EVANGELICAL LUTHERAN CHURCH IN AMERICA
Corporate Social Responsibility

Caring for Creation Climate Change Issue Paper

I. Background

The earth is a planet of beauty and abundance; the earth system is wonderfully intricate and incredibly complex. But today living creatures, and the air, soil and water that support them, face unprecedented threats. Many threats are global: Most stem directly from human activity ("Caring for Creation," 2.B-1).[1] As Christians, we understand human beings as fundamentally responsible before God. With the reach of our contemporary human knowledge and the power we employ in new technologies, this responsibility in terms of caring for creation now includes the global future itself. Central to that question is the threat posed by climate change.

These threats and changes were first summarized in the findings of the Intergovernmental Panel on Climate Change 2001: Synthesis Report[2]. "Warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented over decades to millennia. The atmosphere and ocean have warmed, the amounts of snow and ice have diminished, and sea level has risen. Human influence on the climate system is clear, and recent anthropogenic emissions of greenhouse gases are the highest in history. Recent climate changes have had widespread impacts on human and natural systems." [3]

Ceres is a network of investors, environmental organizations and other public-interest groups working with companies to integrate sustainability into capital markets for the health of the planet and its people. Numerous reports are published by Ceres calling the corporate world to address issues of climate change and sustainability.[4]

II. ELCA Social Policy

"Caring for Creation: Vision, Hope, and Justice" (ELCA, 1993): The social statement develops this church's vision of creation, while showing us the gift of hope. It calls us to justice through principles of participation, solidarity, sufficiency and sustainability. Specifically this social statement calls the church to gather information and engage in dialogue with corporations on how to promote justice for creation (5.E.1-1). Dialogues include implementing comprehensive environmental principles, promoting healthy environments, and cooperation between the public and private sector regarding sustainability.

The 1995 Churchwide Assembly passed a resolution on Environment – Energy Audits (CA95.05.26b).[5] The 1999 Churchwide Assembly (CA99.06.30)[6] expressed great concern about the destructive practice of mountaintop-removal coal mining and urged our church to advocate

[1] http://www.elca.org/Faith/Faith-and-Society/Social-Statements/Caring-for-Creation
[2] http://www.ipcc.ch/publications_and_data/publications_and_data_reports.shtml

[3] http://ipcc.ch/report/ar5/syr/
[4] http://www.ceres.org/resources/reports
[5] http://download.elca.org/ELCA%20Resource%20Repository/Energy_AuditsSPR95.pdf
[6] http://download.elca.org/ELCA%20Resource%20Repository/MiningSPR99.pdf

ending it. The 2001 Churchwide Assembly (CA01.07.57)[7] reaffirmed the commitment of this church to the care of creation, including [climate change], as part of the web of complex interwoven environmental concerns.

In 2005 the Churchwide Assembly passed a resolution on Caring for Creation (CA05.07.39)[8] encouraging our church to renew the commitment to caring for creation, followed by a 2007 Churchwide Assembly memorial on Energy Efficiency (CA07.06.33g) and in 2009 the Genesis Covenant (CA09.03.09).

III. Responses

It has become accepted practice for a company to begin this work by evaluating and reporting on greenhouse gas emissions and its total "footprint." Corporate reporting includes the amount of greenhouse gases from production and use of their products, the delivery process for their products, and their suppliers' emissions. Setting targets for decreasing their emissions and moving toward renewable technologies is often included in reports. In addition, the company can review their probable risk exposure to the financial and competitive consequences of climate change, ensure that they have sufficient expertise to make informed and responsible decisions and set benchmarks. Climate change strategies and strategic alliances can be built into an overall business plan.

