



Missionary Society of St. Columban

POLICY ON SOCIAL AND ENVIRONMENTAL RESPONSIBILITY FOR SOCIETY INVESTMENT

Introduction

The Society has as a fundamental part of its identity a commitment to the poor and the exploited earth which calls us to solidarity and stewardship. Our Constitutions articulate this commitment in this way:

Striving to have the Kingdom of God permeate the lives and cultures of all peoples, we proclaim the universal message of salvation through witness, ministry and dialogue from the standpoint of solidarity with the poor.¹

The biblical perspective of stewardship inspires our attitudes and challenges our use of material resources.²

We are mindful of our obligation to join with others in the responsible use of the world's resources. Our lifestyle, use of funds and investments are guided by the demands of social justice.³

Our commitment to socially and ethically responsible investing (SRI)⁴ as a witness to our commitment to the Gospel of justice, peace, and care for creation is also grounded in Catholic Social Teaching. For example,

The ways resources are invested and managed must be scrutinized in light of their effects on non-monetary values.⁵

The principle of the universal destination of goods is an invitation to develop an economic vision inspired by moral values that permit people not to lose sight of the origin or purpose of these goods, so as to bring about a world of fairness and solidarity[.]⁶

Our General Assemblies are also moments in our history when this commitment has been affirmed and direction set. For example,

Our commitment to communion and our solidarity with the poor and the exploited earth challenges us as individuals to personal lifestyle change. As a Society, we are called to use the resources entrusted to us for the life of the world.⁷

For us conversion here is the joyful recognition of what it means to be truly human, truly alive. It is to evoke the paradox that a life of joyous austerity shared in by all people may well be our deepest need. Beyond the endless proliferation of consumer "goods" which have become a

¹ Missionary Society of St. Columban. Constitutions and Directory. C.103.

² Ibid. C.401.

³ Ibid. C.403.

⁴ While the title of the Policy is 'Socially and Environmentally Responsible Investing' it will often be referred to as the SRI policy.

⁵ US Catholic Bishops Conference. *Economic Justice for All*. par. 92.c. 1986.

⁶ Vatican. *Compendium of the Social Doctrine of the Church*, par. 174. 2005.

⁷ Missionary Society of St. Columban. *Called to Communion* General Assembly 2012. p.17.



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substitute for life itself, it points us towards the truth that real wealth is life itself.

Recommendation:

- That in so far as possible criteria of positive environmental impact be included in the restrictions placed on our investment code.⁸

We do not seek to accumulate funds beyond what can be prudently estimated will be needed to meet future obligations. We are very conscious that those funds should be invested in a socially and environmentally responsible manner. We believe our investment policy is an important dimension of our missionary charism which offers a Christian witness in the business community.

Guiding Principles

- The earth and everything in it is God's creation which we are called to respect;
- The natural world is the first revelation of God which impels us to reverence Earth and work more effectively toward the sustainability of life and toward universal recognition of the fundamental integrity of all creation;
- All persons are created in God's image and human activity, including economic activity, must respect their dignity;
- Ownership carries with it the obligations to care for others and to preserve life for the benefit of future generations;
- We invest our funds, we are not speculators;
- Investment in business incurs a responsibility towards the staff employed and those affected by the goods and services produced.

Priority Issues

The issues identified below aim to achieve alignment between the management of Society funds and our mission and values. It should be noted that some issues may change over time due to the evolving Society priorities and commitments. The General Council will periodically review the priorities and consider whether or not revisions may be appropriate.

Environment

The Society is called to both safeguard ecological biodiversity as revelation of God and to listen to Creation as it speaks to us through the natural world. The Society has a particular emphasis on:

- Climate Change
- Preservation of Biodiversity
- Extractive Industries including Fracking (Hydraulic Fracturing)
- Water
- Genetically Modified Foods and Patenting

When considering our investment approach the following are guiding criteria:

- The environmental impact of their operations.
- The environmental impact of their contractors or supply chain.

⁸ Missionary Society of St. Columban. *Becoming More Missionary*, General Assembly 1988. Par. 83.f



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- The environmental impact of their products or services.

Migration and Human Trafficking

The Society serves economically poor and marginalized communities globally, often in countries plagued by poverty, injustice, climate disasters, armed conflict, and religious, inter-ethnic or political persecution. These conditions drive people to migrate away from their homes in search of economic and human security. We believe that we are called to both serve the needs of migrants everywhere, and to address the root causes of migration so that people and their families have the choice to remain at home.

Peace

Our commitment to interculturality, inter-faith dialogue, and solidarity with marginalized people and the exploited earth are ways we participate in God's mission, calling us forward into communion with our Triune God. Our proclamation of the Gospel of Jesus challenges us to build communities of peace.⁹ We strongly support the efforts made by corporations which convert from military production to peacetime work.

Human and Indigenous Rights

The Society is present in countries in which historically and/or currently the governments in place have demonstrated disregard for human and environmental rights in a systemic way. Examples may include collaboration with repressive regimes, complicity in human rights violations in conflict zones, or involvement in the violation of freedom of political, social, and religious expression. Companies which contract with such governments are a concern.

