

ITEM B.203 FOR INFORMATION

Update on the Work of the Committee on Mission Responsibility Through Investment (MRTI)

MRTI Work Plan Area: Environmental Responsibility

Duke Energy- Participated in day-long stakeholders meeting in January 2013 as one of two socially responsible investor groups to review the company's draft sustainability report and provide feedback on proposed future initiatives.

Brown-Forman- Joined Ceres stakeholder team for conference call with company management to review progress on sustainability program, provide advice on upcoming briefing for Board of Directors, suggest themes for public report later this year, and propose new initiatives.

Roper Industries- Negotiated withdrawal of shareholder resolution on sustainability reporting. Company has begun gathering data on environmental responsibility efforts by its subsidiaries, and has published results on its web site. A follow-up dialogue will be scheduled.

CF Industries- A shareholder resolution was submitted requesting a sustainability report with emphasis on the risks to the company from global climate change. The proxy vote was 67.02% in favor, the highest vote on a church-sponsored shareholder proposal in MRTI's history. The shareholder resolution was refilled for 2014. The company produced its first report, and discussed it with MRTI staff. The resolution was withdrawn with the understanding that MRTI would provide additional resources for use in developing the second report. MRTI will maintain communications.

Conoco-Phillips- A shareholder resolution asking the company to set a corporate-wide reduction goal for greenhouse gas emissions was filed again this year, and garnered 29.43% of the proxy vote, up strongly from previous years. The resolution has been refilled. In addition, MRTI staff joined other investors for a discussion with the company on community impacts of hydrological fracturing.

Phillips 66- The company operates the refineries and distribution of products of the former ConocoPhillips. The new company has virtually no reporting on environmental performance. A resolution was filed asking the company to develop a corporate-wide reduction goal for greenhouse gas emissions. Scheduling a dialogue is in progress.

MRTI WORK PLAN AREA: COMMUNITY INVESTMENT, BANKING, AND FINANCIAL ISSUES

Citigroup- Held a dialogue with the Citigroup team overseeing the bank's work on modifying loans, and responsible for disposal of foreclosed property. Reviewed shifts in company's business, and initiatives in multi-family lending.

Bank of America- Held a dialogue with the bank's team working on loan servicing. Reviewed their efforts to improve bank ratings on performance. Held a follow-up meeting in December to review data we requested in the first meeting.

Wells Fargo and J.P. Morgan Chase- Shared mortgage lending analysis report with each bank, and will meet with Wells Fargo on January 16, 2014. In addition, a shareholder resolution regarding direct deposit

advances (a form of payday lending) at Wells Fargo was co-filed. It was subsequently withdrawn after Wells Fargo announced that it would eliminate the direct deposit payday advance product. MRTI will be scheduling a meeting with J.P. Morgan Chase for later this year.

MRTI Work Plan Area: Global Corporate Accountability and Human Rights

Caterpillar- Attended annual meeting to present shareholder resolution requesting a review of the company's worldwide code of conduct with amendments where applicable. The resolution received 26.81% of proxy vote. The resolution has been refilled for 2014.

Hewlett-Packard- Led dialogue with company on its human rights policy, with particular attention to China and Israel-Palestine. Attended annual meeting to present the resolution on human rights policy review. The vote was 7.32%, sufficient for inclusion in the 2014 proxy statement. The resolution has been refilled, but HP acted to have its board reaffirm its current policy. As a result, the company successfully challenged the MRTI resolution with the SEC. MRTI did attend the 2014 annual meeting to support a resolution calling for the creation of a Human Rights Committee of the Board of Directors.

Microsoft- Held a dialogue in mid-July on company's human rights policy. The shareholder resolution, co-filed with United Church Funds, asking for a human rights policy review was withdrawn following commitment to two additional dialogues in the coming year.

Motorola Solutions- A human rights policy review resolution has been filed with the company. Motorola Solutions has reached out about a possible dialogue. In early January, Israeli press reported that Motorola Solutions signed a \$100 million contract to sell and service updated cell phones to the Israeli military for use by troops in the Occupied Territories.

Time Warner- Evaluating latest sustainability report with assistance from Ceres. The working conditions in factories producing toys and apparel bearing images of cartoon characters is of particular concern.

Coca-Cola- A resolution requesting the creation of a Board committee on human rights was co-filed. This has grown out of the human rights concerns involving employees in various countries such as Colombia.

Bangladesh- In the wake of the serious factory fires, gas leaks and a factory building collapse, Joined with other faith-based investors to express concern about the adequacy of health and safety responses being proposed by the companies sourcing clothing and other goods in Bangladesh factories.

MRTI Work Plan Area- Access To Health Care

In response to General Assembly assignment to engage publicly traded health care companies, initial work has involved research and preliminary contact with Humana.

MRTI Work Plan Area- For-Profit Prisons

Verified previous research that identifies only two publicly traded prison companies. MRTI will be recommending to the General Assembly that the category of private prison companies be added to the GA

Proscription List as General Assembly policy since 2003 has been to call for the abolition of privately-run prisons.

MRTI Work Plan Area- Human Trafficking

After several attempts to engage **Hilton Hotels** on the issue of child sex trafficking, the company finally signed The Code, a set of standards for travel and leisure companies. Hilton initially committed to a pilot training program in two cities: Seattle and Washington, DC. With that completed, Hilton will expand the training to ten additional cities.

MRTI also participated in a dialogue with **United Airlines** on child trafficking. The dialogue followed filing of a shareholder resolution with the airline. The company agreed to adopt a human rights policy including specific references to forced labor, trafficking and trafficking of children for purposes of sexual exploitation.

MRTI Work Plan Implementation

MRTI staff is actively involved in several organizations involved in socially responsible investing, such as the Interfaith Center on Corporate Responsibility, and serves on the boards of some of them including Ceres, Investor Network on Climate Risk, the Institute for Global Labor and Human Rights, and Interfaith Worker Justice.