



CARING FOR CREATION: CLIMATE CHANGE

Issue Paper

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 2018 Fourth National Climate Assessment²).

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. In 2015 the member states of the United Nations issued [Agenda 2030](#), a shared blueprint for “peace and prosperity for people and the planet, now and into the future.” Central to the blueprint are the 17 Sustainable Development Goals (SDGs)³, which include SDG 13, calling for urgent action to combat climate change and its impacts.⁴

Also in 2015, the United Nations Framework Convention on Climate Change members adopted a global agreement that went into force in November 2016 — the Paris Agreement.⁵ The countries agreed to reduce greenhouse gas emissions and agreed to a just transition of the workforce and the creation of decent work and quality jobs.

Corporate Social Responsibility in the ELCA uses the tools of screening of investments, shareholder advocacy and community investing to work with corporations, calling them to ensure that people are treated fairly and with dignity and to create sustainable communities.

More at ELCA.org/CSR.

1 *Caring for Creation: Vision, Hope, and Justice* (ELCA social statement, 1993), p. 4, <http://www.elca.org/Faith/Faith-and-Society/Social-Statements/Caring-for-Creation>.

2 See USGCRP, 2018: *Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II*, Reidmiller, D.R., and C.W. Avery, D.R. Easterling, K.E. Kunkel, K.L.M. Lewis, T.K. Maycock and B.C. Stewart (eds.), U.S. Global Change Research Program, Washington, D.C., USA, pp. 33–71. doi: 10.7930/NCA4.2018.CH1, <https://nca2018.globalchange.gov/chapter/1>.

3 Sustainable Development Goals, <https://sdgs.un.org/goals>.

4 SDG-13 Climate Action, <https://sdgs.un.org/goals/goal13>.

5 Paris Agreement, <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

The Intergovernmental Panel on Climate Change (IPCC)^{6,7,8} and the National Aeronautics and Space Administration⁹ scientists documented the realities of climate change. Climate change results in the earth experiencing more frequent severe and intensified weather patterns and temperature extremes. These extreme weather patterns result in floods, droughts, wildfires and rising sea levels that lead to the degradation of the earth. All of this negatively impacts the earth's inhabitants at unprecedented rates. Some global consequences include forced migration, exacerbation of poverty, national security concerns, negative impacts on agriculture resulting in food insecurity, and threats to ecosystems that could lead to the extinction of some species.

The marginalized and vulnerable are most affected by climate change impacts. This failure to protect God's creation ultimately mirrors and deepens existing racial, gender and economic inequalities. Caring for creation means respecting environmental limits while pursuing economic growth that provides sufficient and sustainable lifestyles for all people. The ELCA social statement *Genetics, Faith and Responsibility* (2011) describes the importance of understanding the need for participation and the interconnectedness of all living beings (p. 16). The well-being of future generations depends on our ecosystem to support it.

Investors have a significant role and responsibility in addressing climate change. For example, Ceres — 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 — publishes reports calling for the corporate world to address issues of climate change and sustainability.¹⁰ “Investor strategies to tackle the growing threat of climate change must include a just transition by incorporating the full range of environmental, social and governance (ESG) dimensions of responsible investment.”¹¹ Global climate investors such as *Climate Action 100+* are driving business transition via such mechanisms as the *Net Zero Benchmark*.

ELCA SOCIAL POLICY

Caring for Creation: Vision, Hope, and Justice (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,

6 IPCC, “Special Report: Global Warming of 1.5oC,” <https://www.ipcc.ch/sr15/>.

7 IPCC, “Special Report: Climate Change and Land,” <https://www.ipcc.ch/srccl/download/>.

8 IPCC, “Special Report on the Ocean and Cryosphere in a Changing Climate,” <https://www.ipcc.ch/srocc/>.

9 “Climate Change: How Do We Know?,” <https://climate.nasa.gov/evidence/>.

10 See <http://www.ceres.org/resources/reports>.

11 “Climate Change and the Just Transition: A Guide for Investor Action,” <https://www.unpri.org/download?ac=9452>.

RECOMMENDED by Advisory Committee on Corporate Social Responsibility, September 5, 2003

ENDORSED by Division for Church in Society Board, October 24, 2003

APPROVED by Church Council, November 2003

UPDATED by Advisory Committee on Corporate Social Responsibility, September 28, 2007

APPROVED by Church Council, November 2007

UPDATED by Advisory Committee on Corporate Social Responsibility, September 10, 2010

APPROVED by Church Council, November 2010

APPROVED by Church Council, November 2015 [CC15.11.52]

APPROVED by Church Council, November 2021 [CC21.11.25]

promoting healthy environments, and cooperation between the public and private sector regarding sustainability. Per ELCA social teaching, all people have a right to equal access and participation in decisions that affect them.

The 1995 Churchwide Assembly passed the resolution “Environment — Energy Audits” ([CA95.05.26b](#)). The 1999 Churchwide Assembly ([CA99.06.30](#)) expressed great concern about the destructive practice of mountaintop-removal coal mining and urged our church to advocate ending it. The 2001 Churchwide Assembly ([CA01.07.57](#)) 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 the resolution “Caring for Creation” ([CA05.07.39](#)), encouraging our church to renew the commitment to caring for creation. This was followed in 2007 by the churchwide assembly memorial “Energy Efficiency” ([CA07.06.33g](#)) and in 2009 by the Genesis Covenant ([CA09.03.09](#)).

