Adrian Dominican Sisters
Portfolio Advisory Board

Celebrating 40 years of socially responsible investing
Dear Sisters, Associates, Co-workers, and Friends...

Every six years our Congregation gathers as a General Chapter to evaluate how we are living the Mission and to determine how we will continue to live the Mission into the future. But even as we identify new directions, we never lose sight of the vision that propelled us forward at each previous General Chapter.

The Portfolio Advisory Board — PAB — is a shining example of what we envisioned 40 years ago and how it continues to reflect not only the vision of the General Chapter of 1968 — our Chapter of Renewal — but each Chapter that followed up to the present day. In 1975 our vision for social change took shape as the Portfolio Advisory Board, a way for us to connect with and support people and groups who share our commitment to justice and social responsibility.

Forty years later, I continue to be amazed by the PAB’s ever-evolving response to community growth, social concerns, and environmental issues. Firmly rooted in the tradition of Catholic social justice, the PAB followed two paths: shareholder advocacy and community investing. The PAB has been and continues to be tenacious in striving to achieve justice in the policies and operations of corporations, while at the same time supporting loan applicants by evaluating not only what they produce, but also their impact on both the environment and human dignity.

The PAB Corporate Responsibility arm went public in 1974 when our Congregation spoke out at the GE, 3M, GM and IBM annual meetings. We have continued to pursue justice for workers and for Earth by publicly divesting our portfolio of stock in the Top 100 Department of Defense contractors in 1983 and in corporations with ties to South Africa in 1987. Public boycotts of Shell and Coca-Cola over the issue of apartheid began in 1986 and 1989 respectively. Through our shareholder activism we have been an important part of helping to bring about change in how some of the world’s largest companies conduct business.

The PAB Community Investments arm has grown tremendously over the years as we developed partnerships with organizations that share our mission, from Habitat for Humanity Lenawee, a local group that builds affordable homes in our own community, to Oikocredit, an international organization that supports productive enterprise development in disadvantaged areas throughout the world. Together with our partners, we invest in social justice by investing in communities and the people who are changing the world, one store or house at a time. We measure the effectiveness of our investments by the number of people whose lives were improved and whose communities were positively impacted — our original General Chapter vision in action.

What a joy to say that not only has the PAB fulfilled the vision that we dreamed of 40 years ago, but that the vision of pursuing corporate responsibility and socially responsible investing has become an integral part of who we Adrian Dominican Sisters are and how we live the social principles of the Gospel.

In the spirit of Dominic and Catherine,

Attracta Kelly, OP
The Adrian Dominican Sisters were on the cutting edge of socially responsible investing 40 years ago when they initiated the Portfolio Advisory Board and crafted its mission of shareholder advocacy and community investing. I have been most impressed with the vision and courage of the founders of the PAB and the success that has followed those early decisions.

Just think of the dialogues in which the Sisters have participated over the years with global corporations to encourage practices that support a clean environment or renewable energy policies or reducing incidents of human trafficking. Or think about the decision to invest a portion of the Sisters’ portfolio in loans to community-based organizations building affordable housing or making capital available to women-owned businesses in impoverished areas.

Some of these loans would be considered risky by traditional financial institutions, yet the Sisters’ loan-loss rate over 40 years of lending is less than 2 percent. What a track record.

As an Adrian Dominican Associate, I am honored to have been invited to serve on the PAB and humbled to have been elected as chair last year. We have an incredibly talented board and staff, all of whom are dedicated to sustaining this important ministry of the Adrian Dominican Sisters.

There is much more work to be done to honor the vision of the Sisters who formed the PAB 40 years ago. Some issues remain today that have yet to be resolved and new issues arise as technology and the impact of global events cause us to remain diligent in an ever changing world.

Congratulations to all who have supported the PAB in many ways over the past 40 years. We look forward to charting a course for the future as we update our strategic plan in 2016 and continuing in partnership with you to realize the vision of the Adrian Dominican Sisters through shareholder advocacy and community investing.

Dee Joyner, Associate
As the Adrian Dominican Sisters moved into the 1970s, they did so with a new awareness of social justice mirroring that of society as a whole. That awareness led in 1974 to the establishment of the Portfolio Advisory Board (PAB) through an Enactment of that year’s General Chapter.

That Chapter Enactment called for the Congregation to evaluate its investments in relation to Gospel principles and to create a way to work for “change toward justice” in the business practices of corporations in which the Adrian Dominicans invest. The PAB was established to monitor Congregational investments in that light.

It was not an easy decision to make. While the Congregation certainly wanted to work for justice and be an advocate for the poor, it also faced the very real task of needing to finance its own future wisely and take care of its retired Sisters.

Balancing Christian ethics with fiduciary responsibility was, and continues to be, a challenge. But the PAB was created as a way to do both — and over the years, the adage about how it is possible to “do good AND do well” has been proven time and time again.

Very early on, the PAB recognized that there is strength in numbers, and that becoming part of a larger organization could help the effort. In 1976, the Congregation became a member of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of some 300 faith-based institutional investors. This collaboration has been invaluable in helping the Adrian Dominicans actively work for the change they seek in the world.

It soon became clear, however, that advocating for corporations to do business differently can be a very long process. And so, the Congregation developed a second component to the PAB’s work: alternative investments.

