

FAITHFUL INVESTING FOR GOOD 2022-2025 STRATEGIC PLAN



**Seventh Generation Interfaith
Coalition for Responsible Investment**

Faithful investing for good



MISSION STATEMENT

Through the lens of faith, 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.

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 and stewardship of their investments as a powerful catalyst for social change. Faith and the moral demands of social and environmental justice inspire our collective efforts. SGI provides value to its members by helping align their investment portfolios with mission, providing education on environmental, social, and governance (ESG) issues, and providing a collaborative forum for active, faith- and values-based investors.

Consistent with the legal fiduciary responsibility as trustees to ensure an adequate return on behalf of our communities and clients, we believe stewardship requires a broader moral concern. As investors, we participate in shaping the policies and practices of companies through dialogue with management, introduction of shareholder proposals and voting at corporate meetings. What motivates us is our connection to the communities most impacted by corporate practices and the clear evidence of progress made as a result of our interventions. Moreover, because so many of the issues we address are systemic in nature, SGI members believe that the faith- and values-based investor voice in public policy debates can be critical in advancing social justice and environmental sustainability.

We believe that corporations must look beyond short-term earnings to account for the full impact of their businesses on society and the planet. There is clear evidence that business leaders who serve all of their stakeholders build more profitable businesses over the long term, doing financially well while doing social good. This concept challenges antiquated, deeply embedded business models of shareholder primacy. What started out as a niche has become mainstream with ESG strategies growing 140% in 2020 from the year before.

While our coalition engages corporations on a host of ESG issues, our principal focus has been on the social impacts of corporate operations and policies. Therefore, our engagements are framed within a human rights construct. Whether the issue is climate change and just transition, labor pay and work conditions, regenerative agriculture or nutrition insecurity, access to affordable healthcare or adequacy of board oversight, it is the impact on people, usually economically vulnerable people, that inspires us to act.

OUR MEMBERS

Avera Health (Sioux Falls, SD)
Catholic Diocese of Green Bay (Green Bay, WI)
Dana Investment Advisors, Inc. (Brookfield, WI)
Dominican Sisters (Grand Rapids, MI)
Dominicans of Sinsinawa (Sinsinawa, WI)
Fitzpatrick Group (Kenosha, WI)
Franciscan Sisters of Perpetual Adoration (LaCrosse, WI)
JAG Capital Management (St. Louis, MO)
Jesuits, USA Central and Southern Province (St. Louis, MO)
Jesuits, USA Midwest Province (Chicago)
Little Falls Franciscans (Little Falls, MN)
LS Investment Advisors, LLC (Milwaukee, WI)
Mercy Investment Services (Frontenac, MO)
Poor Handmaids of Jesus Christ (Donaldson, IN)
Order of Friars Minor Capuchin (Rome, Italy)
Priests of the Sacred Heart (Hales Corners, WI)
Province of St. Joseph of the Capuchin Order (Detroit, MI)
Riverwater Partners, LLC (Milwaukee, WI)
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)
Sisters of Charity of the Blessed Virgin Mary (Dubuque, IA)
Sisters of the Good Shepherd Province of Mid-North America (St. Louis, MO)
Sisters of Mercy of the Holy Cross (Merrill, WI)
Sisters of the Most Precious Blood (O'Fallon, MO)
Sisters of the Presentation of the Blessed Virgin Mary (Aberdeen, SD)
Sisters of St. Dominic (Racine, WI)
Sisters of St. Agnes (Fond du Lac, WI)
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. Louis, MO)
Sisters of St. Joseph of Carondelet (St. Paul, MN)
Sisters of St. Joseph –TOSF (Stevens Point, WI)
Sisters of the Sorrowful Mother (Oshkosh, WI)
Ursuline Sisters of the Central Province (St. Louis, MO)

II. History & Members

SGI began in 1973 when our founders developed principles to align the stewardship of their financial assets with Catholic Social Teaching. Based on these principles, they established the National Catholic Coalition for Responsible Investment (NCCR), a regional coalition of Catholic institutions in the mid-western United States. These pioneers used their shareholder voice to call on the world's most powerful companies to address their impacts on our most vulnerable communities and the planet. NCCR merged with the Interfaith Center for Corporate Responsibility (ICCR) the following year, becoming their first Catholic members. SGI's executive director, Father Michael Crosby, was instrumental in the formation of other regional coalitions of Catholic institutional investors around the country throughout the 1970s and 80s.

