



CARING FOR CREATION: ENVIRONMENTAL TOPICS

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, leading to environmental degradation of the earth and yielding a crisis situation. The resulting damages to environmental systems are frightening: depletion of nonrenewable resources; loss of biodiversity and related habitats; erosion of topsoil through unsustainable agriculture and forestry practices; pollution of air by toxic emissions from industries and vehicles, and pollution of water by wastes; increasing volumes of wastes; and prevalence of impacts of global warming that result in accumulation of greenhouse gases in the atmosphere, damaging oceans. All of which impact social, political and economic systems, with the most vulnerable being disproportionately impacted. This environmental crisis in turn exacerbates racial, gender and class discrimination.¹

The collective effects mean human beings increasingly bear the moral burden for the shape of nature and the very existence of future generations.² 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. We address environmental issues in a manner consistent with the principles of participation, solidarity, sufficiency and sustainability.³

Failure to adhere to these principles can be detrimental to environmental, social and economic systems, leaving far too many in poverty: "Impoverished citizens have no access to clean water and live in environmental degradation."⁴ The United Nations Environment Programme connects human rights with the environment: "Human rights and the environment are intrinsically intertwined: a safe, clean, healthy and sustainable environment reinforces our human rights; whilst polluted, hazardous and otherwise unhealthy environments potentially violate our human

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

2 "Genetics, Faith and Responsibility" (ELCA social message, 2011), <http://www.ELCA.org/Faith/Faith-and-Society/Social-Statements/Genetics>.

3 *Caring for Creation*.

4 "Human Rights" (ELCA social message, 2017), https://download.elca.org/ELCA%20Resource%20Repository/Human_Rights_SM.pdf.

rights. Governments must protect, businesses must respect, and people must exercise environmental rights if we wish to tackle environmental challenges.”⁵

The faith-based investment community for many years has been addressing environmental issues. One way of evaluating environmental and sustainability reporting is found in the Global Reporting Initiative’s [Reporting Framework](#). Environmental and sustainability reporting, along with the extensive set of Ceres [comparative reports](#) and reports from the [Investor Environmental Health Network](#), set the framework for the environmental dimension of sustainability concerns that an organization’s impact has on living and nonliving systems.

Companies are challenged to analyze their actions with a view toward minimizing local and global environmental damage. Clean-up is sought when damage has occurred, and stakeholder consultation is desirable at every step along the way. The United Nations’ Principles for Responsible Investment (2012) state that considering environmental, social and governance (ESG) factors in compensation can help protect long-term shareholder value.⁶

ELCA SOCIAL POLICY

[Caring for Creation: Vision, Hope, and Justice](#) (ELCA, 1993): The social statement develops the 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 (Section 5.E.1-1) calls on the church to engage in dialogue with corporations on how to promote justice for creation. This includes dialogues around implementing comprehensive environmental principles, healthy environments, and cooperation between the public and private sector regarding sustainability. The social statement [Freed in Christ: Race, Ethnicity, and Culture](#) states, “The Church that pursues justice will face and address difficult social, political, and economic problems such as: how racism must be confronted in order to build a society where diversity is truly valued; how race and ethnicity figure in political decisions on ... environmental pollution.”

The 2001 Churchwide Assembly ([CA01.07.57](#)) reaffirmed the commitment of this church to the care of creation, including global warming, as part of the web of complex interwoven environmental concerns. Previously, 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 2013 Churchwide Assembly passed a resolution ([CA13.03.07e](#)) on hydraulic fracking and fossil fuels and encouraged all ELCA synods, congregations and

5 United Nations Environment Programme, “Linking Human Rights and the Environment: Illustrations,” <https://www.unep.org/resources/infographic/linking-human-rights-and-environment-illustrations>.

6 Principles for Responsible Investment, “Integrating ESG Issues Into Executive Pay: A 2012 Report,” <https://www.unpri.org/governance-issues/integrating-esg-issues-into-executive-pay-a-2012-report/606.article>.

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

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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.

The 2016 Churchwide Assembly directed ([CA16.06.31](#)) the ELCA’s Corporate Social Responsibility Review team to develop a human rights social criteria investment screen based on the social teachings of this church.

The 2016 Churchwide Assembly passed “Resolution Urging Stewardship of the Gift of Water” ([CA16.05.26](#)), calling for the Church Council to direct the churchwide unit to provide resources to provide to congregations and individual members to encourage and support conservation and prayerful stewardship of water resources.

The [Environment Social Criteria Investment Screen](#) was revised and approved by the ELCA Church Council in November 2017.

