“The arc of the moral universe is long, but it bends towards justice.”

-Dr. Martin Luther King, Jr.
ABOUT ICCR

Currently celebrating our 43rd year, the Interfaith Center on Corporate Responsibility has been a leader of the corporate responsibility movement for four decades. Beginning with our calls for divestment from South Africa in opposition to apartheid, ICCR members have been actively engaging the world’s largest companies in an effort to transform corporate practices on a host of issues from rooting out human trafficking and supply chain abuses to ensuring safe food and water, to calling for financial and health care reform to protect the world’s most vulnerable. Today our membership is comprised of 300 institutional investors with over $100 billion in invested capital. Representing faith-based communities with congregations all over the world, SRI asset management companies, unions, pension funds and a global network of allies, ICCR members are not only shareholders, but trusted partners in corporate responsibility initiatives that promote a more just and sustainable world.

We do this in a variety of ways:

• CORPORATE DIALOGUES: As active shareowners who have built productive and long-term relationships with management, ICCR members conduct hundreds of dialogues every year to advance a wide range of issues. Because we have a vested interest in a company’s success and propose realistic solutions as opposed to making demands, these dialogues often bear fruit in the form of meaningful reform and have a positive impact on long-term profitability.

• SHAREHOLDER RESOLUTIONS: When dialogues are unproductive, ICCR may issue shareholder resolutions to engage management and other investors’ attention around a specific issue.

• CSR TOOLS: ICCR’s database offers members a historical record of shareholder actions with thousands of companies. Known for our insightful white papers such as our Statement of Principles and Recommended Corporate Practices to Promote Global Health and Statement of Principles and Recommended Practices for Confronting Human Trafficking and Modern Day Slavery, along with our ability to convene key stakeholders from the business, NGO, community and investor sectors, ICCR is a resource for all those working in corporate responsibility.

OUR MISSION

ICCR seeks a global community built on justice and sustainability through transformation of the corporate world by integrating social values into corporate and investor actions. We invite you to join us. We are inspired by faith and committed to action.

©ICCR, August 30, 2014

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Responsibility is one of those values that, like the elasticity in a rubber band, stretches across many dimensions of life and influences the choices and behaviors of individuals, communities and corporations on a daily basis.

ICCR members have been at the forefront of conversations and debates about the parameters of corporate responsibility for over 40 years. They have also been leaders in “walking the talk” through the exercise of active ownership in the numerous corporations that they engage across a wide variety of social and environmental concerns. Over that period of time, topics with both a domestic and international face have been brought to the engagement table for prayerful consideration and discernment, and numerous stakeholders, including the local communities most impacted by corporate practices, have been invited to the table and their personal stories heard.

Propelled by innovations in communications technology and moved by the stories of people in communities across the world, faith-based and socially responsible investors continue to articulate new frontiers of corporate responsibility. The promotion and protection of human rights throughout the supply chains of corporations, both upstream and downstream, is an example of new arenas where the policies and activities of corporations require closer scrutiny. Examining the parameters of the recently articulated human right to water and assessing and preparing for the multiple threats of climate change are priorities that ICCR members are actively exploring with different corporate sectors. Political contributions and lobbying activities have emerged as important concerns for investors, and more recently, greater transparency on corporate tax policies has been identified as critical in assessing a corporation’s culture and its commitment to social responsibility.

The vision of corporate responsibility within a context of increasing globalization and influence calls for more in-depth conversations and collaborations between all stakeholders. ICCR and its members and partners have demonstrated leadership by convening those deeper conversations, fostering more productive collaborations and by continuing to define the contours of that vision.

On a global scale, steering the trillions of dollars in private capital that continues to be deployed across the world in an ethical and sustainable fashion is at the heart of what motivates ICCR members every day. As the UN General Assembly moves toward the adoption of the Sustainable Development Goals in 2015, advocacy for a responsible corporate participation in the advancement of these goals must be paramount.

Inspired by faith and committed to action, ICCR members embrace this advocacy and look forward to supporting this global vision.
Letter From the Executive Director
Laura Berry

As our work at the Interfaith Center on Corporate Responsibility responds to the needs and approaches that these times require, our commitment to justice is unflagging. As our 2008-2009 annual report was being launched, you may recall our campaign to capture stories from key voices across ICCR in the recorded collection we called “The Arc of Change”. The storytellers anticipated the 40th anniversary we celebrated in 2011, a few years later. This past year was a year of renewed strategic planning as we came to the end of our five-year strategic cycle. In working through a year-long process, we realized that our faith in the power of our work to bend the arc of the moral universe toward justice has grown even stronger, in spite of the challenges faced by humanity.

