

2018-2020 STRATEGIC PLAN



Seventh Generation Interfaith Coalition for Responsible Investment

Inspired by faith, committed to action



Photo: Solidarity Center

I. WHO WE ARE

Seventh Generation Interfaith Coalition for Responsible Investment (SGI) is a coalition of faith-based and values-driven institutional investors who view the management of their investments as a powerful catalyst for social change. Founded in 1973, SGI was a pioneer member of the Interfaith Center for Corporate Responsibility (ICCR) and has grown to 25 member organizations located in the mid-western United States.

Although we recognize the fiduciary responsibility as trustees to ensure an adequate return on investment for the support of our ministries and clients, our stewardship embraces broader moral concerns. As part owners, we participate in shaping the policies of companies through dialogue with management, introduction of shareholder proposals and voting at corporate meetings or through proxies. While the motivation for our work is grounded in the values and principles of our member organizations, it also stems from the practical conviction that businesses who listen to their stakeholders and serve the common good build more profitable businesses over the long-term....doing financially well while doing social good. This concept challenges antiquated, deeply embedded business models.

SGI members are concerned with a myriad of social, environmental, and governance issues including the following:

- **Climate change** – science-based targets, deforestation, methane emissions
- **Corporate governance** – lobbying & political spending, pay disparity, separation of board chair and CEO
- **Food justice** – sustainable agriculture & forestry, access to nutrition, food waste, antibiotics in meat
- **Health** – healthcare access & affordability, affordability of medicine, youth smoking, e-cigarettes
- **Human rights** – human trafficking, responsible sourcing, immigration justice, farm workers, fair chance hiring
- **Water stewardship** – human right to water, corporate water impacts

Many of the issues we work on, such as climate change and human trafficking, are systemic in nature. Corporate engagement can have a major impact, however these issues cannot be adequately addressed without changes to public policy. SGI members believe that the perspective of faith-based investors needs greater visibility in public policy debates and can be critical in advancing social justice and environmental sustainability.

As members of ICCR, SGI members work in collaboration with other ICCR members to raise the voice of populations who don't have a position of power. We work with like-minded organizations including Ceres, U.S. SIF, UN PRI and others to improve corporate decision-making and public policy on environmental, social, and governance (ESG) issues.

MISSION STATEMENT

Through the lens of faith and the promotion of human rights, Seventh Generation Interfaith works to build a more just and sustainable world for those most vulnerable by integrating social and environmental values into corporate and investor actions.

OUR BEGINNING

Founded in 1973, the National Catholic Coalition for Responsible Investment developed principles that aligned the stewardship of financial assets with Catholic Social Teaching. Based on the principles, Fr. Michael Crosby, O.F.M., Cap., Sr. Alphonsa Puls, S.S.S.F., and Sr. Charlita Foxhoven, S.S.S.F., formed a regional coalition of Catholic institutions in the mid-western U.S. These pioneers used their shareholder voices to call on the world's most powerful companies to address their impacts on the world's most vulnerable communities. Now known as Seventh Generation Interfaith Coalition for Responsible Investment (SGI), these were the first Catholic members of the Interfaith Center for Corporate Responsibility (ICCR). Father Crosby encouraged the formation of other regional coalitions of Catholic institutional investors around the country throughout the 1970s and 80's. SGI now welcomes for membership faith-based and values-driven institutional investors who believe companies can do financially well while doing social good.



II. The Strategic Process

With the loss of our founder and spiritual leader, Fr. Mike Crosby, O.F.M. Cap., the SGI Board recognized the need to reflect on the challenges and opportunities the coalition faces and to articulate a new vision to guide our work going forward. They gathered at the motherhouse of the Franciscan Sisters of Perpetual Adoration in La Crosse, Wisconsin, in September 2017 for a day long retreat. The day was facilitated by Sr. Marlene Weisenbeck, FSPA.

Preparation included investigation of the external and internal drivers and trends impacting our work. We interviewed our members to assess their reasons for joining SGI and the barriers to increased engagement. We also tried to assess our strengths, weaknesses, opportunities and threats. During the retreat, we recommitted to our mission; defined a vision of what success would look like; and developed strategic objectives to realize the vision. Finally, we discerned what would be the best organizational model and funding strategy to facilitate it.

Our strategy is built on the solid foundation Fr. Mike laid out for us while leveraging the rapid momentum in the SRI world and society at large to challenge corporations to be responsible to all their stakeholders – including shareholders, employees, customers, and communities. We tried to harness the collaborative power of our members and set the organization on a trajectory intended to deepen its influence within the broader investment community.

Despite the headwinds of a challenging political environment and the changing demographics of our members, the group came away feeling energized and compelled to continue in Mike's footsteps *to bring good news to the poor and God's creation.*

We thank our members for their continued support of our mission and the SGI Board of Directors and staff for their hard work and guidance through this process.





