

Asking companies to adopt human rights policies

Mary Ann McGivern | May. 8, 2012 NCR Today

I attended the General Dynamics shareholder annual meeting last week in Washington, D.C.

Loretto (incorporated in Kentucky in 1849 as the Loretto Literary and Benevolent Institute) bought stock more than 30 years ago when GD was headquartered in St. Louis. They had no production sites there, so local activists challenged the corporate decision to produce nuclear delivery systems. McDonnell Douglas had 45,000 St. Louis employees, so that disarmament campaign stressed planning for economic conversion to other manufactured products.

Those early disarmament resolutions with General Dynamics only got 1 or 2 percent of the vote, but we also looked at corporate governance. After the few employees who voted with us got company reprimands, we filed a resolution calling for a secret ballot. When we received 10 percent of that vote and refiled the resolution the next year, GD agreed to implement a secret ballot.

I was in the office of the corporate secretary, John McGuire, ready to sign a resolution withdrawal agreement, but there was an error in the documents. While the papers were being retyped (yes, it was a long time ago), Mr. McGuire described the new ethics policy, the Blue Book, born out of bad publicity and greed, but nonetheless an important document. I was interested. Then he interrupted himself to say, "But, of course, sister, I understand that this is not the ethics you are talking about."

Fast-forward to last Wednesday, when the company proxy statement lauded the Blue Book and added that the company focuses on " 'doing the right thing' for our employees, our customers, the environment, and the communities in which we operate." Sadly, "doing the right thing" is not the same as company policy.

The corporate human rights campaign worries about not just employees but also subcontractor behavior such as environmental dumping and human trafficking. We tried to explain that in the resolution that received 18.7 percent of the vote. Shareholders have learned to pay better attention.

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