For both this year’s annual report and our 28th annual event, we have chosen a symbolic rainbow. The rainbow is an arc of refraction, with each wavelength of light bouncing off at a different frequency. Without this spectrum of difference, we would never see the breathtaking and elusive phenomenon we know as a rainbow. At ICCR, our members have different approaches to their work, as well as wide-ranging institutional priorities and, like the rainbow, our work is most impressive when our energy is combined and refracted through the prism of our work.

Throughout this year we have seen evidence that the scope of our work is both broadening and deepening. With the strong support of our members, sponsors, donors and our growing pool of foundation grants, our ability to respond to the pressing needs of today’s world is strengthened. We will once again renew our focus in places where our unique moral voice has the most impact. As we move into the next phase of strategy, our global leadership in faith-consistent investing will be increasingly evident in both our organizational vitality and through our growing ability to evaluate our efforts and demonstrate the transformative power of investor engagement.

Finally, ICCR members continue to build upon the work defined in our Social Sustainability Resource Guide, developed in our last strategic cycle. ICCR members will always focus on approaches that prioritize improved community outcomes. Whether through our emerging work in climate adaptation and community resilience or in specific areas such as the continuing health crisis of childhood obesity or the egregious labor practice of fee-based recruitment among vulnerable migrant workers, our work, and our faith in its effectiveness, is reflected in the faces of the people we meet.

Thank you for your passion, your interest and your unflagging support.

Laura Berry
THE ARC OF ICCR IMPACT

Highlights from a Year of Member Successes...

**Global Health:** The patents for five new HIV/AIDS medicines are shared for generics manufacture via the Medicines Patent Pool as a result of ICCR member engagement.

**Sustainable Agriculture:** Members persuaded six companies to begin sourcing sustainable palm oil. Two companies included responsible land policies in their supplier codes and another two companies added “no fees” provisions in their recruitment policies.

**Political Spending:** A petition for corporate transparency around political donations with a record-breaking one million supporters is sent to the SEC. In 2014, the lobbying group reached settlements with nine companies, resulting in increased disclosure.

**Human Rights:** The ICCR-led Bangladesh Investor Coalition encouraged companies to join the Bangladesh Accord on Fire and Building Safety and to contribute to the Rana Plaza Trust Fund. To date, over 180 companies have joined the Accord.

... and a Year of Institutional Progress

Continued growth in membership, resources, financial and human capacity that amplifies our influence and impact.

- Twelve new members
- Nearly $500K in grants to support three program areas
- Three new full-time staff members
- A new public website

A commitment to social sustainability that places community impacts at the heart of our corporate engagements.

- 2013-2014 engagements with the oil and gas sector, the food and beverage industry, the financial services, agriculture, and apparel sectors raise corporate awareness of the social impacts of business operations.

A new strategic plan with a five year vision that builds upon our past successes to secure ICCR’s future in faith-consistent investing.

- Global Leadership
- Organizational Vitality
- Evaluation and Assessment
Now in its second year, ICCR’s Access to Nutrition initiative continues to encourage corporate action in response to the public health threats of obesity and under-nutrition, particularly as they impact children. Our strategies this year have focused on the product portfolios and marketing practices of more than 21 food, beverage, retail and media companies, with special attention given to communities disproportionately affected by nutrition-related illnesses.

An ambitious program of corporate engagements that included dialogues, resolutions, and appearances at annual meetings resulted in tangible progress with a number of companies: clearer articulations of plans to address nutrition-related risks; creation of new positions and governance structures to oversee nutrition-related policies/activities; greater disclosure of the nutritional profiles of products and goal-setting for nutritional improvement; first-time commitments on responsible marketing to kids; and, agreements to expand the current scope of responsible marketing commitments.

In order to assess companies’ progress and ICCR’s impact, we have implemented an internal tracking system, ICCR’s Hierarchy of Impact, to better map companies’ activities against a set of pre-determined milestones. In order to deepen our dialogues with companies, we have also begun to draw on focused research by partner organizations concerning marketing campaigns targeting communities of color, and digital marketing to youth.

To strengthen our influence on nutrition issues, ICCR staff and members forged alliances with other groups, notably with the Food Marketing Workgroup, a network of more than 200 organizations dedicated to eliminating harmful food marketing. Importantly, we are also exploring new relationships with community-level organizations, including groups working to counter obesity in African-American, Latino and Native American communities in an effort to raise up community concerns before companies.

This year ICCR staff and members were invited to two White House events hosted by First Lady Michelle Obama, including a Convening on Food Marketing to Children in September. In December, building on the momentum of the First Lady’s efforts to raise the bar on corporate responsibility, ICCR and the Children’s Food and Beverage Advertising Initiative (CFBAI) convened a roundtable discussion on food marketing to youth, featuring corporate representatives, NGOs, and academics for the first of what we hope will be many productive discussions. And in July, ICCR sponsored an investor sign-on letter endorsed by 40 organizations urging over 30 companies to join the CFBAI that has already prompted deeper discussions with several companies.