III. FRAMING THE PLAN: External and Internal Drivers

Society has lost confidence in institutions over the last several decades. Political institutions are judged by many to be unfit to meet the pressing social, environmental and economic challenges society faces. Trust in corporations, and even the basis of our capitalistic market economy, has been eroded by scandals. Recent headlines involving Wells Fargo, Volkswagen, Uber, 21st Century Fox, Equifax and others remind us that our system is still flawed. Although religious institutions have not been immune to scandals, the public trust of faith leaders remains higher than that of politicians or corporate executives.

The current political environment presents unprecedented challenges to the vulnerable in our society and the environment. With emphasis on nationalism, small government and business, we have experienced setbacks in nearly every priority issue over the past year. Trade associations such as the Business Roundtable and the United States Chamber of Commerce are pressuring Congress and the SEC to severely limit shareholder resolutions. The Financial Choice Act passed by the House of Representatives in 2017 poses a major legislative threat to our work. As regulations are rolled back, there is increased temptation for companies to revert to practices and lobby for legislation that serve shorter-term corporate interests, but are often damaging in the long-term.

On the other hand, the growing ethnic and racial diversity in the U.S. is having an influence on societal values. Millennials are purchasing greener products and want to work for, and invest in, sustainable companies. While not attracted to organized religion, they are attracted to religious social action. Pope Francis' *Joy of the Gospel* and *Laudato Si'* and the Vatican's call for impact investing have been heard beyond traditional Catholic communities.

There is a growing public awareness of social and environmental impact of corporate behavior. The current political environment has awakened the silent majority who can no longer remain passive and ignorant of the plight of the poor and the environment. Corporate sustainability performance is becoming more materially important for investors with \$1 in every \$4 invested now using SRI strategies. Corporate environmental, social and governance (ESG) performance criteria are becoming more transparent while benchmarks and ratings for companies and mutual funds are increasing. Impact investing is becoming more mainstream. Growing concern about climate change increases pressure to divest fossil fuel equities. Large traditional asset managers are waking up to the risks and opportunities of sustainability issues as evidenced by BlackRock's CEO Larry Fink's recent letter to the S&P 500 CEOs calling them to act with social responsibility and to see beyond short-term financial targets.

OUR MEMBERS

Catholic Diocese of Green Bay (Green Bay, WI)

Dana Investment Advisors, Inc. (Brookfield, WI)

Franciscan Sisters of Perpetual Adoration (La Crosse, WI)

Little Falls Franciscans (Little Falls, MN)

LS Investment Advisors, LLC (Milwaukee, WI)

Order of Friars Minor Capuchin (Rome, Italy)

Premonstratensian Fathers (De Pere, WI)

Priests of the Sacred Heart (Hales Corners, WI)

Province of St. Joseph of the Capuchin Order (Detroit, MI)

School Sisters of Notre Dame, Central Pacific Province (Elm Grove, WI)

School Sisters of St. Francis, Generalate (Milwaukee, WI)

School Sisters of St. Francis, US Province (Milwaukee, WI)

Servants of Mary (Ladysmith, WI)

Sinsinawa Dominicans (Sinsinawa, WI)

Sisters of Mercy of the Holy Cross (Merrill, WI)

Sisters of the Presentation of the Blessed Virgin Mary (Aberdeen, SD)

OUR MEMBERS (continued)

Sisters of St. Dominic (Racine, WI)

Sisters of St. Agnes (Fond du Lac, WI)

Sisters of St. Francis (Rochester, MN)

Sisters of St. Francis of Assisi (Milwaukee, WI)

Sisters of St. Francis of Dubuque (Dubuque, IA)

Sisters of St. Francis of the Holy Cross (Green Bay, WI)

Sisters of St. Joseph of Carondelet (St. Paul, MN)

Sisters of St Joseph –TOSF (Stevens Point, WI)

Sisters of the Sorrowful Mother, US/ Caribbean Province (Oshkosh, WI)



When we look internally, we recognize that our congregations of women and men religious are aging and shrinking in numbers, putting pressure on their financial resources and capacity for corporate engagement. Like the rest of the market, some members favor passive investments such as mutual funds and ETF over individual stocks and outsource their stewardship responsibilities. Yet our members agree that more education on SRI strategies and corporate engagement with more member-to-member interaction would increase their involvement and build positive relationships.

To build a stronger organization, we set out an ambition to invite other faith traditions to our coalition when we changed our name a few years ago. We also opened membership to members such as asset managers, universities, and foundations who seek to live out our mission in stewardship of resources entrusted to them.