This effort, begun in 1978 with $350,000, was a way to directly and quickly impact people on a local level by investing in entities that are trying to improve their own communities. These have included new business ventures that empower the poor and disenfranchised, community-based lending institutions, groups providing low-income housing, and a wide range of other organizations.

Over time, the Congregation has moved from investing strictly in direct loans to working with intermediaries known as community development financial institutions, or CDFIs, because these organizations have a “finger on the pulse” of specific local needs.

That original $350,000 commitment has turned into much more. The Congregation currently provides low-interest loans or other investments to almost 60 groups around the country and internationally, totaling more
than $4.5 million. The total amount allocated by the Adrian Dominicans per year to what is now called Community Investment has risen to more than $6.5 million. Close to 500 loans totaling almost $26 million have been made since 1978. Those loans have been as small as $3,600 and as large as $250,000, and the track record for these investments in the common good has been exceptional. Not all the ventures have been successful, of course, but an amazing 98.7 percent of all loans have been repaid in full. And that money has helped these groups leverage other funding because of the reputation the Adrian Dominicans have in community investment. Because other investors know of the Congregation’s credibility, the ADS name carries great weight when these investors are looking for the right places to put their money.

The PAB’s guiding principles have been developed over many years of General Chapter Enactments. These criteria have over time led to a number of efforts to engage corporations in dialogue over their business practices — and, occasionally, when dialogue has proven unfruitful, the Adrian Dominicans and like-minded investors have “upped the ante” through divestment and even public boycotts. The issues involved are not always cut-and-dried and the solutions are not always simple, resulting in a sometimes-tricky balancing act of encouraging a company to solve one problem while not creating another injustice as a consequence.

But the effort always continues, and the PAB can point to many successes over the past 40 years:

- The cumulative effect of shareholder activism helped lead to political change in South Africa.
- A $5 billion power-company contract was halted largely due to the pressure brought by the ICCR over ecological concerns.
- Hasbro is phasing out its use of PVCs in toy and game packaging.
- People can now eat Yoplait yogurt without milk from cows treated with growth hormones and Cheerios made with grain that doesn’t come from genetically modified seed.
- Many companies have improved workers’ wages and benefits.
- Community-based organizations are impacting their local areas in countless ways, thanks to the Congregation’s Community Investment Fund.

It’s been quite a 40 years. And the Portfolio Advisory Board’s work will continue … because the work of achieving social justice is not yet complete.

Loans from the Adrian Dominican Sisters to Homewise have helped immigrants and the underserved purchase affordable homes.

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<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1978</td>
<td>Alternative Investment Loan Fund established (Deposit in South Shore National Bank made in 1977)</td>
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<td>1980</td>
<td>ICCR established as clearing house for Alternative Investment Loan applications</td>
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<tr>
<td>1982</td>
<td>Loan to assist the National Federation of Community Development Credit Unions</td>
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<td>1983</td>
<td>Divestment of top 100 defense contractors</td>
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<tr>
<td>1986</td>
<td>Shell boycott begins over the issue of apartheid</td>
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<tr>
<td>1987</td>
<td>Divestment of 18 corporations with South African holdings</td>
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Sisters serving as proxy voters.
It all started in 1973 with a request from Sister Rosemary Ferguson, OP, Prioress of the Congregation, to Sister Louise Borgacz, OP: would she serve on the steering committee for the General Chapter of 1974?

Her letter of acceptance says much about why the Portfolio Advisory Board came to be:

During these history-making days it is my firm belief that religious women must be on the cutting edge of the Church, not only because of the Gospel message but because of the unique position we hold. As Dominicans, as Adrian Dominicans, we have a history of courage, daring, dedication and holiness. Not resting on our laurels we must continue the great work that was begun by Dominic and carried out by his/her brothers and sisters.

Once the PAB was formed in August 1974 as a response to one of the General Chapter Enactments, it fell to a small group of dedicated women to make the board a reality. In addition to Sister Louise, Sisters Margaret Andrezik, OP, Carol Coston, OP, Anne Guinan, OP, Marie Solanus Reilly, OP, and Kathleen Woods, OP, were the PAB’s charter members.

“The work of the PAB is what we [as a Congregation] should be doing, in part,” said Sister Anne, whose work on the PAB came about because of her role at the time as the Congregation’s treasurer. “Unless we devote some of our assets to this work, I don’t think we’re true to ourselves. We’ve got to do these kinds of things.”

Sister Carol said that her invitation from Sister Rosemary to be one of the PAB’s founding members likely came because of her work with NETWORK, the Catholic social justice lobby she served as its first executive director.

The Corporate Responsibility work she found herself in the midst of was an eye-opener, especially when it came to experiences like that with Gulf & Western. She and others visited the company’s sugar cane workers’ camps in the Dominican Republic, saw first-hand the conditions there, and tried to work with Gulf & Western officials to improve matters.

“I still remember going to the annual meeting,” she said, and noticing the
luxuriousness of the hotel where the meeting was held. “It was a real contrast.”

Sister Marie Solanus was deeply inspired by the work Sister Carol was doing. “Carol was a dreamer,” she said. “She could see beyond what any of us could see.”

As someone who had worked in international banking prior to entering the Congregation, Sister Marie Solanus found the issue of “redlining” — when banks refused to do business with residents of certain areas of a city — to be of particular interest. “We did a lot of research, asking banks what their policies were and seeing what was going on across the country,” she said.

