities.<sup>5</sup>

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<sup>4</sup> Child labor is still so prevalent in cocoa production that U.S. Senators recently called on the Department of Homeland Security to block imports of cocoa from Cote d'Ivoire and lawsuits have been filed against cocoa companies.

<sup>5</sup> See proponent exempt solicitation for 2019 proposal at Tyson Foods, available at <https://www.sec.gov/Archives/edgar/data/100493/000121465918000074/p12181px14a6g.htm>

After dialogue on water stewardship and CAFOs, ABHMS filed a shareholder proposal requesting the company adopt and implement a water stewardship policy that outlines leading practices to improve water quality for Tyson facilities and value chain. ABHMS re-filed this proposal for four consecutive years, gaining increasing support each year from investors as the vote increased from 11.81% in 2015 to 15.83% in 2018. Although our proposal received 11.81% of votes at its lowest, we estimate that this would equate to around 56% of public shareholder support. This engagement proved constructive for the company, as it demonstrated investor interest in stronger water stewardship. And in 2018, Tyson adopted a land stewardship commitment to address some of the concerns raised in the proposal to reduce water impacts from feed.

Given that Tyson is a company with dual class share structure, under the SEC's proposed resubmission thresholds, Tyson shareholders and others in dual class share companies will be even further disadvantaged. This proposal would not have passed the SEC's proposed refiling thresholds even though it gained support from the majority of public Tyson shareholders, and even gained further traction over the next few years.

Investor expectations of corporate due diligence around human rights and the environment are growing, and shareholders use disclosure to inform investment decision-making and shareholder engagement. The proposed changes to the shareholder proposal rule may have prevented us from seeking important disclosure for fellow investors and impacted communities. In 2019, ABHMS filed a proposal with Tyson on human rights due diligence, which received 5.54% of shareholder support. The Proposed Rules would prohibit the refiling of this proposal, which is allowed under the current rules.

In closing, the American Baptist Home Mission Society engages in shareholder advocacy aligned with our commitment to confront systems that debase personhood, deny justice and destroy creation. We believe that engaging with companies on these issues through dialogue and shareholder proposals not only preserves the long-term value of our portfolio, but also promotes corporate action that benefits all stakeholders. Because the proposed rule changes will limit these benefits, the SEC should withdraw rulemaking proposal S7-23-19.

Sincerely,



Michael Birdsall  
Deputy Executive Director, CFO/Treasurer  
American Baptist Home Mission Society

Attachment



# **MONEY AS MISSION**

A BRIEF HISTORY OF  
American Baptist Home Mission Societies'  
Commitment to Social and Ethical Responsibility  
in Investing

**DAVID CHARLES LAUBACH**

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Cover photo:  
Colgate building, Jersey City, N.J.

## Introduction

Today's American Baptist Home Mission Societies, which represents the coming together of several organizations—the American Baptist Publication Society, The American Baptist Home Mission Society and the Women's Baptist Home Mission Society, among others—has



faced issues related to social and ethical responsibility in its financial dealings since its earliest days. The Northern Pacific Railroad stock certificate shown here was issued to the Publication Society in 1883—50 shares at \$100 each. It represents the

difficulty American Baptists faced in the 19th century confronting social and moral issues. The vice president of the Northern Pacific was Colgate Hoyt, wealthy American Baptist philanthropist and head of the Wall Street syndicate that built the first American Baptist chapel car, the “Evangel.” Hoyt was also vice president of the Duluth & Manitoba Railroad, a trustee of the Wisconsin Central Railroad and chief officer of the Chicago and Northern Pacific Railway. He had just been elected vice president of the Oregon and Transcontinental Co. and would soon be vice president of the new Missouri, Kansas & Texas Railroad.

Other members of the syndicate included James B. Colgate, John D. Rockefeller, John R. Trevor and Eugene J. Barney. Colgate, son of soap maker William Colgate, was a financier who was a founder and president of the New York Gold Exchange. Rockefeller, of course, was the Standard Oil tycoon. Trevor was also a New York financier and one-time president of The American Baptist Home Mission Society. Barney was president of Barney and Smith Car Co., Dayton, Ohio, that built all American Baptist chapel cars.

The Northern Pacific Railroad was directly responsible for the failure of the Jay Cooke Co. as well as the Panic of 1873 and played a major role in the Panic of 1893. The U.S. government granted 47 million acres to the Northern Pacific in exchange for construction of a railroad from the Great Lakes to Puget Sound. A Northern Pacific ad in Harper's touted the fertile soil and agreeable “health-giving” climate

of Western Minnesota and the Dakotas. Campaigns targeted Scandinavia and Northern Europe, assuming that the constitutions of these nationalities would be well-suited to life on the Northern Plains.

