

# Catholic Perspectives on Investment in and Divestment from Fossil Fuel Interests

January 31<sup>st</sup>, 2019

[CatholicClimateCovenant.org](http://CatholicClimateCovenant.org)



**Catholic Climate Covenant**<sup>sm</sup>  
Care for Creation. Care for the Poor.

# Catholic Perspectives on Investment in and Divestment from Fossil Fuel Interests

## STEWARDSHIP PRAYER

Oh Lord, giver of life and source of our freedom, we are reminded that Yours is “the earth in its fullness; the world and those who dwell in it.” We know that it is from your hand that we have received all we have and are and will be.

Gracious and loving God, we understand that you call us to be the stewards of Your abundance, the caretakers of all you have entrusted to us. Help us always to use your gifts wisely and teach us to share them generously. May our faithful stewardship bear witness to the love of Christ in our lives. We pray this with grateful hearts in Jesus’ name. Amen.



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# Control Panel >>>>

## Your Participation

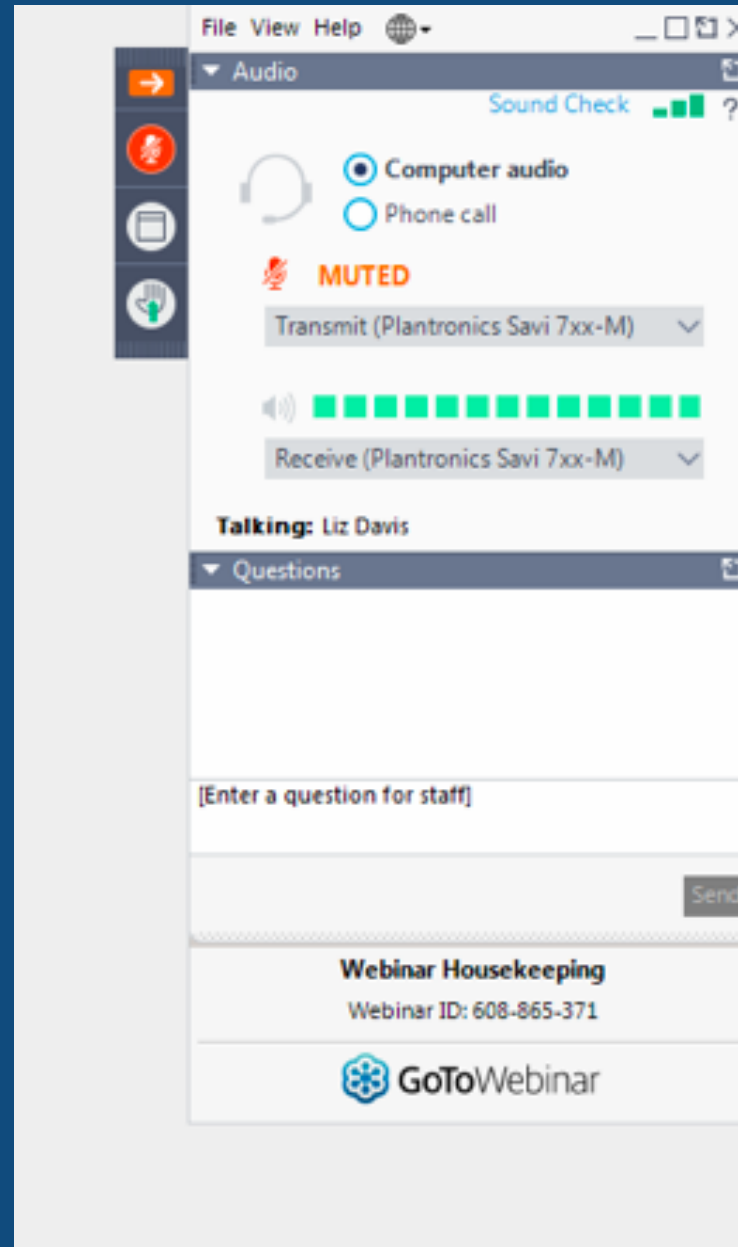
Open and close your control panel

Join audio:

- Choose **Mic & Speakers** to use VoIP
- Choose **Telephone** and dial using the information provided