In 2015, the coalition's name changed to Seventh Generation Interfaith Coalition for Responsible Investment and the membership was broadened to welcome institutions of all faith traditions and secular values-driven investors. The name is derived from the Great Law of the Iroquois to reflect the Native Americans' love of Mother Earth and all creation. The Iroquois leaders considered the impact of their decisions on the current generation as well as for seven generations into the future.

In 2019, SGI welcomed the members of the former Midwest Coalition for Responsible Investment. Over nearly five decades, SGI has grown to more than 30 member organizations and worked with the broader community of ICCR to pioneer corporate engagement.



III. EXTERNAL CONTEXT

This strategic renewal was developed at a moment marked by a global pandemic impacting nearly every aspect of our lives. COVID-19 has created secondary pandemics around jobs, hunger, and mental health, and has exacerbated the income and health disparity in our world. There is a recovery happening; however, it is helping people at the top while many at the bottom continue to suffer.

As the world starts to move beyond the pandemic, we continue to face four historic, colliding crises: economic inequities, racial injustice, climate crisis, and a loss of nature. The crises are intertwined and stem from the same source: a market-based economy with insufficient social safety nets and lack of accounting for environmental externalities. We are forced to concede that some of the systems undergirding our economy are not fully meeting the needs of society and, therefore, must change.

Just as these crises are interrelated, so are all people. This past year taught us that no wall is tall enough to keep out disease, the climate crisis affects the global community, and no one is free while others are oppressed. To tackle the complexity, we need global cooperation and a multi-sector response. With everything interrelated, we cannot silo solutions.

When the Business Roundtable redefined the Purpose of a Corporation in 2019, they affirmed “the essential role corporations can play in improving our society when CEOs are truly committed to meeting the needs of all stakeholders.” It is up to their stakeholders to hold companies to this commitment.

These are our priority issues and the recent trends impacting them:

Human Rights

According to the International Labour Organization, nearly 25 million people around the world are estimated to be trapped in some form of human trafficking. Polaris reports the number of trafficking situations significantly increased since the beginning of the COVID-19 pandemic. Economic instability and social disruption caused many to become more vulnerable to the dangerous tactics traffickers use to exploit them. Lockdowns, job losses, and border closures reversed global gains in tackling labor and sex trafficking in recent years. debate continued in Washington without resolution.

OUR PRIORITY ISSUES

- Climate & Environmental Justice
- Corporate Governance
- Food Justice
- Health Equity
- Human Rights
- Water Stewardship



As we celebrate the tenth anniversary of the endorsement of the UN Guiding Principles on Business and Human Rights (UNGP), the political and regulatory landscape is beginning to catch up. The UNGPs have helped shift the focus from corporate philanthropy to accountability with the exercise of human rights due diligence shifting towards a legally binding standard of conduct. The European Parliament is introducing rules holding companies accountable for ESG abuses. The UK is strengthening and expanding the transparency in supply chains provisions of the Modern Slavery Act and companies are being held liable for violations of France's Due Diligence law. U.S. Customs and Border Protection has stepped up enforcement of downstream products incorporating ingredients like cotton and tomatoes that originate from XUAR. Institutional investors are also recognizing their responsibility to formally commit to respect human rights, conduct human rights due diligence, and, where appropriate, ensure that victims of human rights abuses have access to remedy.