New ICCR members joined our Access to Nutrition team this year, and in coming months, staff and members will look to raise investor awareness and further expand participation through intentional education and outreach.
Numerous studies ranging from the U.N.’s IPCC Fifth Assessment Report, to the U.S. National Climate Assessment Report bear witness to the fact that the climate is changing, in large part due to the burning of fossil fuels. The data have exposed climate change as one of the most significant challenges facing our planet and its people.

ICCR members began engaging companies on energy conservation, renewable energy policies and pollution control over twenty years ago. Our members’ legacy on climate change mitigation notwithstanding, all concede that, in light of the new scientific assessments, all of us – governments, the private sector, investors and consumers – need to do much more and faster, if we are to reverse perilous climate trends. In response, climate change has been reinstated as a priority ICCR program issue with dedicated staff, a core leadership team and bolder strategies designed to rein in greenhouse gas (GHG) emissions and accelerate investments in low-carbon solutions.

**ICCR’S 2014-2015 STRATEGIES INCLUDE:**

- **Climate change mitigation and adaptation:** From the reduction of GHG emissions across all sectors, the elimination of methane flaring at fracking wells, and the promotion of innovations in renewable energy that reduce our dependence on fossil fuels for energy, ICCR members are making shrinking corporate carbon footprints a top priority. Further, ICCR will work to develop meaningful corporate engagements on the subject of adaptation and resilience.

- **Public policy:** Members continue to call for corporate disclosure of lobbying and political activities that could present roadblocks to meaningful climate legislation and regulation. Programs to help galvanize corporate, investor and public support for critical international frameworks such as the 2015 Climate Treaty, federal regulations such as the EPA’s Clean Air Act and new GHG emission standards that support the use of renewable energy on a regional and state level will be a member priority.

- **Corporate reporting and accountability:** Disclosure is a powerful tool to drive performance improvements and accountability. ICCR members will continue to press companies for increased disclosure related to carbon use, risk and mitigation plans.

- **Leveraging ICCR members’ position as investors:** We will exert our influence, either through direct advocacy on policy issues, or by committing to increased impact investing in green and low-carbon solutions.

As with other ICCR programs, members view climate change through both a social and environmental lens. Engagement strategies will seek to help companies and investors find and fund the solutions that will reduce climate vulnerability and build resilience for both businesses and communities.
ICCR advocates for greater transparency around corporate political spending and lobbying, to ensure that these activities don’t conflict with corporations’ stated values, and to reduce the potential for legal and reputational risks. ICCR members argue that these disclosures exhibit best practices in corporate governance and further, are essential for investors to properly evaluate corporate performance.

Since 2011, ICCR members, led by AFSCME and Walden Asset Management, have conducted a coordinated campaign seeking disclosure of lobbying and political spending by publicly traded corporations. The program’s goal is to challenge corporate influence over the U.S. political and legislative processes through the unlimited and undisclosed financing of political candidates and/or third-party lobbying groups.

Collaboration has been a successful model for amplifying our impact. By working together, the lobbying group has succeeded in elevating the topic of political spending to a major investor theme by filing as many as 50 proposals in each of the last three years. In 2014, the group reached settlements with nine companies, resulting in increased disclosure.

Often, corporations are unaware that their membership dues in organizations like the Heartland Institute and the American Chamber of Commerce may be indirectly funding advocacy campaigns that are in direct conflict with their publicly-stated positions. In 2014, ICCR focused on corporate membership in ALEC, the American Legislative Exchange Council, which lobbies to write laws that could undermine federal regulations on issues like corporate carbon emissions. ICCR asks companies with publicly stated sustainability goals to reconsider their ALEC membership.

Companies are increasingly seeing the importance of aligning their values with their lobbying activities, and are leaving ALEC. In 2014, Ameren, Endo Health Solutions, VISA, UnitedHealth and Xcel Energy left ALEC, joining Johnson & Johnson, Coca-Cola, Kraft and Pepsi. In just three years, ICCR members and their allies have made corporate membership in ALEC synonymous with risk: to date over 80 companies have left. In the last two years alone, more than 20 companies have significantly increased their level of disclosure.

ICCR staff and members gave testimony at an SEC hearing in April of 2014 in support of a proposed new rule that would obligate companies to disclose their political spending to their investors. When the rule was removed from the agenda by incoming SEC Chair Mary Jo White, a petition calling on the SEC to promulgate the rule was launched, and to date has received a record-breaking one million comments in support.