Submit questions and comments via the Questions panel

**Note:** Today's presentation is being recorded and will be provided within 48 hours.



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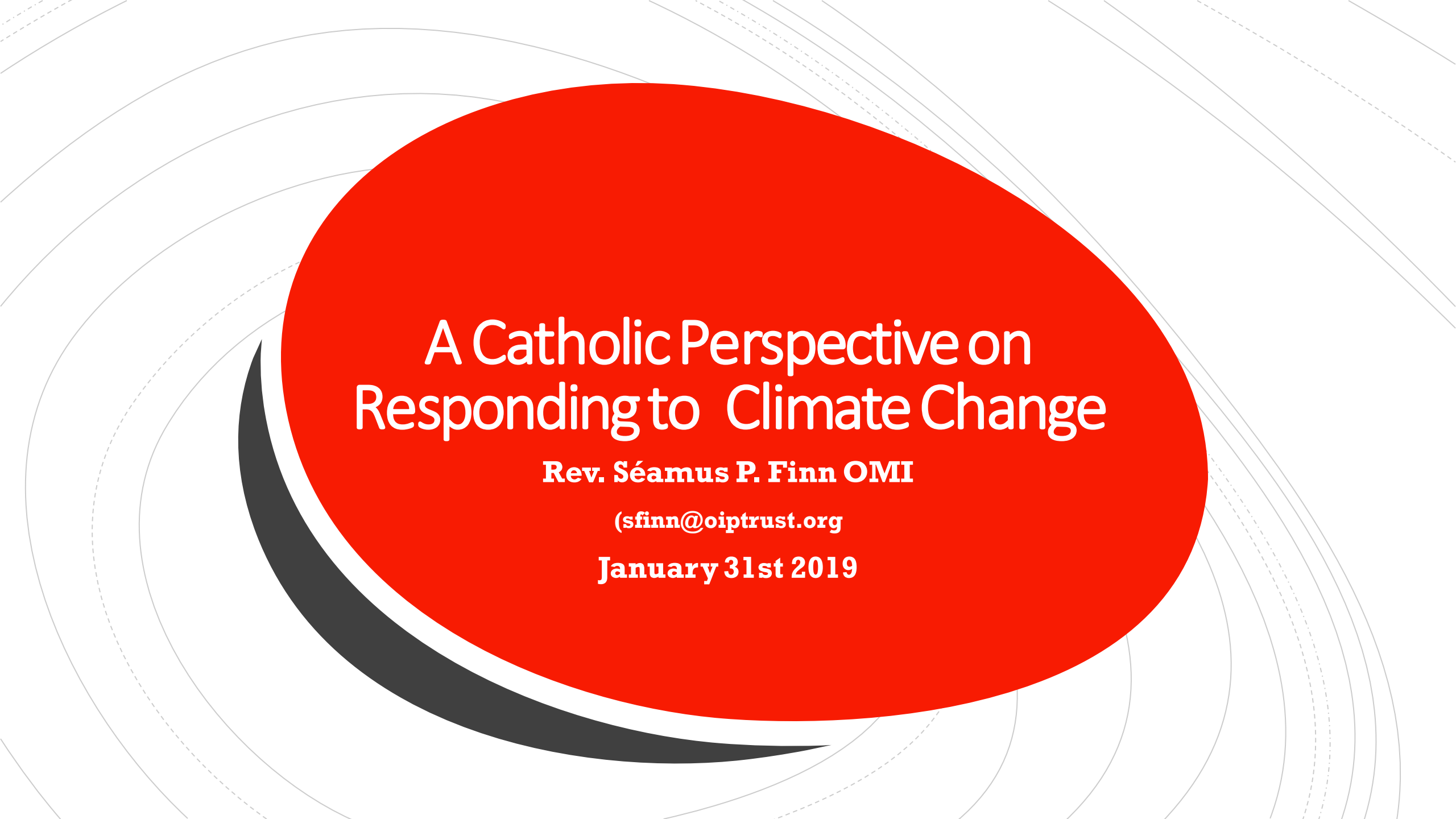
Fr. Séamus Finn, OMI  
OIP Investment Trust



Amy Woolam Echeverria  
Missionary Society of St. Columban

Moderator: Paz Artaza-Regan, Catholic Climate Covenant





# A Catholic Perspective on Responding to Climate Change

**Rev. Séamus P. Finn OMI**

**([sfinn@oiptrust.org](mailto:sfinn@oiptrust.org))**

**January 31st 2019**

# Brief History of FCI/SRI

- Episcopal Church; United Methodists, Church of England; Interfaith center on Corporate Responsibility
- Catholic Religious Orders (National Catholic Coalition on Corporate Responsibility; 1973 - )
- USCCB Guidelines 1990; 2003; Other Bishops Conferences
- Index Funds, Mutual Funds based on USCCB Guidelines
- Asset Managers with a Catholic based Investment Philosophy

# Pope Benedict

- The economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, **it must be structured and governed in an ethical manner.** Pope Benedict, *Caritas in Veritate* #36 2009.
- Perhaps at one time it was conceivable that first the creation of wealth **could be entrusted to the economy**, and then the task of distributing it **could be assigned to politics.** Today that would be more difficult, given that economic activity is no longer circumscribed within territorial limits, while the authority of governments continues to be principally local. **Hence the canons of justice must be respected from the outset, as the economic process unfolds, and not just afterwards or incidentally.** CV #37



This sister (Our Common Home) now cries out to us  
because of the harm we have inflicted on her by our  
irresponsible use and abuse of the goods with which  
God has endowed her (LS #1)



# Options Available to Investors who chose to fulfil their Ownership Responsibilities

- Developing Investment Policies
- Choosing Screens both Positive and Negative
- Voting Proxies
- Filing resolutions for Proxy Book
- Attending and speaking at AGM's
- Meeting with corporate representatives
- Divesting