The 2019 Churchwide Assembly endorsed ([CA19.02.06c](#)) the [Earth Charter](#).

The social statements supporting this issue paper:

- [Caring for Health: Our Shared Endeavor](#) (ELCA, 2003).
- [Sufficient, Sustainable Livelihood for All](#) (ELCA, 1999).
- [Genetics, Faith and Responsibility](#) (ELCA, 2011).

The social policy resolution “[Genetically Modified Organisms in the Food Supply](#)” (CC04.11.57) and the social message “[Human Rights](#)” also support this issue paper.

RESPONSES

Good corporate environmental stewardship begins with comprehensive environmental reporting. This reporting would include articulating a corporate vision, outlining policies, and providing methods and benchmarks to measure environmental performance. Companies must move from being compliance-oriented to engaging in best practices in environmental management. In addition, companies can review their probable risk exposure to financial and competitive consequences of environmental changes to ensure that they have sufficient additional expertise to make informed decisions and set responsible benchmarks.

Over the past few decades, hundreds of companies have begun to issue statements about their environmental policies and practices. One could even say that a shift has been occurring where companies no longer see environmental stewardship as an externally imposed burden but rather as a market-driven opportunity that enhances productivity, corporate image and shareholder value. The key questions for investors then become: 1) whether these policies and practices genuinely result in reducing negative environmental impact and 2) whether one can glean from a company’s report enough meaningful information about its environmental performance and sustainable development strategies.

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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, in 2014, and in 2017, addresses this issue.

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RESOLUTION GUIDELINES FOR THE ELCA - ISSUE SPECIFIC

A. Energy

1. We support reports for the gas and oil industry, including: environmental impact assessments detailing legal risks, regulatory risks and plans to mitigate these risks; the assumptions made in deciding to proceed; the possible long-term risks to the company's finances and operations; the financial impact of accidents and spills; and the likely and/or actual impact of hydraulic fracturing operations, including air, water and soil hazards.
2. We support reports that ask for risk assessments and propose measures to reduce risks of nuclear storage.
3. We support reports assessing (a) the impact on the environment of mountaintop-removal coal mining by a company's clients and (b) the adoption of a policy concerning future financing of companies engaged in such mining or the construction of new coal-burning power plants that emit carbon dioxide.
4. We support reports on a company's efforts, above and beyond legal compliance, to reduce environmental and health hazards associated with coal-combustion waste ponds, impoundments and mines, and how those efforts reduce the company's financial and operational risks.
5. We support requests for reporting on the development of renewable energy sources with quantitative targets.
6. We support reports on the effects of power-generation facilities on water supplies.

B. Environmental Reporting

7. We support proposals asking for endorsement of the Ceres Principles;⁷ the CDP water, carbon, forest and supply chain guidelines;⁸ and their use in preparation of sustainability reports.
8. We support reports identifying environmental hazards, including waste facilities and their impact on their communities as well as reports on the development of a company's policy about such hazards and its work in environmentally or culturally sensitive areas, including land procurement.
9. We support reports on accident reduction and mitigation, including a company's progress in implementing the reforms required under a

7 Ceres, "About Us," <http://www.ceres.org/about-us/our-history/ceres-principles>.

8 CDP, "Who We Are," <https://www.cdp.net/en-US/Pages/About-Us.aspx>.

- settlement with the Environmental Protection Agency (EPA) and the commitments stated in a company's corporate social responsibility report.
10. We support reports on the effects of a company's marketing on the purchasing practices of people living in poverty and what might be done to mitigate harm.
 11. We support reports on the policies and procedures that guide a company's assessment of host country laws and regulations with respect to their adequacy to protect human health, the environment and the company's reputation.
 12. We support reports on chemical footprints⁹ of operations and the responsible reduction of pollution from both their operations and the use of their products.
 13. We support reports on actions of the company's board of directors nominations committee to ensure that there is environmental expertise on the company's board of directors, including calling for a director with environmental expertise.
 14. We support requests that the board compensation committee, when setting senior executive compensation, include environmental metrics and performance in executive incentive plans.

C. Food/Water

15. We support reports regarding antibiotic use in the food-supply chain and labeling foods treated with antibiotics.
16. We support reports regarding long-term sustainability in the growing, procurement and delivery of food, including seafood and organic products. We also support reports on consideration of and reporting on efforts to source 100% certified sustainable palm oil.
17. We support reports on the company's policies on water stewardship assessing if and how the company plans to increase the scale, pace and rigor of its efforts to reduce water pollution from its supply chain.
18. We support reports on the company's water stewardship and the human right to water.¹⁰
19. We support reports evaluating the impact of a company's operations on land, water usage, water resources and waste management, including the potential environmental and public health impacts of each of its company-owned plants, those of its affiliates, as well as proposed ventures that extract water from water-scarce areas.
20. We support reports on the impact of a company's hydraulic fracturing operations, including reduction or elimination of hazards to air, water and soil quality from such fracturing.