“I thoroughly enjoyed what we were doing,” she continued. “It was work, but it was wonderful work.”

Kathleen was as surprised as the other founders were to receive a letter from Sister Rosemary asking her to be one of the board’s charter members. “My background is in social work, so it was a surprise to be asked,” she said. “The other [founders] were much more astute in this sort of thing. But I said yes.”

And she found the work very rewarding. “It was really a wonderful opportunity to look beyond ourselves and see the impact we could have on the things that affect people’s lives,” she said. “Working with those other women for a couple of years at the beginning … shaped me to this day.”

“These were fantastic women that I was sitting around the table with,” she continued, “courageous, Spirit-filled women who wouldn’t just sit around and say, ‘oh well’ [to corporate injustices].”

To her the impact the Portfolio Advisory Board has had over the years “is awesome. Just to see the effect of persistent, patient efforts and bringing issues to the table.”

Kathleen left the Congregation in 1977 but for several years now has been back on the PAB and, she said, she’s “humbled and honored” to be working with the board again. “This is the way that Adrian continues to live and share its charism,” she said. “This is such a volatile time in the world, and the PAB will continue to be a voice — not the only voice — but a strong voice for the future.”

Members of the first PAB meet to lay the groundwork for the new board. Left to right: Sisters Marie Solanus Reilly, OP; Kathleen Woods, OP; Louise Borgacz, OP; Carol Coston, OP; and Margaret Andrezik, OP. Not pictured: Sister Anne Guinan, OP.

1993 South African boycotts and sanctions lifted
1994 Hydro Quebec contract with Con Edison halted due to environmental concerns
1995 Adrian Dominican Sisters host ICCR annual meeting
1997 Resolution on vendor standards at Walmart
1999 Shareholder work begins on genetically modified food seed
2000 Jubilee Year: interest waived on loan portfolio for two years
When the Gospel and the corporate bottom line conflict

When the General Chapter of 1974 called for the Congregation to evaluate its investments in relation to Gospel principles, the Portfolio Advisory Board was formed to monitor the corporations involved, engage in shareholder actions as needed, and invest in a socially responsible manner.

This commitment to holding corporations responsible for their business practices has led over the years to actions on a wide variety of issues involving social justice, ecological stewardship, and much more. Much of this work was, and continues to be, carried out in conjunction with the Interfaith Center on Corporate Responsibility (ICCR).

Five companies were the focus of the PAB’s research in 1975, its first year of operation:

- **Abbott Laboratories**, regarding the marketing of infant formula to low-income mothers in developing nations;
- **General Electric**, for its role in producing the B-1 bomber and the resulting environmental effects;
- **General Motors and International Business Machines**, which both operated in apartheid South Africa; and
- **Gulf & Western**, for the conditions experienced by its sugar-cane cutters in the Dominican Republic.

Human rights, fair labor practices, diversity in the workplace, and agricultural issues were key areas of study.

The Congregation had its first experience with shareholder involvement when Sisters Louise Borgacz, OP, Carol Coston, OP, and Kathleen Woods, OP, attended and spoke at the 1975 annual meetings of IBM, General Electric and 3M respectively. While such outspokenness was certainly intimidating at first for these and other Adrian Dominicans, over time the Congregation found its voice in corporate matters.

**Gulf & Western**

The first action taken involved Gulf & Western, which produced sugar in the Dominican Republic. Gulf & Western was giving its cane cutters deplorable living quarters, wages of little more than $2 per day, and poor working conditions. Adrian Dominicans helped lead the campaign for change; Sisters went to see camp conditions first-hand, met directly with company officials, and attended shareholder meetings.

After much hard work by the Sisters over the course of several years, conditions did improve slightly for the cane cutters. Gulf & Western eventually pulled out of the sugar business, so the PAB’s legacy with its first shareholder activism was mixed, but the Sisters had come face-to-face with corporate issues for the first time.

2000
ADS endorses Kraft boycott over marketing of tobacco to children

2002
ADS engages banking industry over money laundering, lending criteria and predatory lending

2005
Congregation allocates five percent of its budget for community investments

2005
Walmart engaged on sustainable-living wage, worker rights, human rights, supply chain compliance, corporate governance

2005
Hormel Corp. resolution on CAFO sustainability
**Top 100 Defense Contractors**

In keeping with the Congregation’s strong stand for nonviolence, the PAB and other members of the ICCR entered into dialogue with companies that produced nuclear weapons. That dialogue proved unfruitful and, in February 1983, Sister Carol Johannes, OP, Prioress of the Congregation, notified all the companies in the Congregation’s portfolio who were among the Top 100 defense contractors that the Adrian Dominican Sisters were divesting these stocks.

“Our decision not to invest in corporations producing or supporting arms is, in fact, our withdrawal from the arms race,” Sister Carol wrote in that letter.

**Action Against Apartheid**

By 1986, the PAB was in dialogue with 32 corporations in the Congregation’s portfolio, asking that these companies explain how they were in compliance with the Sullivan Principles, which were codes of conduct having to do with racial equality. These principles were aimed at corporations doing business in apartheid-era South Africa.

In August of that year, the PAB notified 22 of these companies that it intended to co-file shareholder resolutions asking them to withdraw from South Africa. Four did so within the requested time frame, but in June 1987, Sister Nadine Foley, OP, Prioress of the Congregation, notified the other 18 corporations that the Adrian Dominicans were divesting their stocks from the Congregation’s portfolio.