# Key Points in this Development

- Climate Change has been on the agenda of Investors for Many Years
- As with many issues the concern emerged from a number of data points and from the stories recounted by impacted communities.
- Investors asked about its implications for their commitment to responsible ownership of shares in companies
  - Review of Investment Policies
  - Engagement with priority Industry sectors
- Evaluation of risk assessment from a financial perspective;
- Activities Today

# Actions by Faith and SRI Investors

- Review and revision of Policies and Screens
  - Negative/Exclusionary
  - Positive/ Investment in Alternative Energy Funds
  - Engagement
- Formation of coalitions to address specific corporate sectors
  - Carbon Disclosure Project <https://www.cdp.net/en>
  - Climate Action 100+ <http://www.climateaction100.org>
  -
- Measure and reporting of responses

# Carbon Disclosure Project

- Engagement facilitated by CDP,
- **In 2018**
  - **2370 companies** Climate Change
  - **761 companies** Water Questionnaire
  - **237 companies** Forests Questionnaire in 2018
- 
- These companies have now been scored according to the comprehensiveness of their disclosure and their actions towards a low-carbon economy.



Climate Change; Fossil Fuels  
Engagement or Divestment?

Bartholomew IV,  
Archbishop of  
Constantinople:  
Justin Welby,  
Archbishop of  
Canterbury (2015)

- “Because of our faith in God as creator, redeemer and sustainer, we have a mission to protect nature as well as human beings. The obligation of all human beings is to work together for a better world, one in which all human beings can flourish; our Christian vocation is to proclaim the Gospel inclusively and comprehensively.”

# Columban Journey: Divestment from Fossil Fuels



# Hearing the Cry of the Earth



# Hearing the Cry of the Poor





# Guiding Principles

The earth and everything in it is God's creation which we are called to respect.

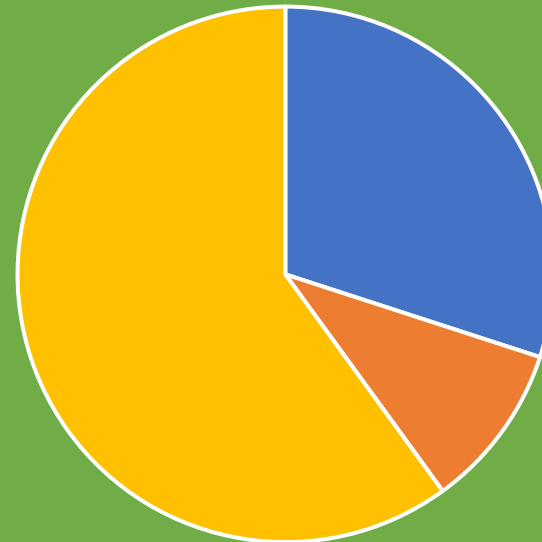
The natural world is the first revelation of God which impels us to reverence Earth and work more effectively toward the sustainability of life and toward universal recognition of the fundamental integrity of all creation.



# Columban Structures

## Investment Committees – Asset Allocation

- General Council
- Bursar General's Office
- International JPIC Office



- Australia
- Hong Kong
- USA



*Technology based on the use of highly polluting fossil fuels ....  
needs to be progressively replaced without delay. Laudato Si' # 165*

## Action Steps

2012 – General Assembly call to further SRI commitments

2013 – began consultation process to update SRI policy – internal and external

2015 – finalized SRI policy:

- Inclusion of Divestment and Positive Impact Investing Strategies
- Inclusion of JPIC representation on all Investment Committees
- Ongoing education and formation is key

2016 – publically announced divestment commitment via Global Catholic Climate Movement campaign – process of 5 years

# Implementation: 2017 - 2019

## Australia ~ 30%

- Reviewed accounts for exposure
- established a separate individually managed fund with no exposure to:
  - fossil fuels extraction
  - burning
  - infrastructure
- Application of Carbon Underground list
- Monitor for performance

# Implementation: 2017 - 2019

## Hong Kong ~ 10%

- Individually managed portfolio
- Review of company holdings – screen out fossil fuel extraction
- Seeking Positive Impact Investing options
- Creating an evaluation process for existing and future managers
- Reviewing Governance and Structures

# Implementation: 2017 - 2019

## United States ~ 60%

- Reviewed accounts for exposure – roughly 5%
- Dialogue with current manager and potential managers to reduce exposure and introduce Positive Impact Investing

# Challenges

- Urgency
- Definitions
- Comingled funds
- Differences of opinions
- Governance and decision making

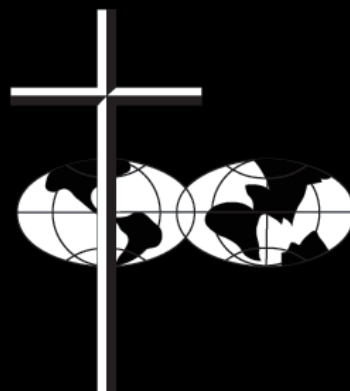


# Opportunities

- Long View
- Education
- Dialogue
- Nuance
- Collaboration

**Thank You**

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## Questions ?



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For more information:

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