

# Investing in change: Nora Nash, shareholder activist

by [Amy Frykholm](#) in the [August 22, 2012](#) issue



COURTESY OF THE Sisters of St. Francis of Philadelphia

*Sister Nora Nash of the Sisters of St. Francis of Philadelphia works for the Interfaith Center on Corporate Responsibility, which combines the investing assets of more than 300 institutions for a combined portfolio of more than \$110 billion. Together these institutions use their resources to try to encourage corporate responsibility on issues of human rights, environmental justice and corporate governance. In addition,*

*ICCR invests in community development organizations and gives small grants to projects all over the world.*

### **How did ICCR get started?**

The organization was founded in 1971 when members of the clergy questioned whether churches were profiting from apartheid in South Africa and from investments related to the Vietnam War. ICCR led the movement for divestment from South Africa and pressed companies to consider their role in it.

### **How does ICCR decide what companies to invest in?**

Every year we strategize to set priorities. What are the major issues that we will work on? This year the issues are human rights, the ethics of supply chain businesses, human trafficking, hydraulic fracturing, environmental justice and financial and corporate governance.

We are looking for dialogue and a corporation's willingness to make changes as a result of conversation with us. We have been in dialogue with Coca-Cola for at least ten years on major issues. We have worked diligently with members of management to look at issues of human rights at bottling companies outside the United States. If you go to Coca-Cola's website, you can see that the company has a fine human rights statement and a policy that ensures the humane treatment of its workers.

That doesn't mean that we stop there. We ask companies to have a supply chain code of conduct that includes standards for workers, work environment, child and forced labor and other components of a good code, such as specific training for vendors and a framework for auditing or monitoring. Our work with corporations on water is also critical as corporate and private consumption of fresh water increases and water sustainability is becoming a critical issue.

The dialogue process can be very slow because you have to move through different levels of management. Even though Coca-Cola embraced certain principles, it was still difficult to enact those principles throughout the organization. But it has embraced its responsibilities.

That doesn't mean it is where it should be. It means the company is working with us and other NGOs and stakeholders.

### **Are there some companies that you won't invest in at all?**

Many of ICCR's groups have what we call a restricted list. The Sisters of St. Francis of

Philadelphia's restricted lists are related to human rights, military spending, abortifacient drugs, tobacco, gambling, many companies in the extractive industries and pornography. Even though we don't invest in those companies, we try to be in dialogue with them. It is a continual process. We look at issues; we dialogue with companies—and we have tools we use if a company is not willing to dialogue.

We dialogue with Altria, Phillip Morris, Reynolds American Tobacco. We've put together resolutions with other members of ICCR; we've gone to annual meetings; we've met with Phillip Morris representatives who come in from Switzerland every year. They know that we are not investors but that we have a stake in human rights and in the lives of young people. The same is true of Lockheed Martin and other large military contractors with which we have dialogue.

**It sounds like you can't be a purist to do this work.**

True. For example, the sisters sometimes ask where they should buy gas. We used to have gas cards for specific companies—a few local suppliers that we trusted. But as the economy has expanded and U.S. companies have gotten into oil and gas development around the world, we find it very difficult to say that a certain gas company is better than another. We've tried to educate the sisters on the different issues and problems, but in reality there is no gas company that would meet even 80 percent of our requirements. But you don't give up the ship. You just keep pushing.

**Do these dialogues ever simply fail?**

I wouldn't call it failure. Our work with Walmart is an example of work that is very slow. We've worked with Walmart for 15 years and had made a lot of progress until the company became involved in a major corruption case in Mexico.

**How do you weigh the relative effectiveness of moral suasion versus public shaming?**

We do not shame a company. We want it to be responsible. Maybe its officials will be shamed as some of the things they do come to light, but as faith-based investors and shareholders we are bringing the social, environmental and governance issues to them. We own capital and we must use it for the common good. If there is shaming, the companies bring that on themselves by a lack of moral and ethical responsibility.

### **What issues have come to the fore recently?**

I live in Pennsylvania, where fracking is a major issue. I have visited many families in three different regions of the state. I went onto a gas rig and looked at wells. I looked into cement bonding, realizing that fracking is being done with toxic chemicals and with millions of gallons of water and sludge.

For five or six years, corporations have drilled in Pennsylvania with very little regulation. That has resulted in a lot of damage. Wells have been built incorrectly, water contaminated, homes and property and land destroyed. We have no idea what the future will hold.

Local families saw that it would be economically beneficial to sell their mineral rights to gas companies, and they made a lot of money. Others had no idea what was going on, and their human rights were violated. In other words, greed can be very local.

One gentleman in particular had a small plot of land with two big ponds on it. When representatives of the gas companies initially approached him, they said, "You've got a beautiful farm, ideal for us because it has a lot of water." He bargained with them and received \$2 million for mineral rights. That seemed pretty good to him because he still had his land and had sold only the mineral rights. He wasn't well off and wasn't doing a lot with the farm. But three years later his water and his farm are contaminated. He and his wife and three children had to move out and live with his mother. He filed a lawsuit. He has been remunerated, but he is spending the rest of his life speaking against the industry.

### **How has your own understanding of justice changed in light of this work?**

As a teacher and principal for many years, I thought a lot about teachers being just and responsible. But local involvement sometimes obscured the global issues. My current work asks me to use my Franciscan perspective on global issues that involve all of creation—not just matters of social justice, but also of ecological and economic justice. We try to address issues of justice that involve our own greed and the greed of corporations when power is not used for the common good. My concept of justice is also broadened because we are working in an interfaith way, drawing from the religious traditions of others as well as Catholic social teaching.

### **How did you become interested in corporate responsibility?**

As a sister of St. Francis of Philadelphia, I have been interested in the work of justice and peace all my life. I've tried to live our mission, which is to live the gospel in the

prophetic voice of Francis—to be a healing and prophetic voice in our world, especially for women, children and those who have no voice; to find a voice for those who have no voice. An important part of our Franciscan tradition is that we believe in the intrinsic goodness of people and of all the created world. One of our theologians has said that creation is the book of God. We bring the intellectual and theological life together with Franciscan spirituality.