Action of a more dramatic nature took place in October 1986, when the Congregation held a press conference, complete with a symbolic cutting-up of Shell credit cards, to announce it was joining a boycott of Royal Dutch Shell. The cut-up cards were put in an envelope and mailed to the corporation. Similarly, the Congregation divested from and boycotted Coca-Cola in 1989.

With apartheid coming to an end, the boycotts and sanctions were lifted in 1993. Shareholder activism by the Adrian Dominicans and other groups had done its job, contributing to the cause of racial equality.

**Hydro-Quebec**

In 1992, the Adrian Dominicans participated in the effort to oppose a new contract between Consolidated Edison and Hydro-Quebec. Con Ed had for many years been purchasing electricity from Hydro-Quebec in the summer months when demand in Canada was lower. Environmentalists and some indigenous people in Quebec were concerned that as a result of this contract, Hydro-Quebec would build new dams that would impact the lands on which these indigenous people lived.

Between the shareholder pressure and the publicity the issue created, the contract was cancelled in 1994. Environmental concerns in general remain a focal point for the PAB today.

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**2005**
Best Buy agrees to disclosure policy for violent video games

**2006**
ADS endorses campaign to stop Nestle and American Home Products from selling infant formula in developing world countries over safety issues

**2007**
Alternative Investments becomes Community Investments

**2008**
McDonald’s adopts fair labor policies regarding Coalition of Immokalee Workers and tomato pickers wage increases

**2009**
General Mills commits to eliminate milk sourced from rBST-treated cows in production of Yoplait yogurt
Making a difference at the grassroots

Sometimes, all you need to improve things in your life is a helping hand. But for society’s marginalized, helping hands can be few and far between because these populations are often shut out of the traditional banking system. That’s where the Portfolio Advisory Board’s Community Investment component comes in.

Pursuing positive change through corporate shareholder actions is a slow, painstaking process, and the results can be a long time in coming. Grassroots investing, on the other hand, can make a direct and immediate difference.

To that end, in 1978 the PAB began offering alternative investments (today called community investments) as a way to put funds directly into low-income areas, both rural and urban. That year, the Congregation committed $350,000 to an Alternative Investment Fund and made loans to four institutions:

- the Ecumenical Coalition of Mahoning Valley, Youngstown, Ohio, which received a $10,000 loan to aid in what became a failed effort to purchase a closed steel mill and reopen it as an employee-owned company;
- the Immaculate Heart of Mary Federal Credit Union, Houston, Texas, which received a $10,000 loan;
- the St. Mary Human Development Center, Ridgeland, South Carolina, which was loaned $20,000 to pay bills and cover payroll while waiting for reimbursement checks; and
- the Ecumenical Development Cooperative Society in the Netherlands, for which $567 was used to purchase shares. This was the Congregation’s first international alternative investment, and that $567 represented a cautious entry into those waters. More on what became of that organization, now known as Oikocredit, in the years since then can be found on page 12.

In deciding to expand into community investing, the Congregation had to make one very important choice right away: Grants or loans? What would be the best course of action for the organizations receiving the money, while doing as much as possible to minimize the risk to the Sisters’ retirement fund?

In the end, the decision was made to offer low-interest loans, rather than granting funds outright, because loans create partnerships between the Congregation and the organizations involved. These groups — which must follow a rigorous application and accountability process — are helped to meet the needs in their communities, and the Congregation keeps them accountable and works with them if they encounter challenges.

2010
General Chapter confirms PAB ministry will continue in perpetuity

2011
Hasbro phase-out of PVC from all new core toy and game packaging

2012
PAB membership opened to former Adrian Dominican Sisters, Associates and lay persons

2014
ADS partners with Mercy Investment Services for their Corporate Shareholder work
Here’s a look at just a few of Community Investment’s many stories:

ShoreBank
The Congregation’s first community investment actually came prior to the Alternative Investment Fund’s founding in 1978. It purchased a $100,000 certificate of deposit in the South Shore National Bank in Chicago in 1977.

ShoreBank, as it came to be known, was founded in Chicago in 1973 and had branches there, in Detroit, and in Cleveland. An innovative financial institution, which became the prototypical “community development” bank, its mission was to make credit available within low-wealth neighborhoods, and the Adrian Dominicans invested in it for years. But even with its excellent reputation, the very nature of its work got ShoreBank into difficulty during the economic downturn of 2008. It became insolvent in 2010 despite having a financial performance that, prior to 2009, matched or exceeded that of its peers.

Equal Exchange
In 1987, the Adrian Dominicans loaned money to Equal Exchange, a small worker-owned business that wanted to import coffee from small cooperatives of growers in Latin America and sell to socially responsible consumers in the United States.

Equal Exchange’s goal was to get a fair price for coffee for these small growers, who were at the mercy of middlemen who “bought low and sold high,” leaving the growers living at subsistence levels. But in those days before the whole idea of “fair trade” products had really become widespread, it took people like the Adrian Dominicans to commit to helping small producers. The Congregation was Equal Exchange’s first lender, and the money came at a crucial time for the business.

“We thought we’d have to close our doors, and then the Adrians’ check arrived,” said Jonathan Rosenthal, one of Equal Exchange’s co-founders. “More than money, it gave us hope that this could work. We are a profitable business today because the Adrians took a risk with us.”