Climate & Environmental Justice

Climate change impacts, from devastating wildfires and hurricanes to record-breaking temperatures and droughts, are accelerating. The Intergovernmental Panel on Climate Change (IPCC) tells us that the next few years of action are the most important in our history. Scientists tell us that the climate crisis and COVID-19 are interrelated. Deforestation, which occurs mostly for agricultural expansion purposes, is the largest cause of habitat loss worldwide, forcing animals to migrate and potentially contact people and share germs. Climate change and global health policy are largely treated as separate issues by the public and media, which can result in suboptimal solutions.

Growing public awareness has increased pressure on the U.S. Congress to finally enact climate policy. The Biden Administration is working across governmental agencies to address climate action and environmental justice.

There is also increased urgency in the investor community. Divestment of fossil fuel equities has picked up steam. The largest asset managers and pension funds are committing to net-zero emissions goals and demanding corporate directors take climate action. Investors are voting against board directors of high-emitting companies who fail to transform corporate business practices in line with 1.5°C pathways. There has been a dramatic increase in shareholder support this past season with record majority votes for climate resolutions.



Health Equity

We believe that healthcare is a right, yet the healthcare system in the U.S. is inefficient, expensive and does not work well for those who are poor or for people of color. Studies report that socioeconomic and racial disparities in healthcare are significantly worse in the U.S. than in other wealthy countries. Over the last twelve months, we've seen how those who are poor and people of color are more likely to be infected with COVID-19 and, ultimately, to die from it.

Each year, millions of children die from diseases that could have been prevented or cured by existing medical products. An estimated two billion people have no access to essential medicines. We believe that companies must ensure equitable access to lifesaving medications. The recent investor campaign asking companies to account for public financial support in the pricing of their products received strong shareholder support and extensive media coverage.

Food Justice

The world will need to produce 50-100 percent more food by 2050, partly due to population growth, but mostly because of the shift towards meat and dairy intensive diets. Agriculture uses one-third of the world's arable land, consumes 70 percent of all the freshwater used, and generates a large portion of global GHG emissions that contribute to climate change. The loss of the world's fertile soil due to decarbonization, erosion, desertification, and chemical pollution poses a mortal threat to our future survival. If we are to feed a growing and hungry world and at the same time preserve our planet, major changes in the way we farm, and what we eat, will have to be made. Farmers and food companies are exploring agricultural techniques that not only "do no harm" to the land and forests but actually improves it, using technologies that regenerate and revitalize the soil and the environment.

Governments failed to meet their commitment to halve deforestation by 2020 while global consumer products companies fell short of their 2020 commitments to eliminate deforestation from their supply chains. Companies are moving away from focusing on individual supply chains and third-party certifications towards using their collective power to pressure suppliers, commodity brokers and governments, and engage with communities that rely on forests for their livelihood.

Considering the nexus of health and food, malnutrition and acute hunger-related concerns have been increasing since 2015 after decreasing for decades, and COVID-19 made it worse. Additionally, an unhealthy diet and obesity are responsible for about 678,000 deaths every year in the U.S. due to



conditions like diabetes and high blood pressure. Although many consider food habits to be a personal choice, external factors also influence the food people consume. Many people living in low-income urban neighborhoods, rural regions, and tribal communities experience nutrition and food insecurity where access to affordable fresh produce, meat, and dairy are severely limited. Companies aggressively market unhealthy products, oftentimes targeting children and Black and Latino communities, promoting disparities in health outcomes. The fourth iteration of the Global Access to Nutrition Index found a wide disparity between the world's largest global food and beverage manufacturers' approach towards malnutrition in all its forms: overweight and obesity, undernutrition, and micronutrient deficiency.

Water Stewardship

Ultimately, water is life. The very future of humanity depends on the health of our oceans, which suffer from an array of dire threats, including over-fishing, plastic pollution, and impacts of the climate crisis. Fresh water is of no less concern. Companies increasingly recognize that the world's water challenges pose significant risks to communities, ecosystems, and their own operations. They also acknowledge that they have an important role to play in advancing water security by managing their water use and wastewater discharge, engaging in collective action and responsible water governance discussions, and contributing to increased access to water, sanitation, and hygiene.