9 See the Chemical Footprint Project, <http://www.chemicalfootprint.org/>.

10 As defined by the U.N. Committee on Economic, Social and Cultural Rights (general comment 15, paragraph 2).

21. We support reports on policy options to respond to public concerns regarding bottled water, including, but not limited to, providing additional information to consumers or further modifying the production, delivery or sale of bottled water so as to minimize environmental and energy impacts.
22. We support reports on a company's food product supply chain, including:
 - a) Strategies to significantly reduce waste, energy and water use throughout the supply chain.
 - b) The feasibility of reducing the environmental and social impacts of food waste.
 - c) Resource conservation programs and pollution prevention measures for the full product life cycle.
 - d) Labeling products with country of origin.
 - e) Internal controls related to potential adverse impacts associated with genetically engineered organisms.
 - f) Safety testing and systems to ensure identity preservation and traceability from production to consumption.
 - g) Respect for and adherence to seed-saving rights of traditional agricultural communities; systems adequate to monitor use of genetically modified organisms; and plans to provide alternatives should the situation merit.
 - h) Reporting to shareholders on the feasibility of reducing the environmental and social impacts of food waste generated by the company's operations, given the significant impact of food waste on societal risk from climate change and hunger.

D. Forests

23. We support reports studying ways for a company to take leadership on the environmental aspects of paper procurement, including strengthening national paper-recovery goals, setting goals for recycled content in its magazines and books, setting goals for a majority of its supply chain to adopt strong forest-management certification procedures, and developing a sustainable paper-purchasing policy. This might include reports on costs and benefits, greenhouse gas impact and implementation.
24. We support reports on how a company and its supply chain contribute to deforestation, how it plans to mitigate these impacts, and how it could increase the scale, pace and rigor of its efforts to eliminate deforestation and native vegetation conversion in its supply chains.

E. Product Safety

25. We support requests for reports or policies on exposure to, reduction of and/or elimination of toxins, pesticides and/or radioactive materials in the environment, including product safety or toxicity.
26. We support reports on product stewardship policies, including recycling

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strategies.

27. We support reports on the implications of a policy for reducing the potential harm and the number of people in danger from potential catastrophic chemical releases by increasing the inherent security of a company's facilities through steps including reducing the use, storage and transportation of extremely hazardous substances; reengineering processes; and locating facilities outside high-population areas.
28. We support reports on a company's policies on the use of nanomaterials and neonicotinoids in its product packaging and product use and educational efforts around these issues.
29. We support reports on policy options to reduce consumer exposure to and increase consumer awareness of mercury, Biphenyl A (BpA), polychlorinated biphenyls (PCBs) and any other toxins contained in a company's products and/or packaging. We support reports on a company's plan to move to safer alternative substitutes for the presence of toxic chemicals in its products.
30. We support development of policy and reports asking for mechanisms to recycle electronics safely and prevent the improper export of hazardous e-waste.
31. We support reports on plastic packaging, estimating the amount of plastics released to the environment due to plastic packaging attributable to all operations, and beginning with the manufacture of the plastic source materials, through disposal or recycling, and describing any company strategies or goals to decrease the use of plastic packaging to reduce these impacts.
32. We support reports that include discussion of loss prevention, cleanup and containment for all relevant categories of plastic materials released, regardless of whether they are pellets, powder, flake, granules or other particles.

F. Sustainability

33. We support reports assessing the feasibility of integrating sustainability metrics into performance measures and performance goals into senior executive pay and incentive guidelines.
34. We support reports describing the company's environmental, social and governance (ESG) policies, performance, improvement targets and quantitative metrics.

G. Environmental Justice

35. We support reports on how the corporation's policies and practices and the impacts of its business perpetuate racial injustice and inflict harm on communities of color domestically and internationally.
36. We support requests for reports and policies that are responsive to the regulatory and reputational pressure related to including Indigenous people

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and people of color, such as internal programs or policies on relations with Indigenous people and people of color, recruitment of employees who are Indigenous people or people of color, and procurement from businesses owned by Indigenous people or people of color.

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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 are 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.¹¹

11 See "Nondiscrimination in Business Activities" [issue paper](#).