Continued next page.
**Community Investment, continued**

**Oikocredit**

The Dutch group once known as the Ecumenical Development Cooperative Society (EDCS) was one of the Congregation’s first community investments, as already noted.

The organization had its genesis at a World Council of Churches meeting in 1968. The social and political upheaval of the time was inspiring young church members, representing a variety of denominations, to call for a channel for ethical investments supporting social justice. The EDCS grew out of this movement, and was founded in 1975. Forty years later, Oikocredit is a worldwide cooperative and social investor, committed to improving the quality of life for low-income people or communities in a sustainable way. It currently has more than 800 partners in 63 countries. The Congregation continues to invest in Oikocredit, and Adrian Dominicans, beginning with Sister Maureen Fenlon, OP, a longtime activist in community investing, have served on its international board.

Oikocredit loans support microfinance institutions around the world including Ahon Sa Hirap Inc. (Philippines) and VisionFund Cambodia Ltd.

Right, Tita Olivas, a member of the ASHI cooperative, uses her sewing machine as part of her business sewing, cleaning and doing laundry. The money she earns pays for schooling for her eight children. A loan from ASHI in 2014 helped her buy sewing materials.

Below, Cambodian rice farmer Muong Sen harvests rice accompanied by some of her children. VisionFund Cambodia has loaned Muong and other rural growers like her money for their farms; a $300 USD loan helped her invest in her rice crop, clear the land, and support her children’s studies.

Photo credits: OPmeer Reports

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**Community Investment Historical Growth 1978-2014**

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<tr>
<th>Year</th>
<th>Investment (USD)</th>
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<tr>
<td>1978</td>
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<tr>
<td>2014</td>
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How years of effort can lead to results

In the Corporate Responsibility arena, victory is measured not in days but in years — sometimes many years. But over the PAB’s four decades in action, patient, persistent efforts have achieved positive results with a number of companies. Today, the PAB and its partners are celebrating several recent success stories involving what people eat, the toys and games children play with, and the medicines needed to treat HIV/AIDS sufferers in developing countries.

Challenging Engineered Foods

More than a decade of dialogue between the Congregation, in collaboration with the Interfaith Center on Corporate Responsibility (ICCR), and Dow Chemical led to an unprecedented commitment from Dow to publicly report annually on compliance measures and performance related to the Enlist Weed Control System.

Most of those many years of dialogue were led by Margaret Weber, the PAB’s coordinator of Corporate Responsibility from 1998 to 2009. Margaret, who recently rejoined the PAB as a board member, also served on the ICCR board for 12 years, three of them as its chairperson.

The PAB’s long experience with Dow began in 1999 over the issue of genetically modified seed.

In addition to the question of whether or not food products made with this seed are safe to eat, there are environmental issues involved and significant impacts on small and indigenous farmers.

Dow’s Enlist Weed Control System became the subject of dialogue between the ICCR, with the PAB leading the way, and Dow Chemical and Dow AgroScience in 2013.

Dow’s commitment to reporting on its Enlist System was the first by a major producer of genetically engineered seed, and something which Dow has openly acknowledged happened as the result of its dialogue with Margaret and the ICCR.

Margaret Weber has been at the forefront of dialogue with Dow Chemical regarding GMO seed.

Continued next page.
It’s not the only recent success concerning the foods people eat. Margaret’s long experience with approaching food producers about the use of genetically modified products led her to engage with General Mills for several years. And, about a year and a half ago, the company committed to making Cheerios cereal with non-genetically modified ingredients.

“It’s encouraging that the company took this step,” Margaret said. “And the messaging is very clear on the box. So it doesn’t have to be a difficult thing to educate the consumer.”

The move by General Mills followed a commitment in 2009, sparked in part by ICCR action, to eliminate milk from cows treated with rBST, a hormone that increases milk production, in its Yoplait yogurt.

Increasing Access to HIV/AIDS Medicines

Another of the PAB’s recent success stories is literally a lifesaving effort. In 2010, the Medicines Patent Pool (MPP) was established to increase access to HIV/AIDS medicines through major pharmaceutical companies’ sharing of their licenses for these drugs with generic manufacturers.

Gilead Sciences was the only member until 2013, when Bristol-Myers Squibb, Roche, AbbVie, Merck and ViiV joined. The latter three companies are licensing their medications for children in low- and middle-income countries, where 98 percent of the 3.2 million children with HIV live. Thanks to the efforts of the Adrian Dominicans and other ICCR members, many more people with HIV/AIDS are able to access life-saving medications.

“In 2004 when the Adrian Dominicans began engaging Gilead Sciences about its responsibility to address the HIV/AIDS pandemic, less than 30,000 people were receiving a Gilead antiretroviral therapy,” said Sister Judy Byron, OP, who leads the global health work for the PAB. “Today over 7 million people in developing countries receive Gilead HIV medicines.

“A total of 12 million people worldwide are currently being treated for HIV. We are pleased that our engagement with Gilead has played a role in this effort, and we continue to advocate for the more than 35 million people worldwide living with HIV.”

Promoting Safe Toys

More successful shareholder engagement took place between the Congregation, along with other socially conscious investors, and Hasbro over the course of several years. In 2007, the Adrian Dominicans filed a shareholder proposal with the company regarding its use of polyvinyl chloride (PVC).