In the absence of SEC rulemaking to require disclosure, investors will continue to press companies with records of poor disclosure to improve.
DOMESTIC HEALTH

ICCR advocates for access to health care services for all, with the goal of increasing the percentage of the population that has health insurance and bending the “cost curve” for health care to make it more affordable for more people.

When the Affordable Care Act’s provisions to increase health care coverage went into effect in 2013, ICCR engagements focused on ensuring proper implementation across four health care sectors: medical device companies, health insurance companies, pharmaceutical manufacturers, and pharmaceutical retailers. Members also sought to counter campaigns aimed at thwarting the Affordable Care Act’s successful rollout by encouraging corporations across multiple sectors to actively promote enrollment.

Our engagements produced substantive gains. Pharmaceutical companies demonstrated that they were encouraging health insurance enrollments, while maintaining their pharmaceutical assistance programs for those who were not eligible to enroll. Pharmaceutical retailers, meanwhile, offered health insurance enrollment information and assistance for their customers.

All health insurance companies engaged by members began to offer products on the state exchanges, or agreed to begin offering products beginning in 2015. Members will continue to urge health insurers to offer high-quality, competitive products through the existing state exchanges, while also expanding to additional states.

A separate ICCR strategy was implemented to encourage companies with many part-time workers to ensure all their workers had access to health insurance. Walmart responded by retaining the services of Health Compare to help all of its Associates enroll in appropriate health insurance plans, significantly increasing the proportion of insured Associates.

Throughout 2014, members also continued to press medical device companies to help reduce overall health care costs and improve quality and efficacy. Greater price transparency is critical in assuring that patients and providers receive products that offer the best value. Members will be asking these companies to accept their financial responsibilities in implementing health reform, in particular, to support the excise tax that helps underwrite the cost of health care reform.

For decades ICCR members have used a variety of strategies to successfully reduce the public health impacts posed by the use of tobacco products. In 2014, CVS Caremark announced a landmark decision to end tobacco sales in its chain of 7,600 stores and to change its name to CVS Health, outstanding examples of a company aligning its operations with its mission.

In the months ahead, members will work to remind companies of their social contract to improve the health care system as they undertake new product development and marketing programs. Members will encourage additional employers to ensure that their employees have access to affordable health insurance choices and are equipped to make those choices. Future engagements will incorporate the use of metrics, better enabling members to track the social impacts of company progress. Members will also seek to expand investor awareness of, and participation, in our work.
The financial services sector has seen more than its fair share of trouble over the last decade and 2014 continued as a year of record-breaking losses, fines and lawsuits for ethical and legal breaches which only served to further erode the public trust.

Recognizing the need for genuine reforms to restore confidence in both the system and its individual players, ICCR engagements with the top U.S. banks in 2014 reflected the gravity of the crisis and prompted more substantive discussions with management. Dialogues were built upon the findings of the ICCR/Sustainalytics Ranking the Banks report and focused on strengthening risk management and responsible lending programs, and on producing greater transparency around executive compensation structures and lobbying activities.

ICCR’s sustained engagement strategy led JPMorgan Chase (JPMC) to share the outline of its How to do Business Report, which it intends to make public in November of this year. Like Goldman Sachs’ 2012 Business Review Standards, also published in response to ICCR concerns, its implementation will form the basis of ongoing ICCR dialogues with the company.

ICCR members persuaded JPMC to convene a colloquy to discuss separating its Chair and CEO positions at the Society of Corporate Secretaries meeting this coming October. Also this year, members convinced Wells Fargo to show greater responsibility in lending by discontinuing its direct deposit advance service, a loan product with the potential to trap customers in dangerous debt cycles.

Members also facilitated the testimony of more than 20 members of Virginians Organized for Interfaith Community Engagement (VOICE) at JPMC’s annual general meeting in May. The group is petitioning for a just resolution to foreclosures resulting from the housing crisis. The interaction with management, including CEO Jaimie Dimon, was positive and discussions continue.

ICCR’s financial services group has been collaborating with its members in Canada who are engaging the country’s top six banks on tax policies and responsible lending programs. The group plans to develop a global engagement model that reinforces the interdependency of the world’s capital markets and their inextricable links to the long-term prosperity of their clients and customers.

Member engagements next year will push for progress on the four priority issues identified in Ranking the Banks, with concerns being more intentionally framed within the broader systemic approach outlined in the U.N. Sustainable Development Goals. Members will seek to remind banks of their social purpose and highlight the business opportunities in generating a shared value that recasts their role as underwriters of innovations, as problem-solvers of some of our planet’s most daunting challenges, and as enablers of sustainable prosperity and progress.
FOOD SAFETY AND SUSTAINABILITY

Forecasted population growth, as well as the impact of climate change on food production, is already exacerbating food insecurity in many countries, leading to increased public health risks, and fomenting geo-political unrest. Going forward, how companies choose to grow larger quantities of food will determine the safety and sustainability of our global food system.