IV. Social Criteria Investment Screens

A screen is a framework of principles specific to an issue by which a company's activities are evaluated. The environmental social criteria investment screen approved by the ELCA in 1990 and updated in 2007 and 2014 responds to this issue.[9]

V. Resolution Guidelines for ELCA[10]

1. We support reports on greenhouse gas footprints, as well as the establishment of targets for their reduction, including requests that a company complete the Carbon Disclosure Project[11] reporting process.
2. We support disclosure of the economic risks associated with past, present and future emissions and/or impacts on climate change.
3. We support reports on the economic benefits of committing to a substantial reduction of greenhouse gas emissions and a reduction of product emissions.
4. We support reports on public policies that enable and assist with the achievement of emission targets, including policies and procedures for political contributions and expenditures. We support adoption of public policy principles on climate change and reports on how these principles are implemented. Principles may include reduction of

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[7] http://download.elca.org/ELCA%20Resource%20Repository/Global_WarmingSPR01.pdf

[8] http://download.elca.org/ELCA%20Resource%20Repository/Caring_For_CreationSPR05.pdf

[9] http://download.elca.org/ELCA%20Resource%20Repository/Environment_Screen.pdf

[10] These guidelines may be used in proxy voting as well as to help determine resolutions to file and dialogues to support. Each resolution guideline should be looked at within the context of the entire resolution language and specific company situation.

[11] https://www.cdproject.net/en-US/Pages/HomePage.aspx

greenhouse gas emissions, promoting energy efficiency, investing in clean energy and supporting international action on the issue.

5. We support reports on economic risks associated with a company's exposure to the myriad of pending and adopted legislation from state, regional and international bodies as it relates to reduction of greenhouse gases and the adequacy of such legislation to protect human health, the environment and the company's reputation.
6. We support reports on increased energy efficiency and conservation.
7. We support requests to adopt quantitative goals to reduce future emissions of carbon dioxide, sulfur dioxide, nitrogen oxide and heavy metals such as mercury.
8. We support reports and assessments of steps a company is taking to meet new fuel economy and greenhouse gas emissions standards for its transportation fleet.
9. We support adoption of policies for safe low-carbon energy research, development and production.
10. We support reports on strategic plans reviewing the scenario of demand for significantly lowering fossil fuel use in the future. Scenarios might include pricing of carbon, preparation for physical impacts of climate change and strategies for reducing the risk of unburnable carbon or stranded assets.[12]
11. We support amendments of a company's greenhouse gas emissions policies to observe a moratorium and/or cease all financing, investment and further involvement in activities that support mountaintop-removal coal mining or the construction of new coal-burning power plants that emit carbon dioxide.
12. We support reports on a company's exposure to climate change related costs and risks from the use and or production of coal and steps taken to reduce those risks.
13. We support reports that publicly disclose a company's current and projected water withdrawals at each thermoelectric power plant.
14. We support requests to measure, mitigate, disclose and adopt quantitative goals to reduce methane emissions and flaring and reports on such efforts.
15. We support requests to reduce all forms of pollution in operations, productions and use of its primary product.
16. We support resolutions calling for board candidates with environmental expertise relevant to hydrocarbon exploration and production to be recommended by the nominations committee.
17. We support requests that the board's compensation committee include metrics for reduction of carbon emissions as one of the metrics for senior executives under the company's executive incentive plan.
18. We support reports assessing a financial institution's programs to address greenhouse gas emissions from its lending portfolio and its exposure to climate change risk in its lending, investing and financing activities.

VI. Resolution Guidelines for ELCA – General

We support practices of good governance, specifically:

- a company having an independent chair or independent lead director;
- reports on policies and procedures for political contributions and expenditures (both direct and indirect made with corporate funds;

[12] http://www.carbontracker.org/resources/

- reports on any portion of any dues or similar payments made to any tax exempt organization that is used for an expenditure or contribution that might be deemed political;
- guidelines or policies governing the company's political contributions and expenditures; and
- reports on diversity for corporate boards and upper-level management.[13]

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[13] http://download.elca.org/ELCA%20Resource%20Repository/Non_Discrimination_In_Business_Activities_Issue_Paper.pdf?_ga=1.121795211.1053029484.1427812820