When the company took no action, the Congregation resubmitted the proposal in 2008 and kept up the effort. Finally, in late 2011, Hasbro agreed to eliminate PVC from its toy and game packaging. Now, the various investors are pressing Hasbro to eliminate PVC from its toys too.

“It’s one small step,” said Margaret. “It shows that sometimes it takes years to achieve results, and other organizations can take up the effort.”
The commitment to empowering communities continues

Back in 1978, the Congregation committed $350,000 to an Alternative Investment Fund (currently titled Community Investment) designed to put money directly into underserved communities. In the almost four decades since this fund began, the Congregation has made 505 such investments totaling $28 million. And the amount allocated to community investing per year is a far cry from that initial $350,000: by 2014, it was more than $6.5 million.

One of the Congregation’s earliest alternative investments was in the National Federation of Community Development Credit Unions (NFCDCU), a New York City-based organization of credit unions providing financial resources to underserved communities.

The PAB’s initial $30,000 loan to NFCDCU in 1983 represented much more than funding alone, according to Cliff Rosenthal, the organization’s director at the time: it represented faith in the group itself.

NFCDCU had relied mainly on federal grant money for its funding until the political climate of the early 1980s resulted in the grant being eliminated. Losing its entire budget meant reinventing both how it “did business” and how it was funded — which is where the Adrian Dominicans came into the picture.

With no money in the coffers, member institutions were leaving because they were pessimistic about NFCDCU’s future. Its headquarters had moved to Cliff’s house, and he was its only staff member and worked for no pay. NFCDCU was “literally between life and death” when it applied for Congregational funding, Cliff recalled in a recent conversation about his group’s beginnings.

“We were essentially an untried organization, doing a new program, at a time when we had worse than no net worth: we had negative net worth.”

But the PAB asked good, hard questions of the Federation and decided it was a worthwhile place to invest. “This was an investment based purely on faith … based on your faith in us as human beings,” Cliff said, and the loan put the Congregation’s principles into action “in a way that was very, very powerful to us.”

“It was sort of the first validation of the concept for us. … It was really very confirming to us and enormously encouraging,” he added.

And, over time, having the backing of the Adrian Dominicans led to other lenders’ involvement. “Your legitimacy … is what got the ball rolling for us.”

Today, NFCDCU’s member credit unions serve more than 2.5 million people in low-income communities across the United States and hold over $20 billion in community-controlled assets.

Continued next page.
Congregational funding helped the Sprout! Food hub and incubator program and farmers’ market get started.

**Kentuckians for the Commonwealth**
London, Kentucky
A citizens’ organization dedicated to changing unfair political, economic and social systems.

**Fonkoze**
Port-au-Prince, Haiti and Washington, D.C.
A family of organizations working together to help Haitians, primarily women, lift their families out of poverty.

**Cooperative Fund of New England**
Wilmington, North Carolina
A community development financial institution that provides a bridge between investors and cooperatives, nonprofits and worker-owned businesses.

**IFF, Chicago, Illinois**
Provides below-market, long-term financing for nonprofit corporations serving low-income populations.

**Neighborhood Economic Development Corporation (NEDCO)**
Springfield, Oregon
A community development organization that provides capital for affordable housing, startup businesses, and more.

**Southern Mutual Help Association**
New Iberia, Louisiana
Provides low-cost housing to help build strong, healthy and prosperous communities.

**Shared Interest**
New York, New York
Helps South Africa’s economically disadvantaged communities.

**Solar and Energy Loan Fund**
Fort Pierce, Florida
Provides energy expertise and affordable financing for low- to moderate-income homeowners and small businesses to make energy-efficient retrofits.

**Dawn Farm, Ypsilanti, Michigan**
A working farm that assists addicts and alcoholics in achieving long-term recovery.

The Sprout! Food hub and incubator (NEDCO).

The Detroit Achievement Academy, a charter school funded by IFF located in a neighborhood in need of high quality school options.

Children learn about solar panels through Solar and Energy Loan Fund (SELF).

Dawn Farm, which offers specialized substance abuse treatment in a rural environment.
The Adrian Dominican Sisters, through the PAB, invest in community organizations throughout the United States and in many regions of the world.

International Loan Funds

- Fonkoze – Haiti
- Global Partnerships – Latin America
- Oikocredit USA – Global
- Opportunity International – Global
- Root Capital – East and West Africa, Central and South America, Mexico and Caribbean
- Shared Interest – South Africa
- Sostenica Inc. – Nicaragua
- Working Capital for Community Needs (WCCN) – Latin America

Q = Locations of ADS community investments
Over its 40 years in existence, the work undertaken by the PAB has been recognized by many different organizations. We couldn’t possibly name them all here, but we’ve chosen just a few examples of how others have recognized the Adrian Dominicans for their commitment to social justice:

In January 2001, Sister Carol Coston, OP, was one of 28 honorees from across the spectrum of American life to receive the Presidential Citizens Medal. The award, presented by President Bill Clinton, honored her for working “with faith and vision to shape public policy that reflects Christian values.”

A special proclamation went to the Adrian Dominicans from the National Federation of Community Development Credit Unions in June 2011 for the Congregation’s leadership in “demonstrating the power of faith joined to finance.” The proclamation honored the Congregation for being the first lenders to the NFCDCU’s Capitalization Program, for sharing in “our risks, our hopes, (and) our dreams,” and for planting the seeds for other communities of women religious to take up the cause.