Corporate Governance

SGI members recognize that good governance and board oversight is critical to a company's management of its social and environmental impacts. Well-governed companies will drive change rather than be subjected to it. SGI's engagements on governance issues concern executive compensation, separation of board chair and CEO positions, lobbying and political spending disclosure, oversight social and environmental issues, and board diversity. Ultimately, company directors are the shareholders' representatives, so we must hold them accountable.

Path Forward

There is no silver-bullet solution to these challenges, only many small ones. The economic and social transformations we seek will not and cannot happen in a vacuum. A sequential interplay of actors drives system wide change, and we aim to be catalysts (see our Theory of Change).

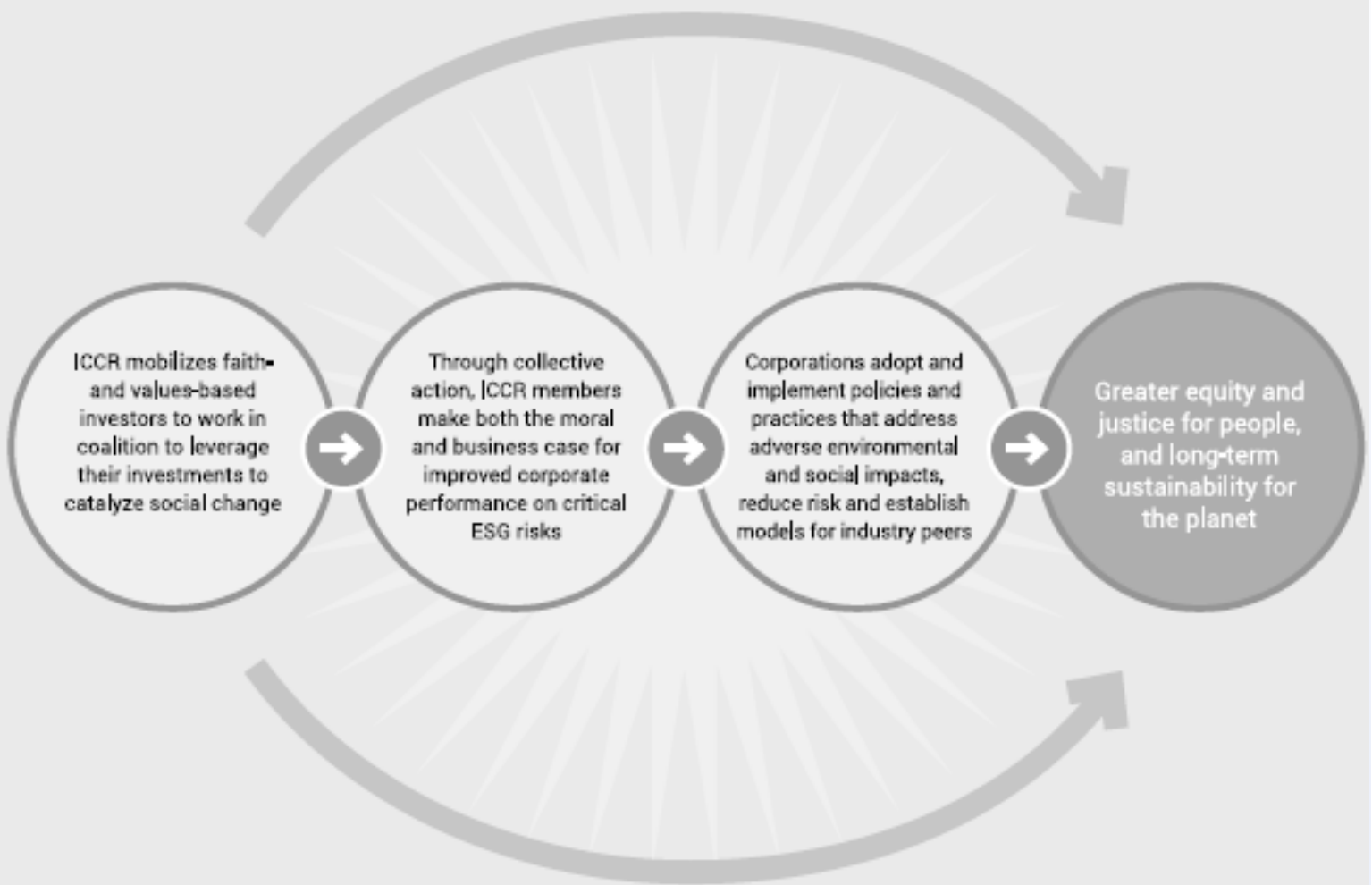
Martin Luther King, Jr. put it this way: "Whatever affects one directly, affects all indirectly. I can never be what I ought to be until you are what you ought to be. This is the interrelated structure of reality."