In 2013 the Churchwide Assembly passed a resolution on hydraulic fracking and fossil fuels,¹² encouraging all ELCA synods, congregations and members to inform and educate themselves through the lens of the social statements — *Caring for Creation* (1993), *Sufficient, Sustainable Livelihood for All* (1999) and *Genetics, Faith and Responsibility* (2011) — about the issues pertaining to hydraulic fracturing by engaging in 1) grassroots conversation, 2) the sharing of pertinent stories, and 3) workshops and study. The Corporate Social Responsibility team was asked to evaluate the feasibility of developing revised or additional investment screens. The team determined that no additional investment screens were needed but recommended revision to the [Environment Social Criteria Investment Screen](#). The environment screen was revised and approved by the ELCA Church Council in November 2017 (CC17.11.33k).¹³

In 2016, the Churchwide Assembly passed the resolution “[Toward a Responsible Energy Future](#),” calling upon the ELCA churchwide organization to review ELCA social teachings and applicable Corporate Social Responsibility policies and procedures with the goal of not investing in, and removing from its portfolio, the largest fossil fuel companies, as identified by Carbon Tracker, and investing in corporations that are taking a positive step toward a sustainable environment.

In 2019 the Churchwide Assembly¹⁴ passed a resolution on the Carbon Fee and Dividend for the development of a plan that promotes educational resources on Carbon Fee and Dividend to assist in forming the basis for any potential advocacy strategy.

12 “Section VII: Report of the Memorials Committee,” <https://www.elca.org/Resources/Churchwide-Assembly#2013>.

13 2019 ELCA Churchwide Assembly, [https://download.elca.org/ELCA%20Resource%20Repository/Section VII-Report of Memorials Committee.pdf](https://download.elca.org/ELCA%20Resource%20Repository/Section%20VII-Report%20of%20Memorials%20Committee.pdf).

14 ELCA Churchwide Assembly, [https://download.elca.org/ELCA%20Resource%20Repository/Section VII-Report of Memorials Committee.pdf](https://download.elca.org/ELCA%20Resource%20Repository/Section%20VII-Report%20of%20Memorials%20Committee.pdf).

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In 2019 the Churchwide Assembly endorsed the [Earth Charter](#).

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 the corporation’s products, the delivery process for its 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 its probable risk exposure to the financial and competitive consequences of climate change, ensure that it has 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.

SOCIAL-CRITERIA INVESTMENT SCREENS

A screen is a framework of principles, specific to an issue, by which a company’s activities are evaluated. The [Environment Social Criteria Investment Screen](#), approved by the ELCA in 1990 and updated in 2007, 2014, and 2017, responds to this issue.

RESOLUTION GUIDELINES FOR THE ELCA - ISSUE SPECIFIC¹⁵

1. We support reports on greenhouse gas footprints, as well as the establishment of targets (such as science-based targets) for their reduction, including requests that a company complete the CDP¹⁶ reporting process and adhere to the [Global Reporting Initiatives](#) standards.
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 greenhouse gas emissions, promoting energy efficiency, investing in clean energy and supporting international action on the issue. We support reports on the plan for just transition.
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

¹⁵ 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.

¹⁶ Formerly the Carbon Disclosure Project, now known as CDP, <https://www.cdp.net/en>.

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international bodies as it relates to reduction of greenhouse gases, attainment of net-zero carbon emissions by 2050, and the adequacy of such legislation to protect human health, the environment and the company's reputation.

6. We support reports on goals and benchmarks achieved to increase usage of renewable energy and adopt other measures in order to take practical steps to reduce its contribution to climate change, including increasing 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.¹⁷
11. We support amendments to a company's greenhouse gas emissions policies to observe a moratorium on 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, including reducing refrigerant-related emissions from its operations.
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 part of the company's incentive plan for senior executives.
18. We support reports assessing a financial institution's programs to address greenhouse gas emissions from its lending portfolio, which includes how it intends to reduce the GHG emissions associated with its financing activities in alignment with the Paris Agreement and goal of limiting temperature rise to

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17 See <https://carbontracker.org/resources/>.

1.5 degrees Centigrade goal, requiring net-zero emissions, and its exposure to climate-change risk in its lending, investing and financing activities.

19. We support requests to financial institutions to adopt company-wide, quantitative, time-bound targets for reducing greenhouse gas (GHG) emissions associated with the company's underwriting and lending activities, and to issue annual reports discussing its plans and progress toward achieving these targets. The report will include how the company will measure and disclose, across its banking and investment portfolios, the greenhouse gas footprint of its financing activities, as well as its efforts to reduce negative impacts and enhance positive impacts on natural ecosystems and biodiversity.
20. We support reports on lobbying activities (direct and through trade and other associations) regarding alignment with the goal of limiting average global warming to well below 2 degrees Celsius per the Paris Climate Agreement and the Intergovernmental Panel on Climate Change (IPCC) reports, and other expressed goals in stockholders' best interests.
21. We support requests for corporations to adopt corporate-wide targets to achieve net-zero greenhouse gas emissions associated with its lending and investment activities, as defined by best-practice carbon-accounting standards, by 2050.
22. We support reports exploring options as to whether and how the company could reduce its total contribution to climate change by encouraging electrification in its operations.
23. We support reports assessing the public health risks of expanding petrochemical operations and investments in areas increasingly prone to climate-change-induced storms, flooding and sea level rise.

RESOLUTION GUIDELINES FOR THE 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.
- 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.
- Reports on diversity for corporate boards and upper-level management.¹⁸

¹⁸ See "Non-discrimination in Business Activities" [issue paper](#).

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