Despite the abundance of Scandinavian settlers, famine, poverty and death plagued the region early in its settlement. Transcontinental railroads exploited and discriminated against inexpensive Chinese labor, and hundreds perished in accidents, avalanches and explosions. Rockefeller was indicted in Pennsylvania in 1879 for conspiracy to violate the laws of trade, especially those that forbade a common carrier to discriminate against some shippers in favor of others. Barney and Smith erected a walled company town for its Hungarian workers and required them to shop at the company store. All of these men and companies would come under scrutiny today and be at risk of failing our social and ethical tests for investments. Divestiture would have cost us something since chapel cars and missionaries travelled freely over the rails right up to World War II. William Mellen, general manager of the Northern Pacific Railroad, issued the following order: “You will pass Mr. Boston W. Smith [Publication Society missionary] and one attendant with chapel car Evangel over our lines. You will arrange to take the car on any train he desires; you will sidetrack it wherever he wishes. Make it as pleasant for Mr. Smith as you can.”

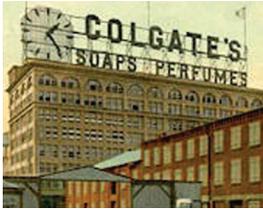
## **Origins of the Common Investment Fund**

How did the American Baptist Publication Society, The American Baptist Home Mission Society and, later, the Women’s Baptist Home Mission Society, grow the funds that would both support the ministry and also be a witness to our values? The first annual report of the Baptist General Tract Society, later the American Baptist Publication Society, in 1825 reported the publication of 19 tracts and an income of \$373.80. When The American Baptist Home Mission Society was formed in 1832, the goal was to raise \$10,000 to support domestic missionaries. Churches that contributed annually \$10 could send one delegate to annual meetings, while life members who contributed \$30 and life directors who contributed \$100 subscriptions became delegates. The American Baptist Home Mission Society employed collecting agents who travelled to solicit subscriptions and offerings and to excite activity in the auxiliaries. Auxiliaries were local,

associational and state missionary societies who transferred their treasuries to the new national society and whose missionaries were then paid by the national society.

The first treasurer of the Tract Society was the Rev. Luther Rice, founder and treasurer of Columbian College in Washington, D.C. (now George Washington University) and organizer of the General Missionary Convention of the Baptist Denomination in the United States of America for Foreign Missions (also called “the Triennial Convention” and now the Board of International Ministries) in 1814.

William Colgate—a Baptist from New York City and founder of what would become Colgate-Palmolive—was first treasurer of The American Baptist Home Mission Society.



When the society expenses exceeded income, Colgate would bridge the gap. Colgate was also a generous benefactor of the Hamilton Literary and Theological Institution in New York.

When, in 1928, Hamilton was renamed Colgate University, the theology department merged with Rochester Theological Seminary to form Colgate Rochester Divinity School.

In 1854, it was stated that, “Some years ago the Board found it necessary to invest a small amount of their funds in such a manner as to afford protection to their financial credit in emergencies,” and they are “led to the belief that the increasing business of the Society require additional safeguards. . . . The plan proposed is to create a fund, the interest of which shall be appropriated to the support of the secretaries of the Society. . . . The success of such a measure would secure the requisite protection to our credit in times of embarrassment; it would diminish to a very small amount the already reasonable percentage deducted from the annual receipts for contingent expenses, and it would relieve the management of the business from objections brought by some against benevolent societies generally. The Board, therefore, recommend that the Society encourage an effort to raise a fund of \$25,000 to be permanently invested, the income of which be annually applied toward salaries of the Secretaries.” This “permanent trust fund” would become the Common Investment Fund.

## Bequests and Investments

The first legacy left to the society was a bequest of \$1,250 in 1834 by Deacon Josiah Penfield of Savannah, Ga. Ten years later, the society reported another dozen legacies and continued to publish a cumulative list of donors and amounts in the annual report. In 1854, the society formally voted to establish the Endowment and Trust Fund. The first donation of \$6,000 from Garratt N. Bleecker was followed by \$10,000 from his granddaughter. The fund was named “The Garratt N. Bleecker Fund.”