ICCR members seek to promote corporate practices that build a more secure and just global food system, which will ensure that our food is grown safely, ethically and without adverse environmental impacts, while protecting the rights and dignity of workers in the food supply chain.

SUSTAINABLE AGRICULTURE

Global demand for palm oil, sugar and paper has been responsible for massive deforestation, a major driver of climate change. Palm oil production is also rife with forced child labor. Members filed resolutions with Kraft, PepsiCo, and Mondelez this year requesting reports on deforestation and human rights risks and plans to mitigate them. ICCR member Green Century was also instrumental in persuading ConAgra, General Mills, Kellogg’s, Krispy Kreme and Smuckers to commit to more sustainable sourcing of palm oil.

GENETICALLY MODIFIED FOODS

Originally engineered for weather and pest resilience, doubts persist about the health impacts of genetically modified (GM) foods. ICCR members advocate for consumers’ right to know whether or not they are eating GM foods, and support clear labeling of GM ingredients. This year, an ICCR-led coalition sent a letter to food, beverage and seed companies urging them to refrain from lobbying against state propositions requiring labeling of GMOs. ICCR also submitted a letter to the Department of Agriculture protesting the deregulation of new GM crops designed to survive repeated spraying of the herbicide 2,4-dichlorophenoxyacetic acid (2,4-D), a component of agent orange.

SUSTAINABLE MEAT PRODUCTION

Modern meat production often uses extraordinary methods to increase yield, including concentrated animal feeding operations and non-therapeutic application of antibiotics, and, in pork production, gestation crates so small that breeding sows can’t turn around. A resolution filed at Tyson Foods was withdrawn by members when the company agreed to discontinue its use of gestation crates.

COMMODITIES AND LAND SPECULATION

Together with Better Markets, in 2014 ICCR hosted a webinar to educate mainstream investors about the relationships between over-speculation in commodities markets and food price volatility. And as a result of member engagements, both PepsiCo and the Coca Cola Company adopted policies prohibiting land speculation.

LABOR IN THE FOOD SUPPLY CHAIN

ICCR members support the Coalition of Immokalee Workers (CIW), and are collaborating to petition supermarket chains and fast food restaurants to join CIW’s Fair Food Program, which seeks wage increases and better working conditions for tomato workers.
GLOBAL HEALTH

Delivering life-saving medicines to vulnerable populations in low-income countries has long been a global health challenge, something the recent Ebola outbreak in West Africa has made painfully evident. ICCR members advocate for access to health care as a human right, and for more than 20 years have worked to increase access to medicines in vulnerable communities and to create a more equitable global health system. In our meetings with pharmaceutical companies we stress their responsibility to deliver goods and services that will benefit the common good and reflect their social contracts with society.

34 million people are currently living with HIV/AIDS, and non-communicable diseases (NCDs) including heart disease, strokes and cancer that each year kill more than 36 million people. Global warming trends present a new host of health threats for climate-impacted communities, including a surge in tropical diseases like Dengue, Malaria and Ebola that will require innovative adaptation strategies to build resilience in vulnerable communities.

While pharmaceutical companies are to be credited for their robust philanthropic efforts to address these gaps, ICCR members along with global health NGOs advocate for delivery models and pricing strategies that are more sustainable over the long term.

Established in 2010, the Medicines Patent Pool (MPP) encourages the sharing of licenses for HIV/AIDS formulations by major pharmaceutical companies in order to facilitate their manufacture by lower cost generics companies; each time a company contributes a new drug to the Pool, millions of vulnerable people around the world benefit via improved access to these vital medicines.

This year, ICCR engagements focused on helping companies overcome hurdles to sharing their patents through the MPP. As a result, in the last twelve months five new formulations were added, including Gilead Sciences’s tenofovir alafenamide, Bristol-Myers Squibb’s atazanavir, Roche’s valganciclovir, and ViiV’s dolutegravir and abacavir.

This year, ICCR released its Statement of Principles and Recommended Corporate Practices to Promote Global Health Care which articulates our vision of best practices in meeting global health challenges and forms the basis of ongoing global health dialogues with pharmaceutical companies. Specific strategies include: Access & Affordability; Innovative Research & Development; Ethical Business Practices; Community Investment; Partnerships & Collaboration; and, Transparency & Disclosure.