We came to the conclusion that we need to transition from a “founder-focused mission” to a “member-led coalition.” Fr. Mike had already started this transition by involving more members in corporate dialogues and filing resolutions. We need to better understand our members’ missions to identify priority issues for corporate engagement. We need to identify partners and allies committed to these issues in order to leverage their capacity and expertise. If we focus on priority issues of our members and actions that can make a difference, we will show evidence of helping those for whom we advocate. Finally, we need to build a sustainable, efficient and compassionate organization to energize and empower the membership to act.

“My province can use me to bring Good News to the poor and the planet: that’s my mission.”

Fr. Mike Crosby, O.F.M., Cap.





“It is important that ethics once again play its due part in the world of finance and that markets serve the interests of peoples and the common good of humanity.”

Pope Francis
Symposium on Investing for the Poor
2014

IV. Our Ambition

A. SWOT Analysis

Based on the external and internal drivers, the following strengths, weaknesses, opportunities and threats were identified:

Strengths (internal)	Weaknesses (internal)
<ul style="list-style-type: none"> •Board and staff dedicated to mission •Education and staff support for members •Access to ICCR membership & resources •Proven track record of positive change •Growing member involvement •Network of partners & NGO’s •Positive alignment of mission and assets 	<ul style="list-style-type: none"> •Limited staff; no succession plan •Staff-driven; limited member involvement •Member recruitment; communications •Funding almost exclusively based on dues •Deemphasize of social justice by church •Loss of Fr. Mike Crosby •Member communities shrinking, aging
Opportunities (external)	Threats (external)
<ul style="list-style-type: none"> •Growing public interest and impact of SRI •Recruit Millennials (interns; lay Members) •Growing awareness of political landscape •Recruitment of other faith-based and secular SRI members •Increase Member collaboration (mentors, co-filers, good practices, etc.) •Collaboration with education institutions •Increased board & member engagement •Expand education opportunities for members •Better leverage ICCR and other partners 	<ul style="list-style-type: none"> •Negative political / regulatory landscape •Chamber of Commerce, BRT, ALEC •Growth of private equity companies •Shift from individual equities to passive funds •Financial Choice Act / SEC rule changes •Loss of Executive Director •Loss of focus; dilute effectiveness •Loss of membership; consolidation

B. Mission – What is our overriding purpose?

Through the lens of faith and the promotion of human rights, Seventh Generation Interfaith works to build a more just and sustainable world for those most vulnerable by integrating social and environmental values into corporate and investor actions.

C. Vision – What does success look like?

A catalyst for positive change for vulnerable populations and a recognized leader in corporate engagement through a growing, diversified and compassionate coalition of faith and values based members and supportive partners.

COMPANIONS ON THE JOURNEY

As a pioneer of ICCR, SGI has been successfully working with like-minded colleagues throughout the country including faith-based institutions, asset management companies, unions, pension funds and colleges and universities that collectively represent over \$400 billion in invested capital. Our history and success demonstrates that utilizing our power as stakeholders has sparked a momentum that has engaged other sectors of society beyond religious institutions in involvement for social change.

We also collaborate with Ceres, a non-profit organization advocating for sustainability leadership that mobilizes a powerful network of investors, companies and public interest groups to accelerate and expand the adoption of sustainable business practices and solutions.



V. Our Path Ahead

	Empowering Members	Making a Difference	Building Organizational Capacity
Goals	A diversified, informed, and fully engaged member-led coalition.	Positive change for vulnerable populations and the environment aligned with member priority issues	A professional, compassionate and efficient organization with a sustainable financial structure.
Objectives	Develop member orientation and mentoring program	Periodically reassess member priority issues	Add and develop staff to meet needs of organization
	Educate members on issues and processes via webinars, blog articles, newsletters, member visits, etc.	Expand public advocacy with member sign-on letters, Congressional visits, and collaboration with allied organizations	Increase and diversify funding with expansion of membership, annual fund raiser, grants and major donors
	Increase member engagements, lead filers, and ICCR workgroup leaders	Amplify voices of local communities and vulnerable populations in board rooms and in Washington	Exercise leadership in ICCR and other coalitions to advance member priorities
	Expand and diversify membership (e.g. other faiths, younger generations, asset managers, universities, foundations, etc.)	Measure and report impact of positive change	Establish committee structure including Board, Development, Communications
	Create Member-to-Member collaborative culture		Build strong SGI reputation / brand



Seventh Generation Interfaith Coalition for Responsible Investment

EMPOWERING MEMBERS
MAKING A DIFFERENCE
BUILDING ORGANIZATIONAL CAPACITY

Seventh Generation Interfaith actively seeks institutional investors to join our ministry. For more information about joining Seventh Generation Interfaith, please call 414-509-8457 or send an email to: SeventhGenerationInt@gmail.com.



Inspired by faith, committed to action

SEVENTH GENERATION COALITION FOR RESPONSIBLE INVESTMENT

1015 N 9th St
Milwaukee, WI 53233

414.509.8457 ph

www.seventhgenerationinterfaith.org