In 1883, an annuity program was promoted with these words: “Bonds are given to donors guaranteeing the payment of annuities during their lives. This plan, early adopted by the Society, has obvious

advantages. It secures to donors a fixed income from their gifts—the annuity being graduated according to the ages of donors. It also secures their gifts to the Society. Bequests often fail to reach the legatees. Defects in wills, taken advantage of by avaricious heirs, have defeated the intention of

**The first legacy left to the society was a bequest of \$1,250 in 1834.**

many testators and caused the loss of thousands of dollars to the Society. ‘Better than your will,’ therefore, is this method. At the present time, the Society is paying annuities to seventy persons upon funds amounting to \$108,676.<sup>12</sup> These and all permanent funds are securely invested in first-class bonds and mortgages, or in Government bonds. Investments are made under the direction of the Finance Committee.”

The 1883 report continued, “The work of the Society is an inviting and important one for stewards of the Lord’s money; for here they can make permanent investments which will be productive through all time, either in giving the Gospel to the destitute; in securing the erection of houses of worship in which souls will be converted and the saints edified; or in the endowment of professorships and scholarships in schools for the education of the colored people and of the

Indians—races that for the next generation will be unable to furnish themselves with the needed educational privileges, and which therefore appeal most powerfully to the Christian philanthropist for aid.”

## Early Twentieth Century ‘Screens’

By 1917, the society was printing a list of investments in the new technologies of the day. The list included \$107,800 in railroad bonds, street railway bonds, American Locomotive, Anglo-American Oil, Standard Oil, nine pipeline companies, AT&T, Western Union and Otis Elevator. Many of the stocks represented bequests from donors, such as 86,000 shares of International Petroleum bequeathed by Milo Clinton Treat in 1921. Investments in 1940 included government and municipal bonds (including Argentina and Canada), railroad bonds, public utility bonds and industrial bonds in these companies:

|                              |                             |
|------------------------------|-----------------------------|
| Armour & Co. of Delaware     | International Nickel Canada |
| Canadian International Paper | Monsanto Chemical           |
| Firestone Tire and Rubber    | Skelly Oil                  |
| General Mills                | Standard Oil                |
| General Motors               | Texas Corp.                 |
| BF Goodrich                  | U.S. Steel                  |
| International Harvester      | Youngstown Sheet and Tube   |

The guidelines relating to investments approved by the society’s finance committee were simple: high-grade securities or bonds secured by mortgage, preferred stocks that had no bonded indebtedness, and securities to be placed in safe-deposit boxes in Manhattan.

In retrospect, we know that we invested in companies that produced nickel for artillery, steel companies with unfair labor practices resulting in strikes and riots, neocolonial Central American banana companies that were exploitative, monopolies in oil and sugar, child labor on rubber plantations, hazardous waste and superfund sites. As early as 1919, the Publication Society employed a temperance field secretary and reports reflected a concern for law enforcement, temperance, child welfare, family rehabilitation and recreation but no concern for justice or ecology. Other than those for the manufacture and sale of alcohol, no other screens appeared to be related to American Baptist

investments. During World War II, the society invested in war savings bonds and, after the war, in the “Heifers for Relief” program.

## Birth of Social and Ethical Responsibility in Investing

In 1968, the organization—now known as The American Baptist Home Mission Societies (ABHMS)—was already stirring the pot, as then-Executive Secretary William H. Rhoades spoke of the search for “new forms of mission” as no mere exercise in the study of religious current events. “It is a Christian imperative,” he said, “if the faith of Christians today is to have that quality of life which reveals the capacity to adapt and re-create in order that witness may be equivalent

to need.” Jitsuo Morikawa led the board in discussions of issues that ABHMS would face in the fields of physical environment, economy, politics and government, social organizations, health, education and culture, family and residences, and religious institutions. The beginning of ABHMS involvement in socially responsible investing is traced to a meeting of the ABHMS finance committee, Jan. 24-25, 1971, and to the vision of ABHMS treasurer Horace Gale. It was also in January that the ABHMS board adopted ecology and justice as the two major program emphases for the next few years. Substantive presentations on the theology of institutional change were made by Max Stackhouse (Andover Newton) and Alvin Porteous (Central Baptist Seminary) at the June 1971 board meetings. It wasn’t until Nov. 1, 1972, that the board of managers of ABHMS—now known as National Ministries (NM)—adopted “Guidelines Relating to Social Criteria for Investment.” Gale had said the following to the finance committee in 1971:



Horace Gale  
(1919-2011)  
NM Treasurer,  
1970-1986

emphases for the next few years. Substantive presentations on the theology of institutional change were made by Max Stackhouse (Andover Newton) and Alvin Porteous (Central Baptist Seminary) at the June 1971 board meetings. It wasn’t until Nov. 1, 1972, that the board of managers of ABHMS—now known as National Ministries (NM)—adopted “Guidelines Relating to Social Criteria for Investment.” Gale had said the following to the finance committee in 1971:

“*Rather than expect particular companies to maximize its profits or to maintain a good return on capital investment—should we not try to measure the total benefits a company provides to its shareholders, workers and community? This will mean developing new methods of measuring the cost-benefits of particular social*

*programs. I believe social scientists, economists, political scientists and sociologists, working with the accounting profession, can provide credible data.*

*How can the principles the church stands for—reverence for life, improvement of the human condition, etcetera—be justified if its portfolio includes the stocks of the top defense contractors; of companies which pollute the air and water and those whose products add to the imbalance of our ecology; of those companies which provide token or no opportunity for minority groups—through hiring practices, training programs, and recruitment; of companies which strip under-developed countries of their resources without adequate payment and/or use the cheap labor for exploitation?*

*I say we can no longer allow this kind of contradiction between our words and our action—between our program and our investments. Each church should, after a thoughtful review of its situation, work out an investment policy which will guide it in making decisions concerning these issues.*

*It seems to me that the social criteria for investments and increased responsibility as shareholders should include the following:*

- 1. Investments will be made in companies which show concern for social responsibility.*
- 2. Discontinue investments in companies whose business is largely dependent upon war production and those whose products have a deleterious effect on people and the environment.*

It was then voted “That all of the financial resources of the Societies, including the investment portfolio, mortgage loans and regular checking accounts, as well as purchasing policies, be recognized as a resource for achieving social and program objectives; and that the staff be authorized to explore means by which this investment policy can be implemented within the fiduciary trust responsibilities applicable to such funds and any restrictions placed on certain of the funds by the donors.”

One way this action was implemented was the September 1971 transfer of \$600,000 invested in corporate bonds to certificates of deposits in minority banks across the country. Also in 1971, the assistant treasurer expressed concern in two stockholder meetings of the Kennecott Corp. Peabody Coal, the corporation's subsidiary, had the largest strip mining operation in the world on traditional Native American lands in the Black Mesa area of Arizona. Among the first actions of the new Social and Ethical Responsibility (SER) Committee established in 1972 were divestiture of United Aircraft stock because of its defense contracts, meeting with Kraftco representatives (managers of the King of Prussia shopping mall) to discuss equal opportunity hiring and attendance at the annual meeting of Xerox to comment on South Africa. In 1973, it was reported that NM produced two half-hour TV shows on "The Church and its Investments" as a part of a series of religious programs. Available on video, these programs were used by other denominations to raise consciousness regarding new ways that a church could use its investments to support its program and goals. In May 1973, the first full-time staff person, Fred Curtis, was assigned to SER. The staff position was an internship for one year only.

## **Interfaith Center on Corporate Responsibility**

Gale served as chairman of a national committee known as the Ad Hoc Interfaith Committee on Social Responsibility in Investments. NM was a founding member of the Interfaith Center on Corporate



Responsibility (ICCR) and, in 1973, Gale became ICCR treasurer. In 1974, four NM staff members served on the ICCR board. Currently celebrating its 46th year, ICCR remains the pioneer

coalition of active shareowners who view management of investments as a catalyst to promote justice and sustainability in the world. Comprising nearly 300 organizations with collective assets totaling more than \$100 billion, ICCR helps shape corporate policy on a host of environmental, social and economic justice concerns.

ICCR members believe "that as responsible stewards they must invest their saved resources—pensions and endowments—in ways that are

consistent with their faith values. Since their faith calls them to promote peace, economic justice and stewardship of the universe, they believe they should not profit from production or sale of unsafe or harmful products; from exploitation of human weakness; from violation of human rights, production for war, racism, sexual exploitation or destruction of the environment and so on. They believe they should encourage safe and healthy production methods, forgiveness of debt for poor nations and investment in sustainable development, equal employment opportunity, diversity in management and in boards of directors and payment of living wages.”



Richard Ice (center) delivers a deposit of NM funds to Liberty Bank of Seattle. He is with board member the Rev. Dr. Samuel B. McKinney (right) and bank president J.C. Purnell.

