

No. 8767

REPORT OF THE CORPORATE RESPONSIBILITY ADVISORY COMMITTEE

RECEIVED by the General Assembly

The third meeting of the Corporate Responsibility Advisory Committee (CRAC) was held in Indianapolis, Indiana, September 26-27, 1986.

PRESENT: Louis Brown, Margaret Buvinger, Donald Jones, William H. Smith and Jean Woolfolk, Convenor. Paul F. Wilson and Mary Collins were present as staff.

GUESTS: John O. Humbert, Wade Rubick, Richard Cohee, John Norris, John Foulkes and Ted Dickason

Jean Woolfolk chaired the meeting. Minutes of the previous meeting were approved. The General Minister and President recommended that the Corporate Responsibility Advisory Committee consider changing its name to "The Task Force on Corporate Responsibility of the Administrative Committee." This would clarify the reporting and funding relationships and place the committee in a position to be related to the whole church. This action was recommended to the Administrative Committee meeting, February 8-10, 1987 which referred it to the Task Force on Renewal and Structural Reform.

The staff report focused on the past year's activities of general units within the Christian Church (Disciples of Christ). There is a new spirit of cooperation and concern for corporate social responsibility issues among the units. Policies and actions reflect the spirit of covenantal relationships. Staff indicated that ecumenical efforts to support shareholder resolutions to companies, begun in 1971, have grown enormously. Today, United States corporations are being asked to withdraw from South Africa operations by groups whose combined portfolios equal \$150 billion. Another \$150 billion in portfolio value is being divested from companies continuing to do business in South Africa.

CRAC, in discussing General Assembly Resolution —8329, Concerning South Africa, agreed that all efforts had been made to seek withdrawal by the companies selected for special focus. Therefore, the committee voted to recommend that the Administrative Committee urge all units, institutions, regions, congregations and individuals of the Christian Church (Disciples of Christ) to begin the orderly and prudent process of divestment from the 12 U.S. corporations on the list for special focus of the Interfaith Center on Corporate Responsibility. This was a Business Item passed by the Administrative Committee, February 10, 1987. Preliminary reports from administrative units indicate that no common stock is held by a unit of the church in any of the 12 companies, except where CRAC has requested that a stock be held for purposes of co-filing a resolution at the corporation's annual meeting.

CRAC approved the following shareholder resolutions for consideration by the Christian Church (Disciples of Christ): Citicorp - Capital Flight; Royal Dutch Shell and Bristol Myers - Withdrawal from South Africa; K Mart and Church's Fried Chicken - Minority Economic Development; General Mills - Equal Employment Opportunity. In addition to these resolutions the Christian Church (Disciples of Christ) continues to head the religious community's delegation to dialogue with Sears on their minority economic development policies. These annual meetings involve Sears' top corporate management. This dialogue has, in part, resulted in Sears purchasing \$208,507,479 in goods and services from minority and women-owned businesses in 1986. This represents a 47% increase over the 1985 purchases from minority vendors and expresses Sears' commitment to minority economic empowerment.

In addition to The United Christian Missionary Society's portfolio being used for shareholder resolutions, other general units holding common stock are seriously considering this new involvement.

In keeping with the mandate of CRAC, suggestions were made for broadening the involvement of institutions, regions and congregations of the Christian Church (Disciples of Christ).