



SUSTAINABILITY

Issue Paper

BACKGROUND

Since the mid-1980s, the concept of [sustainable development](#) - “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” - has been a driving force in the way development is understood. The ELCA social statements [Caring for Creation: Vision, Hope, and Justice](#) (1993), [Sufficient, Sustainable Livelihood for All](#) (1999) and [Genetics, Faith and Responsibility](#) (2011) 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.”
- Long-term perspective: “sustainability” (*Sufficient, Sustainable Livelihood for All*, p. 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” (*Livelihood*, p. 15). We are challenged to pursue policies and practices concerning sustainability. The multitudes around God’s global table are recognized as neighbors rather than competitors or strangers (p. 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 for Sustainable Development](#)).

For example, in 2015, after two years of consultation, the United Nations revised its Millennium Development Goals and laid out a 15-year series of [goals](#) and targets in the [2030 Agenda for Sustainable Development](#). The [International Institute for Sustainable Development](#) further develops the concept to include using, disposing of and transforming resources in a way that minimizes harm to the environment

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.

while supporting the well-being of people.

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.

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.

With these and other tools such as the Organization for Economic Cooperation and Development [guidelines](#) and the Guiding [Principles](#) on Business and Human Rights (the “Ruggie Principles”), 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 (p. 14). *Caring for Creation: Vision, Hope, and Justice* (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 (p. 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 imperative of responsible action that promotes the capacity of natural and social systems to survive and thrive together over the long term (p. 21). The ELCA social message on human rights accords humans the “right to sufficient and sustainable levels of physical goods such as water, food, shelter and health care. This includes treating creation sustainably so the next generation has sufficient physical goods” (“Human Rights,” p. 6). Its message on faith, sexism and justice affirms sustainability as a path to justice for women (*Faith, Sexism, and Justice*, p. 48).

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.

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The 2019 Churchwide Assembly endorsed the [Earth Charter](#), which addresses equitable sustainability and sufficiency for all communities. With the support of the ELCA's Sustainability Table, ELCA ministries carry out the [implementation work](#) to fulfill the charter endorsement. The ELCA participates in the Lutheran World Federation initiative known as [Waking the Giant](#), which works to empower churches to contribute effectively to the 2030 U.N. Agenda for Sustainable Development.

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CORPORATE 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 sustainability 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](#) or using the [Principles for Responsible Investment](#). 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.

ISSUE-SPECIFIC RESOLUTION RESOLUTION GUIDELINES FOR THE ELCA¹

1. We support public disclosure of information on corporate sustainability based on the format established by the Global Reporting Initiative, the [World Benchmarking Alliance](#) or other current benchmarks.²
2. We support the preparation of sustainability reports conducted by independent parties.
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

¹ 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.

² For example, the Sustainability Accounting Standards Board (SASB) standards <https://www.sasb.org/>, or the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations: <https://assets.bbhub.io/company/sites/60/2021/10/FINAL-2017-TCFD-Report.pdf>

- 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.
 8. We support requests by the board's compensation committee to include sustainability as one of the performance measures for senior executive compensation under the company's annual and long-term incentive plans.
 9. We support reports on sustainable agriculture and forest policy.
 10. We support requests for annual sustainability reporting that specifies full report on greenhouse gas (GHG) emissions management strategies and quantitative metrics.
 11. We support reports on climate change mitigation strategies, assessing the feasibility of adopting quantitative, company-wide goals for increasing the company's use of renewable energy, energy efficiency and any other measures deemed feasible by company management to substantially reduce the company's greenhouse gas (GHG) emissions and climate change risks associated with the use of fossil-fuel-based energy.
 12. We support annually updated sustainability reports describing the company's environmental, social and governance (ESG) management state.
 13. We support analyses of existing and future environmental risks from an ESG perspective.
 14. We support independent board oversight of climate-related risks and opportunities.
 15. We support public disclosure of the professional experience of board members as relates to climate change.
 16. We support resolutions calling for board members with expertise in sustainability, human rights and the environment.

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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 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.³

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³ https://download.elca.org/ELCA%20Resource%20Repository/Non_Discrimination_In_Business_Activities_Issue_Paper_2020.pdf?_ga=2.233911134.1591617596.1657212248-1480364168.1651691194