ICCR began, in part, as an outgrowth of opposition to the Vietnam War. Like anti-war students of the day, progressive clergy questioned whether churches were profiting from the war, which most ICCR members opposed in 1971 when ICCR began. This questioning led ICCR members to challenge military contractors on their production of nuclear weapons (a top priority of ICCR members during the 1980s), foreign military sales and development of space weapons. Similarly,

ICCR member opposition to apartheid in South Africa was an extension of the longstanding opposition of U.S. faith communities to slavery, discrimination and segregation. Today ICCR members steadfastly promote environmental justice, access to capital, access to health care, diversity on boards of directors and an end to global warming and sweatshop abuses. Each action taken by ICCR members was based on the beliefs of the ICCR member participating in the action.

The other staff person involved in NM’s SER program was Richard Ice, who visited American corporations doing business in South Africa. From October 1980 to October 1999, Andy Smith directed the SER program. Kirk Jones served as an intern with Andy Smith.

## Hands-on and Proactive in the 1980s

Both NM board members and staff were actively involved in direct interaction with corporations around social and ethical issues in the 1980s. Staff members regularly visited corporate offices and invited corporate and industry executives and representatives to attend NM finance and SER committee meetings. Concerns in the 1980s

Both NM board members and staff were actively involved in direct interaction with corporations around social and ethical issues in the 1980s.

included opposition to Philadelphia Electric building the Limerick, Pa., generating station unit 2. The Chernobyl disaster was fresh in the news, and NM was advocating alternative energy as well as discouraging production of nuclear weapons. The most numerous corporate filings and advocacy related to apartheid in South Africa. NM supported the “Sullivan Principles,” developed by American Baptist pastor

and General Motors board member the Rev. Leon Sullivan. NM divested from corporations that were not signatories to the Sullivan Principles and withdrew money from banks that made loans to South Africa. We participated in the boycott of Royal Dutch Shell. The new “Global Sullivan Principles” were jointly unveiled in 1999 by Sullivan and United Nations Secretary General Kofi Annan. The new and expanded corporate code of conduct, as opposed to the original’s specific focus on South African apartheid, was designed to increase the active participation of corporations in the advancement of human rights and social justice at the international level.

Other issues addressed by NM in the the ’80s were international marketing of baby formula and pharmaceuticals, support of the “McBride Principles” related to Northern Ireland, toxic waste, pollution and acid rain, pesticide misuse overseas, response to the Union Carbide catastrophe in India and genetic engineering.

A prominent example of NM's hands-on approach to social and ethical responsibility involved the Dow Chemical Co. and First Baptist Church of Midland, Mich., from 1980 to 1982. The issue was the production of 2,4,5-Trichlorophenoxyacetic acid (2,4,5-T), used as an herbicide, since banned internationally as an ingredient in agent orange. Smith attended annual meetings of Dow Chemical, visited and corresponded with First Baptist—where many Dow employees were members and were critical of our involvement with Dow—led workshops and corresponded with the administrator of the Environmental Protection Agency. NM partially funded an American Cancer Institute epidemiological study that dealt with 2,4,5-T.

In September 1989, the Coalition for Environmentally Responsible Economies (CERES) announced the “Valdez Principles” (later changed to the “CERES Principles”), a code of environmental conduct for corporations. The principles addressed all major environmental areas, called on corporations of all types and sizes to endorse and submit an annual report on progress, and have been endorsed by major corporate interests in the United States. Endorsing the principles means making a commitment to continual environmental performance improvement within the principles’ framework and entering into a partnership with CERES, a broadly-based coalition of U.S.-headquartered groups related to the environment, labor, public interest, public pension funds, social investing and religious groups, such as ICCR. The CERES Principles are the only environmental code developed by a non-industry group with corporate endorsers. The ongoing relationship of accountability to a group outside of industry provides CERES companies with a unique model of public environmental accountability.

## **Conclusion**

Four decades after American Baptist Home Mission Societies (doing business as National Ministries for most of those years) began a ministry of socially responsible investing, we continue to be stewards over the legacies and gifts received by the American Baptist Publication Society, The American Baptist Home Mission Society, the Women’s American Baptist Home Mission Society and the Freewill Baptist Home Mission Society. Our goal is to not only maximize

returns but also to maximize our influence as investors so that “God’s will might be done on earth as it is in heaven.” As we seek to grow our resources through a culture of generosity and other strategies, we also seek to grow our ministries of advocacy and justice through our commitment to social and ethical responsibility in investing and our partnership with ICCR.





American Baptist  
Home Mission  
Societies

SINCE 1824

[www.abhms.org](http://www.abhms.org)