IV. THEORY OF CHANGE

ICCR'S THEORY OF CHANGE

ICCR works closely with faith partners, NGOs and civil society groups to ensure that corporate engagement strategies integrate the perspectives of impacted people and communities



ICCR engages with policy-makers and standard-setting bodies to promote enabling environments for corporate accountability

V. ACHIEVEMENTS FROM OUR PREVIOUS STRATEGY

Since the death of SGI founder Father Mike Crosby, we strive to live out his mission of building a more just and sustainable world. The 2017 Strategic Plan attempted to shift the focus from a founder-led group of Catholic investors to a member-driven coalition of interfaith institutions.

We created three objectives in our previous Strategic Plan:

- Be a diversified, informed, and fully engaged member coalition;
- Be a positive change for vulnerable populations and the environment aligned with member priorities;
- Be a professional, compassionate and efficient organization with a sustainable financial structure.

In many respects, we have exceeded these objectives. SGI membership has grown to 36 institutional investors while we added to the staff and expanded the board. At the same time, we acknowledge that our board and membership remain white and primarily Catholic. We recognize there is still work to be done to become a diverse organization and live up to our interfaith name.

While active members of the Interfaith Center on Corporate Responsibility (ICCR) and Ceres, we benefit from collaborations with Racial Justice Initiative (RJI), Access to Nutrition Index (ATNI), Investors for Opioid and Pharmaceutical Accountability (IOPA), Investor Alliance for Human Rights (IAHR), and FAIRR, among others. SGI participates in a large network of non-profits and civil society groups to inform our engagement with corporations and policymakers.

SGI members are currently engaging 60 companies, leading and participating in over 100 different engagements on issues ranging from climate change, corporate governance, food sustainability, water stewardship, health equity, and human rights. In 2018, we held our first conference to commemorate SGI's 45th anniversary and subsequently made it an annual event, bringing together members, investors, financial advisors, students, and community members to engage on current and important issues. Our blog posts, weekly newsletters, and quarterly webinars keep members and the investor community informed on our focus issues and current events.

As we look to the future, we hope to build on our past successes. The urgency of the climate crisis and growing economic and racial disparities in this country calls us to be bolder in our advocacy, more effective in our strategies, and perhaps more impatient in our engagements. As universal owners, many SGI members are concerned about negative externalities impacting their entire portfolio. We must shift the investor conversation from individual company impacts on their own operation and supply chain to how those companies contribute to system-wide risks and the broader societal commons. We must hold companies to account to all stakeholders and prioritize the concerns of rights-holders rather than focus solely on those issues which are financially material to the company.

We must also examine our own contribution to an economy that often rewards shareholder value created at the expense of justice, human rights, and the survival of a healthy planet. To build a just, sustainable economy, investors must embrace their responsibility also to address systemic risks and ensure that their return on investment does not threaten the systems that support their investment portfolios and the vulnerable communities that we work to empower.

“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.



