

# EVANGELICAL LUTHERAN CHURCH IN AMERICA

## Corporate Social Responsibility Issue Paper

### Sufficient Sustainable Livelihood for All: Codes of Conduct

#### Background

The ELCA social statement “Sufficient, Sustainable Livelihood for All” (1999)<sup>1</sup> is a benchmark for our role as Christians in economic life. Because of sin, we have fallen short of our responsibilities to each other in this world, but we live in light of God’s promised future that ultimately there will be no hunger and injustice. This promise makes us restless with a world that is less than what God intends. In economic matters, this draws attention to:

- The scope of God’s concern: “for all”;
- The means by which life is sustained: “livelihood”;
- What is needed: “sufficiency”; and
- Long-term perspective: “sustainability” (pg. 3).

“The vantage point of the kingdom of God motivates us to focus on more than short-term gains. Humans, called to be stewards of God’s creation, are to respect the integrity and limits of the earth and its resources” (pg. 14). We are challenged to pursue policies and practices *supporting sustainability*. The multitudes around God’s global table are recognized as neighbors rather than competitors or strangers (pg. 17).

Over the last few decades, many governments and organizations have been attempting to codify standards of corporate behavior in order to assure just and sustainable development. In June 2011, the Human Rights Council of the United Nations endorsed the *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*.<sup>2</sup> These norms recognize that governments have primary responsibility in this area, but also recognize that business enterprises are responsible for promoting and securing the human rights set forth in the Universal Declaration of Human Rights.<sup>3</sup>

The faith community measures a corporation not only by what it produces and by shareholder returns, but also by its impact on human lives, communities, and the environment. Corporations work within the global reality with which they are confronted today. There are political and economic influences as well as the impacts of militarism and technology.<sup>4</sup> A corporation’s view of how it conducts its business, promotes justice, and works to create a fair and sustainable world is significantly affected by these realities.

#### ELCA Social Policy

The ELCA social statement “Sufficient, Sustainable Livelihood for All” (1999) develops this church’s vision of sufficiency and sustainability focusing on the economic life of all people, with an emphasis on those who are poor and disenfranchised. In particular, it calls for companies to pay more fully the wider social and environmental costs of what they produce (pg. 15). ELCA social policy includes numerous Church Council actions supporting those who are poor and disenfranchised.

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<sup>1</sup> [http://download.elca.org/ELCA%20Resource%20Repository/Economic\\_LifeSS.pdf](http://download.elca.org/ELCA%20Resource%20Repository/Economic_LifeSS.pdf)

<sup>2</sup> <http://business-humanrights.org/en/un-guiding-principles>

<sup>3</sup> <http://www.un.org/Overview/rights.html>

<sup>4</sup> <http://www.bench-marks.org>

## **Corporate Response**

In recent years the call for companies to implement fair policies, adopt vendor and supplier codes of conduct, and assure fair treatment of workers on a global basis has moved the corporate world to think beyond general human resource policies. Corporate ethics have moved from a focus on individual plants and workers to a global code covering world-wide operations and considering the company's impact on communities, workers, and the environment.

Many companies now report their efforts in assuring ethical supply chains in sustainability reports. It is both fiscally and ethically reasonable to ask companies to develop this broader policy approach. Independently verified public reporting grounded in transparent disclosure is a preferred basis for corporate responsibility.

## **Resolution Guidelines for the ELCA**

1. We support the adoption of company codes of conduct.
2. We support the preparation of standards and related codes of conduct for vendors and suppliers.
3. We support reporting to shareholders about international operations.
4. We support buying policies and purchase contracts reflecting the International Labor Organization's standards.<sup>5</sup>
5. We support implementation of independent monitoring processes for both the company and its vendors and suppliers.
6. We support policies and reports that ensure a company or its suppliers do not use child labor.
7. We support reports which assess human rights risks, including human trafficking and forced labor (modern day slavery), throughout the supply chain.
8. We support development of corporate responsibility committees at a board and staff level.
9. We support development of policies and reports to ensure environment and health and safety standards as well as basic workers' rights standards.
10. We support review by boards of ways to link executive compensation with a company's ethical and social performance in addition to current performance measurements.
11. We support policies ensuring that a company does not use forced labor, including prison, indentured, or bonded labor.
12. We support regular assessment reports to the board of directors and shareholders on any of the above items.
13. We support development of policies and reports that promote network neutrality ensuring that internet service providers do not degrade, prioritize, or privilege based on source, ownership, destination, or content of information.

## **Resolution guidelines for ELCA – General**

14. We support practices of good governance, specifically:
  - A company having an independent chair or independent lead director;
  - Reports on policies and transparency of procedures for political contributions and expenditures (both direct and indirect made with corporate funds);

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<sup>5</sup> <http://www.ilo.org/public/english/standards/norm/whatare/fundam/>

- Reports on any portion of any dues or similar payments made to any tax exempt organization or trade organization that is used for an expenditure or contribution which might be deemed political; and
- Guidelines or policies governing the company's political contributions and expenditures.

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*Approved by Church Council, November 2013 [CC13.11.69y]*