The principles have been endorsed by, and have helped to solidify our relationships with, 80 institutions in global health care advocacy. The Principles are also proving pivotal in shaping and deepening our ongoing corporate engagements around global health care standards. ICCR members will continue to focus on access and affordability, and support emerging business models that address critical global health needs.
HUMAN TRAFFICKING AND MODERN DAY SLAVERY

ICCR members continue to use their Statement of Principles and Recommended Practices for Confronting Human Trafficking and Modern Slavery as well as Investing the Rights Way as the foundation for corporate engagements advocating human rights due-diligence and impact assessments throughout operations and global supply chains. Global leaders, including Pope Francis and President Obama, anti-trafficking NGOs and state legislatures passing anti-trafficking legislation, along with ICCR members all sought to convince companies of the need to work collaboratively with peers, communities and investors to eradicate trafficking and slavery.

BANGLADESH INVESTOR COALITION
The ICCR-led Bangladesh Investor Coalition, formed shortly after the collapse of Rana Plaza in April 2013, continued to encourage companies to join the Bangladesh Accord on Fire and Building Safety, a legally binding agreement endorsed by over 180 global companies. More specifically, this year members pressed apparel brands and retailers to contribute to the Rana Plaza Trust Fund, founded to provide financial assistance to victims and their families. As of August 2014 the Fund had only raised $17.9 million of the $40 million that is needed.

An action at the Ralph Lauren shareholder meeting in August coordinated by the AFL-CIO featured human rights advocates including Nazma Akter, a garment factory worker since the age of 11 and now leader of the Bangladeshi worker rights movement. Management has agreed to re-open discussions in future dialogues.

CELEBRATION WITHOUT EXPLOITATION
ICCR members have worked to raise awareness about the increased risk of sex trafficking around large sporting events with hospitality companies since the 2010 World Cup. When it was announced that the 2014 Super Bowl would be held in New Jersey, ICCR members led by the Tri-State Coalition for Responsible Investment immediately began to mobilize. With learnings from grassroots campaigns deployed by ICCR members in the three prior Super Bowls, they reached out to ECPAT USA and the NJ Coalition Against Human Trafficking to coordinate an awareness-building strategy.

As a result, 1,200 local hotels were contacted and, of them, 72% posted anti-trafficking resources and 36% received anti-trafficking training.

LEGISLATION
Building on the California Transparency in Supply Chains Act and President Obama’s subsequent executive order obligating government contractors to implement anti-trafficking measures, a federal bill was sponsored by NY Rep Carolyn Maloney this year which would enforce corporate disclosures of suppliers and anti-trafficking and slavery efforts. A companion bill is being introduced in the Senate by MD Senator Ben Cardin, and ICCR members will organize investors to advocate for broad sponsorship of both House and Senate bills.
“NO FEES” INITIATIVE

Millions of workers become slaves through the actions of unscrupulous labor brokers who charge exorbitant recruitment fees, either do not provide contracts or change contract terms, impose unreasonable deductions from promised wages, and leave workers vulnerable to exploitation. For this reason, ICCR has launched the “No Fees” initiative, a program designed to ultimately lead companies to create robust management systems which will ensure that workers in their immediate and extended supply chains are not forced to pay for employment.

“No Fees” builds upon decades of productive ICCR corporate engagements on human rights and supply chain issues and further amplifies three years of ICCR member-led engagements with food and beverage companies on sustainable sourcing, production and labor practices for palm oil and seafood.

As the “pay for work” practice is especially prevalent at the commodity-sourcing level of the food supply chain, the “No Fees” initiative will initially focus on promoting ethical recruitment at twelve companies sourcing palm oil and seafood: ADM, ConAgra, Costco, Darden Restaurants, Dean Foods, Kraft Foods, Kroger, Mead Johnson, Mondelez, Sysco, Target, and Walmart. The “No Fees” initiative has been included in ongoing dialogues with 80% of these target companies.

Specifically, the companies are being asked to:

• Establish monitoring procedures that ensure suppliers are abiding by the company policy to recruit responsibly.
• Implement a supply chain traceability program to track the commodity to the producer.
• Cease any relationships with suppliers that do not cooperate on the issue.
• Participate in the multi-stakeholder network of NGOs, investors, companies, trade associations and trade unions that collectively works to adopt better recruitment practices in different commodities (RSPO), and share the steps taken to ensure that the social/labor component stays on the sustainability agenda.

In May, members withdrew a shareholder proposal filed at ADM after it adopted a Respect for Human Rights statement with policies for fair wages, safe working conditions, freedom of association, and ethical recruitment standards that expressly prohibit workers paying recruitment fees. Also as a result of an ICCR engagement, the Coca Cola Company included an ethical recruitment provision in its Guidance for Suppliers and Bottlers on Workplace Rights.

