

SUSTAINABILITY

Issue Paper



Evangelical Lutheran Church in America
God's work. Our hands.

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The ELCA social statements Caring for Creation: Vision, Hope and Justice (1993)¹ "Sufficient, Sustainable Livelihood for All" (1999)² and "Genetics, Faith and Responsibility" (2011)³ provide benchmarks for our role as Christians in economic and social life on questions of sustainability. Because of sin, we have fallen short of our responsibilities to one another in this world, but we live in light of God's promised future that ultimately there will be no hunger, injustice or climate degradation. 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" ("Sufficient, Sustainable Livelihood for All," 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

¹ <http://www.elca.org/Faith/Faith-and-Society/Social-Statements/Caring-for-Creation>

² http://download.elca.org/ELCA%20Resource%20Repository/Economic_LifeSS.pdf

³ <http://www.elca.org/Faith/Faith-and-Society/Social-Statements/Genetics>

pursue policies and practices concerning sustainability. The multitudes around God's global table are recognized as neighbors rather than competitors or strangers (pg. 17).

Sustainable development is about ensuring a better quality of life for everyone, now and for generations to come. Thus it combines ecological, social and economic concerns and offers business opportunities for companies to improve the lives of the world's people and care for the environment (see, for example, the World Business Council on Sustainable Development⁴). The International Institute for Sustainable Development⁵ further develops the concept to include using, disposing and transforming resources in a way that minimizes harm to the environment while supporting the well-being of people.⁶

Although the concept of sustainability continues to evolve, several instruments, guidelines and benchmarks have been developed and are being used in the governmental and corporate sectors. The first of these, the Global Reporting Initiative Guidelines, is a long-term, multi-stakeholder, international process with a mission to develop and disseminate globally applicable sustainability reporting guidelines. Many corporations, including non-profits, have embraced these guidelines on issues of sustainability.

In 2003, the third edition of "Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance" was released. Faith-based investor groups from Australia, Hong Kong, Canada, South Africa, Colombia and the United Kingdom, as well as the U.S.-based Interfaith Center on Corporate Responsibility, gathered to develop these principles and offer a long-range view for corporations focused on protecting the environment, creating sustainable communities and ensuring human dignity.

With these tools, corporations are able to look at a "triple bottom line" – the integration of social, environmental and economic performances. This holistic approach is also referred to as a corporation's sustainability performance.

ELCA social teaching

"Sufficient, Sustainable Livelihood for All" develops this church's vision of sufficiency and sustainability focusing on economic life, with an emphasis on those who are poor and disenfranchised. It particularly calls for companies to bear the wider social and environmental costs of what they produce (pg. 14). "Caring for Creation: Vision, Hope, and Justice" (ELCA, 1993): The social statement develops the church's vision of creation and lifts up sustainability as a central part of that vision. In terms of the environment, it calls for providing an acceptable quality of life for present generations without compromising that of future generations. (pg. 7) The ELCA social statement "Genetics, Faith and Responsibility" enlarges on both, articulating the meaning of sustainability in light of unprecedented human technical power. It lays out the

⁴ <http://www.wbcd.org/home.aspx>

⁵ <http://www.iisd.org/>

⁶ https://www.iisd.org/sites/default/files/publications/sustainable-consumption-production-indicators-future-sdgs_0.pdf

imperative of responsible action that promotes the capacity of natural and social systems to survive and thrive together over the long-term (pg. 21). Numerous Church Council actions support standing with those who are poor and disenfranchised around a variety of environmental and social issues. ELCA advocacy plans have outlined a variety of taxation, environment, employment, globalization and fair-trade issues.

Response

In responding to calls for increased disclosure, accountability and transparency, many in the corporate world are voluntarily reporting on sustainability and the triple bottom line. The call is not only for individuals to be called to high ethical practices but also for corporations to review their corporate ethics and the impact of their operations on people and communities in a public and verifiable manner.

The majority of the Fortune 500 companies have implemented some type of sustainability reporting. It is reasonable to ask all companies to begin looking at this type of reporting if they are not already doing so. Additionally, companies might be asked to increase the quality and relevance of triple-bottom-line reporting and use the format established by the Global Reporting Initiative. These measurements and reporting mechanisms could help companies identify ways to be more efficient and identify problems that might result in liability for the company. More companies are sharing their work with a variety of stakeholders for input before publishing such reports.

Social criteria investment screens

None currently apply to this paper.

Issue specific resolution guidelines for ELCA⁷

1. We support public disclosure of information on corporate sustainability based on the format established by the Global Reporting Initiative.
2. We support the preparation of sustainability reports.
3. We support requests for policies reflecting the triple bottom line of environment, social and economic factors.
4. We support requests for sustainability policies and performance, including multiple, objective statistical indicators.
5. We support preparation of reports on a company's sustainable paper purchasing policies, including the costs and benefits of incorporating these policies into the supply chain.
6. We support reports on sustainable management of water including potential environmental and community impacts of all company and affiliate ventures that extract water from water-scarce areas and regulatory, environmental and reputational risks associated with water as it relates to a company's operations and investments.
7. We support reports describing the company's present policies, performance, and improvement targets related to key environmental, social and governance risks and opportunities, including greenhouse gas emissions reduction goals.

⁷ 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.

8. We support request the Board's Compensation Committee, when setting senior executive compensation, include sustainability as one of the performance measures for senior executives under the company's annual and long-term incentive plans.
9. We support reports on sustainable agriculture and forest policy.

Resolution guidelines for ELCA – general

7. 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; and
- reports on diversity for corporate boards and upper-level management.⁸

⁸ http://download.elca.org/ELCA%20Resource%20Repository/Non_Discrimination_In_Business_Activities_Issue_Paper.pdf?_ga=1.121795211.1053029484.1427812820