



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

FOR IMMEDIATE RELEASE

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**At Urging of Connecticut Treasury, Major U.S. Companies
Agree to MacBride Principles in Northern Ireland**

***Starbucks, PepsiCo, Office Depot, Clear Channel Communications,
Terex, Latest to Adopt Non-discriminatory Policies***

Connecticut State Treasurer Denise L. Nappier has announced that five leading U.S.-based corporations have agreed to implement the MacBride Principles, which prohibit religious discrimination in Northern Ireland.

Corporate giants Office Depot Inc., Starbucks Coffee Co., PepsiCo Inc., Clear Channel Communications Inc., and Terex Corp. will abide by the internationally recognized Principles at the urging of the Connecticut Treasurer's Office, which would have dropped state pension fund investments in the corporations had they not agreed to implement MacBride.

Connecticut law requires the State Treasurer to divest all state funds invested in any corporation doing business in Northern Ireland that has not implemented the MacBride Principles, and prohibits any state investment in a corporation that has not implemented MacBride.

"We are acting on both the letter and the spirit of the law. Rather than simply pull our investments and allow potentially discriminatory practices to continue, we take an activist approach and encourage companies to support the MacBride Principles," said Treasurer Nappier, principal fiduciary of the \$22 billion Connecticut Retirement Plans and Trust Funds.

"Our effort, engaging in constructive dialogue with companies, is grounded in our law, and the view that continuing to invest in companies that do not abide by these Principles could adversely affect our portfolio," said Nappier. "Beyond that, we believe that a fair and just society is good for business. I applaud these companies for reaching the conclusion that implementing the MacBride Principles was in the best interest of their company and their shareholders."

19 MAJOR CORPORATIONS HAVE NOW AGREED TO MACBRIDE AT TREASURY'S URGING

Upon taking office in 1999, Treasurer Nappier found numerous violations of the MacBride statute under the previous administration, which prompted her to create a new MacBride Compliance Policy. The Treasury's Investment Advisor Agreement now obligates managers to comply with the MacBride statute in their investment of state funds. In addition, the Treasury's independent monitoring agency, the Investor Responsibility Research Center (IRRC), routinely surveys companies engaging in business in Northern Ireland to gauge adherence to the MacBride Principles.

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If a portfolio company is operating in Northern Ireland and has yet to implement the MacBride Principles, the Treasurer's Office places the company on a watch list, notifies them of the state law requiring divestment, and urges their adoption of the principles to permit Connecticut's pension fund to continue to invest in the company. This cooperative approach has been very successful, with 19 major companies since 1999 having agreed to the Nappier Administration's request to implement the MacBride Principles.

The MacBride Principles are a corporate code of conduct for companies doing business in Northern Ireland. Designed to address religious discrimination in the workplace, the Principles were drafted and instituted by the Irish National Caucus in November 1984. They consist of nine fair employment and affirmative action principles. The Principles deal with such issues as security for minority employees both at work and while traveling to work and the banning of provocative religious or political emblems in the workplace.

STARBUCKS, OFFICE DEPOT ARE LATEST COMPANIES TO AGREE TO POLICY

Starbucks, which operates nine stores in Northern Ireland, was asked by the Treasurer to implement the MacBride Principles in December 2005, and, following discussions with the company, in a letter to the State Treasury dated April 20, 2006, Starbucks declared that the company "is committed to taking lawful steps in good faith to conduct business in Northern Ireland in accordance with the MacBride Principles." Starbucks said the decision reflected a "longstanding commitment to diversity in the workplace and the fair treatment of all our employees."

Office Depot complied with the Treasurer's request after five months of deliberation, and implemented MacBride on May 24, 2006 by issuing the Treasurer a letter in which Office Depot expressed their commitment to "respecting the diverse thoughts, beliefs, backgrounds, cultures and energies of all associates, customers and suppliers."

Clear Channel Communications, upon the urging of Treasurer Nappier, implemented the MacBride Principles on January 31, 2006, and PepsiCo followed on March 21, 2006.

Terex had an existing agreement with the Treasurer to update the IRRS survey on a yearly basis to demonstrate that the company was continuing to implement the MacBride Principles. However the company failed to update the survey, and when questioned by the Treasury, once again agreed to update the survey, as of March 10, 2006.

PREVIOUS COMPANIES INCLUDE PFIZER, UTC, GOODYEAR, AIG, EXXONMOBIL

In previous years, Nappier's Office has influenced and achieved implementation of the MacBride Principles from Pfizer (2000), TRW, Chesapeake, Cendant, Terex, Dun & Bradstreet, NTL, Citigroup, United Technologies (all 2001), Good Year Tire & Rubber, Merck (both 2002), Exxon Mobil, Computer Science (both 2003), Coca Cola and AIG (both 2004).

Nappier's success at persuading corporate management at United Technologies (UTC) to implement MacBride reflected her interest in Connecticut-based companies. Upon taking office, the state pension fund could not invest in UTC because the corporation had not implemented MacBride.

The Treasurer's work regarding MacBride has been widely recognized. In March 2005, she was honored by a coalition of Irish-American state lawmakers from Connecticut and Irish advocacy groups in a ceremony at the State Capitol, which honored her "tireless effort to reduce discrimination in Northern Ireland by ensuring that the Connecticut Retirement Plans and Trust Fund is not invested in any company not complying with MacBride."

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