Strategic Approaches

The following are key strategies which guide the implementation of the Society's SRI policy. These strategies will be periodically reviewed by the General Council and Investment Committees to determine if changes are needed in order to respond to changing realities both in Columban mission priorities and investment trends. The General Council and Society Investment Committees will work with Investment Managers and partner organizations to create specific implementation guidelines, such as establish thresholds, which apply these strategic areas.

Positive Impact Investing (PII) and Positive Screens

PII and positive screens are approaches which direct investments towards companies which we consider address in positive ways our priority issues. The application of positive investment screens is evolving in socially responsible investing, with both the development of tools and criteria to measure them. The Society will have as part of its overall investment strategy investments in funds which respond positively to our issue priorities such as renewable energy, community-based microenterprise, and peace initiatives.

⁹ General Assembly 2012, Called to Communion, p.7



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Negative Screens

Negative screens are criteria which determine if investments will be made in a particular company. Guided by the principles and priorities above, the following are criteria for determining if a negative screen shall be applied:

- Environment
 - Companies which exploit and degrade the earth, sea and air through deforestation, over tillage, over extraction, promotion of the excessive use of chemicals and pesticides, the genetic modification of seeds and animals without adequate evaluation of the consequences, over fishing, pollution of the sea and atmosphere.
 - We pay particular attention to fossil fuel companies and extractive industries, including fracking companies, which contribute towards human-induced global warming.
- Migration and Human Trafficking of Women and Children particularly in regards to Adult Entertainment
 - Companies which have demonstrated involvement in economic/financial practices which deny economic justice to peoples especially the extreme poor such as companies which employ a broker system that practices unethical recruitment and employment practices such as the withholding of wages and personal documents.
 - Companies involved in the production of adult entertainment and/or that own or operate adult entertainment establishments.
- Human and Indigenous Rights
 - Companies whose products and services seriously violate the values of the consistent pro-life ethic held by the Catholic Church.
 - Companies which exploit the poor especially women and children, by low pay and unsafe work practices.
 - Companies involved in major controversies over their relationship with or impact on local indigenous communities.
 - Companies that have direct contractual relationships with such governments or one of its agencies or departments for which there is substantial evidence that they have violated human rights or face a high risk of complicity in the violation of human rights. Such risk is generally higher for companies involved in infrastructure development and resource extraction. In particular, China, Myanmar and Pakistan are of concern.
- Peace
 - Companies that produce weapons of mass destruction and/or components of such weapons such as anti-personnel mines, unmanned armed drones, biological and chemical weapons, cluster weapons, depleted uranium ammunition, nuclear weapons, and white phosphorus.
 - Companies that produce conventional weapons or weapons systems.
 - Companies that design and /or produce video games in which war and other acts of violence are perpetrated.



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Avoidance Screens

Avoidance screens are criteria which allow for some level of investment but establish a monitoring of particular companies which are of concern. Avoidance screens may also lead to advocacy to improve practices. The corporations in which we invest tentatively, with the intention of trying to modify their conduct, are those which operate acceptably for the most part but which have practices and/or small investment in the activities to which we object, especially as listed in the Negative Screen section above.

Divestment

Much attention has emerged in recent years about Divestment in the fossil fuel industry as a Christian response to Climate Change. Pope Francis' encyclical on the environment calls us to move from fossil fuel dependency saying, "We know that technology based on the use of highly polluting fossil fuels – especially coal, but also oil and, to a lesser degree, gas – needs to be progressively replaced without delay" (Laudato Si, par. 165). This call has implications for our investment strategies including divestment as is possible according to fund allocations.

Active Ownership and Corporate Advocacy

The Society will use its role of shareholder to foster positive change in company policies and practices. Society membership to the Interfaith Center for Corporate Responsibility and similar networks is the primary space for Corporate Advocacy. The Society may also purchase a limited number of shares in a specific corporation for the purpose of addressing issues of concern with that company.

Our advocacy approach includes but is not limited to in-person dialogue, letter campaigns and correspondence, public witness, and legislative policy change that impacts corporate governance.

Networking

We seek membership and active participation in national and international networks that promote SRI and engage in Corporate Responsible Advocacy.

Formation and Governance

In the spirit of communion and interchange between Finance, Investment and JPIC ministries, the General Council will appoint JPIC personnel to all Society Investment Committees who will have full participation in all committee work and decisions.

Ongoing Education and formation of Finance, Investment, and JPIC personnel is essential for the effective implementation of the SRI policy. This will include availing of the expertise of Columbans, partner organizations and investment managers who can provide input to the General Council and Investment Committees.



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A Christian Prayer in Union with Creation¹⁰

God of love, show us our place in this world
as channels of your love
for all the creatures of this earth,
for not one of them is forgotten in your sight.
Enlighten those who possess power and money
that they may avoid the sin of indifference,
that they may love the common good,
advance the weak,
and care for this world in which we live.
The poor and the earth are crying out.
O Lord, seize us with your power and light,
help us to protect all life,
to prepare for a better future,
for the coming of your Kingdom
of justice, peace, love and beauty.
Praise be to you!
Amen.

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¹⁰ Laudato Si'