Oikocredit honored the Congregation with the Orders for World Service Award in September 2013. This honor, which recognizes religious orders who are “active, engaged, and patient investors” in Oikocredit USA and help spread the organization’s work, was given for the Congregation’s 25-plus years of commitment to Oikocredit.

Finally, given the fact that holding businesses to account for their practices generally doesn’t earn accolades from the corporate world, we note the fact that Dow AgroSciences has publicly acknowledged on its website the role that dialogue with the Interfaith Center on Corporate Responsibility (ICCR) played in Dow’s new commitment to reporting compliance measures and performance related to its Enlist Weed Control System.

Left: Mark Pinsky, president and CEO of Opportunity Finance Network, presents Sister Corinne Florek, OP, with the Ned Gramlich Lifetime Achievement Award.

Center: Sister Carol Coston, OP, receives a Presidential Citizens Medal from President Bill Clinton.

Right: Sister Attracta Kelly, OP, is flanked by David Woods, managing director of Oikocredit International, and Sharlene Brown, Oikocredit USA national director, as she accepts the Orders for World Service Award. PHOTO COURTESY OF OIKOCREDIT USA
What you can do...

As a consumer:

- How do you use your money? What do you support with what you buy?
- Do you support small businesses, even if it costs a little more?
- Do you recycle? Do you purchase products that are readily recyclable (or which are themselves recycled)?
- Do you consider giving holiday gifts that aren’t just “more stuff”?
- Are you a good steward of the Earth by conserving resources?
- Where does your food come from? Was it grown with consideration for the environment? Has it been genetically modified? Are the animals treated humanely? Were they given growth hormones or antibiotics? Are the workers who produce your food treated fairly?
- Were the products you buy made in a factory that acts justly toward its employees? How about the places where you shop?

As an investor:

- Choose the issue or issues you’re especially passionate about. What makes you angry when you watch the evening news? What injustices do you see as you go about your daily lives? That can help you narrow down areas on which to focus.
- If you own stock in individual companies, read the annual reports and the proxy statements, do research on the company’s website, and scan the news for clues to their policies. Then make your voice heard — if you do nothing else, make sure you vote your proxy every year.
- Many mutual fund companies offer funds with social screens. If that’s how you wish to invest, find out if the issue(s) you care about are part of the screen used by the mutual fund you’re considering.

Helping in the pursuit of social justice

How wonderful it is that nobody need wait a single moment before starting to improve the world.

- Anne Frank

Community Investment funding helps support the Massachusetts-based Local Enterprise Assistance Fund, or LEAF. LEAF provides funding for natural food cooperatives nationwide, creating jobs, supporting local farmers, and providing access to healthy foods along with information that helps people make good eating choices. Photo courtesy of LEAF/Common Ground Food Co-op
Where we are, and where we’re going...

For 40 years now, the Portfolio Advisory Board of the Adrian Dominican Sisters has been at the forefront of helping the Congregation live out its Mission.

Through the work of the PAB and its partners in the Interfaith Center on Corporate Responsibility (ICCR), truth has been spoken to power, people who are poor and marginalized have been given a helping hand to improve their lives, and important work has been done to protect the rights of workers, the health of people around the world, and the ecological systems we all rely upon.

That longstanding collaboration with the ICCR has been vital, said PAB Director Lura Mack. “It allows for resources to be pooled. We’re stronger when we’re united.”

‘First in’

Today, working in partnership with others helps the Adrian Dominicans keep up a commitment to social justice that 40 years ago put it at the forefront of such faith-based institutions.

“For many of our community investments, you’ll hear them say that the Adrian Dominican Sisters were the ‘first in,’” said Sister Corinne Florek, OP, director of the Religious Communities Investment Fund. Sister Corinne returned to the PAB after also being one of its earlier members, and works on the Community Investment side of the board.

By being some of these community-based groups’ first investors, “we provided patient and risky capital and gave them room to grow,” said Sister Corinne.

In fact, in both Community Investment and Corporate Responsibility, the Adrian Dominicans were among the pioneers in making their voices heard for social justice. “We have a history of strong activist and visionary women,” said Sister Kathleen Schanz, OP, the General Council liaison to the PAB.

And now, the effort continues with a wide range of voices. “Years ago, the Congregation stood out in many ways for its stands on social justice,” said Sister Kathleen. Today, “many organizations are deeply committed to these critical issues. We are one of hundreds, if not thousands, to walk this path.”

Mercy Investment Services

Another way in which the PAB is adapting to future needs is through its recently established partnership with Mercy Investment Services, Inc., the socially responsible asset management program for the Sisters of Mercy and its ministries.

Mercy Investment Services was engaged by the Adrian Dominican Sisters to engage in shareholder advocacy on the Congregation’s behalf. Through this partnership, work on priorities that are important to the Adrian Dominicans will continue with the help of an organization that can bring significant research and shareholder advocacy assets to the effort.