In early September, Associate ICCR Program Director Valentina Gurney will travel to Thailand to conduct field research on recruitment abuses in the country’s shrimp industry. Her findings will be made available in a report by the end of the year.
A full seventh of the world’s population lacks access to fresh water, and as climate change impacts grow more severe, the freshwater crisis is expected to grow more acute in coming years. A key facet of ICCR’s work is advocating for the human right to water.

Corporations have an essential role to play in addressing the fresh water crisis, since agricultural and industrial water use account for 70% and 22% of total water use respectively.

In early 2012, ICCR released its Statement of Principles and Recommended Practices for Corporate Water Stewardship, with six recommended best practices. ICCR members use the Principles as a core tool in their engagements with companies in the food & beverage, and extractives sectors. As a direct result, more corporations have begun to acknowledge their responsibility to respect the human right to water. They have also started to implement policies to reduce water-related impacts, and importantly, to return water to the watersheds from which they have withdrawn it in safe, usable condition, benefiting local communities relying on those same water sources.

ICCR partners with the Alliance for Water Stewardship, the CEO Water Mandate, and the World Resources Institute, who provide a level of expertise that helps support our corporate engagements on water. We also work closely with communities in water-stressed regions of the globe and advocate for their inclusion in corporate engagements to deepen companies’ understanding of community needs. As an example, this year, members sent letters to Detroit-based companies asking them to respond to the city’s water crisis.

In addition to corporate dialogues and filing shareholder resolutions, we also convene roundtables. Our 2013 water roundtable brought together representatives from the food and beverage industry, NGOs, and impacted communities for productive conversations about the human right to water and authentic corporate water stewardship.

ICCR assesses our impact on achieving corporate progress on building water sustainability via the application of an internal tracking framework, the Hierarchy of Impact, which maps company activities against a continuum of benchmarks and best practices.

As a result of our multi-year campaign, numerous companies – including key sector leaders – have adopted formal human right to water policies, chiefly Connecticut Water, Campbell’s Soup, Green Mountain Coffee Roasters, Intel Corporation, Johnson & Johnson, PepsiCo, and Procter & Gamble. VF Corporation, meanwhile, agreed to begin its first full water assessment in 2015, and Peabody set water goals for 2014/2015.

In the next year, ICCR will encourage other corporations in each of the three sectors to implement their own human right to water policies. ICCR will also more intentionally focus on “high-impact” companies – those whose operations have a significant impact on local watersheds and people.
ICCR’s Governing Board

Chair: Séamus P. Finn, OMI  
*Missionary Oblates of Mary Immaculate*

Vice-Chair: Byrd Bonner  
*United Methodist Church Foundation*

Treasurer: Tim Brennan  
*Unitarian Universalist Association*

Secretary: Kathryn McCloskey  
*United Church Funds*

Susan Baker  
*Trillium Asset Management*

Michaele Birdsall  
*American Baptist Home Mission Societies*

Lauren Compere  
*Boston Common Asset Management*

Michael Crosby  
*Province of St. Joseph of the Capuchin Order and WIMCRI*

Jeffrey Dekro  
*Bend the Arc: A Jewish Partnership for Justice*

Anita Green  
*Wespath Investment Management*

Barbara Jennings  
*Midwest Coalition for Responsible Investment*

Jeffery Perkins  
*Friends Fiduciary*

Brian Reavey  
*Marianist Province of the United States*

Julie Tanner  
*Christian Brothers Investment Services*

Pat Zerega  
*Evangelical Lutheran Church in America*

How We are Governed

ICCR operates on a five-year strategic cycle and although our financial reporting follows the calendar year, ICCR’s work follows an operating year that runs from our June AGM to the following June. In addition to the organizational discipline of strategic planning, ICCR member work revolves around two cycles; one is the annual cycle of corporate shareholder meetings, and the other is an established internal process to identify the issues of greatest priority to our membership, a five-year cycle staggered with the strategic planning process. The next prioritization process will begin in late 2014, for presentation at the 2015 assembly of members.

ICCR’s overall strategic direction is set by a Governing Board, which is elected by our faith-based members from among two of ICCR’s three membership groups – our full, faith-based member institutions and our associate member institutions. The Board has an Executive Committee, comprised of the Chair, Vice-Chair, Secretary and Treasurer. The Governing Board oversees the Executive Director, approves strategic plans and budgets and determines policy.

Each Director serves a three-year term and may serve no more than two consecutive terms. Elections are held on an annual basis. Director terms are staggered, meaning director terms expire at different times.