V. OUR AMBITION

A. SWOT Analysis

Based on the situation analysis, 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 • Proven demonstration of positive change • Targeted education and professional staff • Membership and support in broader coalitions (e.g., ICCR & Ceres) • Connection with faith partners, NGOs and civil society groups 	<ul style="list-style-type: none"> • Limited number and time of member representatives involved in corporate engagements • Lack of membership diversity (faith, race, age) • Funding sources dependent on dues and annual conference • Faith-based member communities shrinking and aging • Need for better metrics and tracking to prove impact
Opportunities (external)	Threats (external)
<ul style="list-style-type: none"> • Mainstreaming of ESG investing provides recruitment opportunity • Changing civil and political landscape brings opportunity for greater impact • Youth pressuring university endowments and demanding higher corporate purpose • Increase member collaboration (mentors, co-filers, campaigns, board ambassadors) • Better leverage ICCR and other partners • Other SRI fee-for-service offerings 	<ul style="list-style-type: none"> • Consolidation and aging of members leading to loss of membership • Shift from individual equities to passive funds • Growing reliance on SRI asset managers • Trade associations' defense of weakest members • More stringent SEC and DOL rules impacting SRI investors

B. **Mission** – What is our overriding purpose?

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

C. **Vision** – What does success look like?

A growing, diversified, and compassionate coalition of faith- and values-based institutional investors acting as a catalyst for positive change by influencing corporations to honor their broader purpose to improve society and respect all stakeholders for the well-being of people and planet.

VI. BLUEPRINT FOR THE FUTURE

	Making a Difference	Empowering Members	Building Capacity
GOALS	<i>Influence corporate policies and practices to create greater equity and justice for people and long-term sustainability for the planet.</i>	<i>Amplify members' collective action of corporate engagement and public policy advocacy through education and support.</i>	<i>Create a professional, compassionate and efficient organization that ensures its fiscal and operational health.</i>
STRATEGIES	Align corporate engagement program with member ESG priorities and their other peace and justice activities.	Provide relevant research and coordination of corporate engagement strategies and campaigns.	Develop board leadership and functional skills to provide professional oversight and a collaborative culture.
	Promote deeper corporate engagements by clustering members around priority companies and issues.	Enrich relevance and increase member participation in educational opportunities on ESG issues and strategies.	Strengthen board committee structure including Development, Conference and Communications Committees.
	Amplify voices of rights holders and vulnerable populations in corporate boardrooms and public policy.	Provide access to subject matter experts and other SRI investors within ICCR, Ceres, NGOs, labor organizations, consumer advocates and other allies.	Increase and diversify funding sources with expansion of membership, enhancing the fundraiser conference, seeking grants, and implementing a major donor program.
	Identify and incorporate emerging social and environmental issues in corporate engagements.	Expand and diversify membership with other faiths, younger generations, labor organizations, universities, foundations, etc.	Encourage staff to participate in ICCR and Ceres member leadership teams and enhance professional development .
	Animate investor responsibility to respect human rights and environmental sustainability in member operations and investment activities across all asset classes.	Strengthen internal communication strategies by improving newsletter readership, expanding blog contributors and improving webinar participation.	Plan successful biannual member meetings and an annual conference .
	Leverage the faith investor voice in relevant public policy debates related to member priority ESG issues, corporate accountability and shareholder rights.	Assure member retention and satisfaction by articulating our unique value proposition, outreach to member leadership, and broadening member participation.	Build strong SGI reputation / brand by increasing media mentions, external speaking roles, co-branding with ICCR and Ceres, and leveraging member Communication Departments.
	Develop a simple, objective criterion and tracking process to measure engagement impact and success.	Cultivate a culture of trust and cohesion that enhances member collaboration, sharing of best practices, and participation in decision-making processes.	



Seventh Generation Interfaith Coalition for Responsible Investment

EMPOWERING MEMBERS
MAKING A DIFFERENCE
BUILDING CAPACITY

Seventh Generation Interfaith actively seeks institutional investors to join our ministry. For more information about joining Seventh Generation Interfaith, please call 708-315-0571 or send an email to: SeventhGenerationInt@gmail.com.



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SEVENTH GENERATION INTERFAITH COALITION FOR RESPONSIBLE INVESTMENT

1015 N 9th St
Milwaukee, WI 53233

708.315.0571 ph

www.seventhgenerationinterfaith.org