The Commitment Continues

The important work of seeking social justice is far from done, and through organizations such as the ICCR and Mercy Investment Services, and the growing involvement of laypeople, the baton is being passed to new hands. And the commitment to

The Adrian Dominican Sisters were the “first in” with investments including that in the Disability Opportunity Fund in Albertson, N.Y. Among other things, the DOF provides a permanent home to six residents with developmental disabilities at The Cottage in Darien, Conn. Pictured are residents Ashley and Annie with members of the support staff.
Adrian Dominican Sisters Priority Issues for 2015

<table>
<thead>
<tr>
<th>Issue</th>
<th>Focus</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection of Human Rights</td>
<td>Human trafficking</td>
<td>Promote corporate policies that ensure basic human rights and deter exploitation of all peoples.</td>
</tr>
<tr>
<td>Healthy Persons and Communities</td>
<td>Global access to medicines</td>
<td>Promote corporate policies and practices to enhance access to medicines that treat serious diseases in developing countries.</td>
</tr>
<tr>
<td>Environmental Sustainability</td>
<td>Water access and sustainability</td>
<td>Promote corporate policies that respect the human right to water and the responsible and effective use of discharge water.</td>
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<tr>
<td>Environmental Sustainability</td>
<td>Climate change and environmental impact</td>
<td>Promote corporate policies and practices to improve the environmental impacts and decrease greenhouse gas emissions.</td>
</tr>
<tr>
<td>Environmental Sustainability</td>
<td>Sustainable food production</td>
<td>Promote company practices and policies that promote sustainable food production that is safe for humans and the environment.</td>
</tr>
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</table>

“Passing the baton involves more than partnership,” said Sister Frances Nadolny, OP, a long-time PAB member, as she reflected on these transitions. “It is being able to actively participate in new kinds of teamwork whose prize is the betterment of people and Earth on which they live. As our team expands, the mission of the Congregation continues.”

What’s more, the Congregation’s General Chapter of 2010 committed that the PAB’s work will continue into perpetuity, rather than needing to be reaffirmed every six years at successive General Chapters. This strong commitment to economic justice reflects the Adrian Dominican Sisters’ core values.

“In a world in which the disparity between rich and poor grows ever wider, we strive to change social consciousness,” said Sister Kathleen. “Even with the financial realities brought about by recession in 2008, we still took a position that held to our core values, and in 2010 we honored that tradition by establishing the PAB as a permanent board of our Congregation.”

Continued next page.
Expanded Partnerships

With fewer Sisters available now to serve in governing roles with the Congregation’s social justice work, the PAB has been gradually evolving to better position it for the future. Over the last few years, board roles have been assumed by people other than vowed members of the Congregation — including the current chairperson herself, Dee Joyner, an Adrian Dominican Associate. In fact, as the Congregation engages in succession planning in various leadership roles, the PAB has been one of the first to seat others at the table.

“Now, we have Associates, former members, and other women and men involved, and what a complement that has become,” said Lura, who has been PAB director for 12 years now. “It is a rich interweaving of partnerships.

“We greatly appreciate and value all the people and organizations we have partnered with over these years and the new opportunities moving forward,” Lura continued. “In the ever changing landscape of our work and world it has never been more important to engage in socially responsible investing. How wonderful to know that we are at this turning point in terms of leadership, collaboration and partnership. We will all continue to be challenged to actively engage the issues of the day in whatever way we can.”
### Former Portfolio Advisory Board Members

<table>
<thead>
<tr>
<th>Former Board Member</th>
<th>Dates Served</th>
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<tbody>
<tr>
<td>Margaret Andrezik, OP</td>
<td>1975-1982</td>
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<tr>
<td>Louise Borgacz, OP</td>
<td>1975-1977</td>
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<tr>
<td>Carol Coston, OP</td>
<td>1975-1991</td>
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<tr>
<td>Anne Guinan, OP</td>
<td>1975-1980</td>
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<tr>
<td>Marie Solanus Reilly, OP</td>
<td>1975-1977</td>
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<td>Kathleen Woods, OP</td>
<td>1975-1976</td>
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<tr>
<td>Marilyn Uline, OP</td>
<td>1976-1979</td>
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<td>Mary Ann Dixon, OP</td>
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<td>Mary Louise Gass, OP</td>
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<td>Jeanne Denomme, OP</td>
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<td>Maureen Gallagher, OP</td>
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<td>Patricia Siemen, OP</td>
<td>1979-1982</td>
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<tr>
<td>Liaison</td>
<td>1993-1998</td>
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<td>Catherine DeClercq, OP, Liaison</td>
<td>1979-1986</td>
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<td>Corinne Florek, OP</td>
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<td>Margaret Dewey, OP</td>
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<td>Marion Goeddeke, OP</td>
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<td>Maureen Fenlon, OP</td>
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<td>Marion Coppe, OP</td>
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<td>Frances Nadolny, OP</td>
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<td>Maureen Comer, OP</td>
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<td>Mary Katherine Dolan, OP</td>
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<td>Marie Michael, OP</td>
<td>1985-1998</td>
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<td>Attracta Kelly, OP</td>
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<td>Juliann Flynn, OP</td>
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<td>Joan Meeney, OP</td>
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<td>Cheryl Liske, OP</td>
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<td>Anita Chiappetta, OP</td>
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<td>Pat Leonard, OP</td>
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<td>Molly Giller, OP, Liaison</td>
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<td>Renee Richie, OP, Director of Ministry</td>
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<td>Judy Rimbey, OP</td>
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<td>Kathy Nolan, OP, Liaison</td>
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<td>Grace Dennis, OP</td>
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<td>Janice Brown, OP</td>
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<td>Theresa Mayrand, OP</td>
<td>2009-2011</td>
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<tr>
<td>Mary Jones, OP</td>
<td>2011-2012</td>
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