ICCR’s work is further guided by four standing committees – the Finance Committee, the Development Committee, Personnel Committee, and the Nominating Committee, each of which contain between 5 and 8 members.
Standing Committees

FINANCE
Tim Brennan – Chair
Sr. Barbara Aires, SC
Lauren Compere
Paul Klinck
Susan Smith Makos
Sr. Susan Mika, OSB
Mark Regier
David Foster
*Gail Shamilov

NOMINATING
Sr. Kathleen Coll, SSJ – Co-Chair
Chris Meyer – Co-Chair
Michaele Birdsell
Sr. Mary Ellen Gondeck, CSJ
James Gunning
Tom McCaney
Colleen Scanlon

PERSONNEL
Robert Koppel – Chair
Jeffrey Dekro
Kathryn McCloskey
Margaret Weber
Patricia Zerega
*Laura Colin Klein

Note: Board Chair Séamus Finn, OMI and Executive Director Laura Berry serve in an ex officio capacity on all committees. *Indicates ICCR staff
## Statement of Financial Position

**December 31, 2013**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$186,602</td>
</tr>
<tr>
<td>Receivables</td>
<td>82,635</td>
</tr>
<tr>
<td>Endowment (invested assets)</td>
<td>1,315,050</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>21,655</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>11,889</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,617,831</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$98,985</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>126,900</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$225,885</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted net assets</td>
<td></td>
</tr>
<tr>
<td>- board designated</td>
<td>$63,588</td>
</tr>
<tr>
<td>- undesignated</td>
<td>(181,330)</td>
</tr>
<tr>
<td><strong>Total unrestricted net assets</strong></td>
<td>(117,742)</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>637,938</td>
</tr>
<tr>
<td>Permanent restricted</td>
<td>871,750</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$1,391,946</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td><strong>$1,617,831</strong></td>
</tr>
</tbody>
</table>

## Statement of Activities

**Ended December 31, 2013**

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member dues</td>
<td>$871,381</td>
</tr>
<tr>
<td>Contributions</td>
<td>52,748</td>
</tr>
<tr>
<td>Grants</td>
<td>232,305</td>
</tr>
<tr>
<td>Events</td>
<td>537,419</td>
</tr>
<tr>
<td>Other revenue</td>
<td>20,596</td>
</tr>
<tr>
<td>Investment income</td>
<td>221,379</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$1,935,828</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses</td>
<td>$963,727</td>
</tr>
<tr>
<td>Management and general</td>
<td>496,838</td>
</tr>
<tr>
<td>Fundraising</td>
<td>120,837</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$1,581,402</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in Net Assets</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Assets - January 1</strong></td>
<td>1,037,520</td>
</tr>
<tr>
<td><strong>Net Assets - December 31</strong></td>
<td><strong>$1,391,946</strong></td>
</tr>
</tbody>
</table>
Our Contributors

We are indebted to the following donors whose generous support enables ICCR to continue its important work.

With special appreciation for advancing ICCR’s mission in 2014

Robert Wood Johnson Foundation

HUMANITY UNITED

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* Includes gifts made for donation activities held between 7/1/2013 and 6/30/2014.
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Tonya K. Wells
(in honor of Bud Lauderbach)
Tonya K. Wells (in honor of Walter Cadette)
H.G. Ziegenfuss
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Adrian Dominican Sisters
Advocate Health Care
American Baptist Churches USA
Ascension Health System
Bend the Arc: A Jewish Partnership for Justice
Benedictine Coalition for Responsible Investment
Bon Secours Health System
California Catholic Congregations for Responsible Investing
Catholic Health East
Catholic Health Initiatives
Christian Brothers Investment Services
Christian Church Foundation
CHRISTUS Health
Church of England Ethical Investment Advisory Group
Church of the Brethren Benefit Trust
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Congregation of St. Basil
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Maryknoll Fathers and Brothers
Mercy Health
Mercy Investment Services
Mid-West Coalition for Responsible Investment
Missionary Oblates of Mary Immaculate
Northwest Coalition for Responsible Investment
Oneida Trust Fund
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Reform Pension Board
Reformed Church In America
Region VI Coalition For Responsible Investing
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Sisters of Charity of Halifax, Nova Scotia
Sisters of Charity of St. Elizabeth
Sisters of Charity of St. Vincent De Paul of NY
Sisters of Charity of the Blessed Virgin Mary
*Sisters of Loretto

As of July 31, 2014

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St. Joseph Health System
Tri-State Coalition for Responsible Investment
Trinity Health
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*PRI
Pax World Management
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RRSE
Salient Partners
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*SumOfUs
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*Trinity Wall Street
T’ruah: The Rabbinic Call for Human Rights
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Vermont Community Foundation
*Wall Street Associates
Westfield Capital Management, LLC
Zevin Asset Management

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