



# Investments That Do Justice:

## An e-newsletter of the Jesuit Committee on Investment Responsibility

February 2022 - [Jesuit Committee on Investment Responsibility \(JCIR\) website](#)

### OUR MISSION:

The Jesuit Committee on Investment Responsibility (JCIR) advocates for corporate behavior consistent with Catholic social teaching, through dialogues with corporations, shareholder resolutions and proxy voting.

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Greetings JCIR supporters!

I am so pleased to be able to share with you this e-newsletter, offering resources to support Socially Responsible Investing work and updates on the work of JCIR.

In November 2021, USCCB released a much needed revision to their SRI guidelines. As many Jesuit institutions and province have shaped their own investment guidelines on USCCB's, it is important for that we take time to understand, analyze and reflect on these revisions. One new aspect of the guidelines, detailed in the article below, is a very clear call to incorporate an environmental justice lens across our investments. The guidelines also acknowledge that faith-based investors need to consider divestment when it is clear that companies are capable of responding to these concerns. You can read more about how USA Midwest Jesuit institutions are distancing their investments from fossil fuels.

Another new element of the USCCB guidelines is a clear call for Catholic institutions to be active shareholders, a call that is at the heart of the work of JCIR which leads five engagements with companies on human rights and environmental issues. The stories of our JCIR engagements in this e-newsletter, particularly in the Aura Minerals and UCS Province-led Core Civic dialogues, highlight how our corporate shareholder advocacy is most authentic and effective when it is centered on voices of stakeholders directly impacted by the actions of companies.

A final theme that emerged in our e-newsletter is the need to be engaged in corporate shareholder advocacy for the long haul. Change can be slow, as evidenced by the 10-year engagement with Core Civic, but time is necessary to build the trust and meaningful relationships with senior corporate leaders to create meaningful change. Change is possible, and corporate shareholder advocacy is one pathway to securing the commitments we need from companies to protect human rights and preserve creation for generations to come.

I hope these stories inspire you to incorporate SRI into your vision for justice in our world today. Thanks for your interest and support of JCIR's work.

Peace,



Nicholas Napolitano

USA East Jesuit Province JCIR Representative

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## USCCB Updates SRI Guidelines

During the November General Assembly of the U.S. Conference of Catholic Bishops (USCCB), the body approved a significant revision of their [Socially Responsible Investment Guidelines](#). The guidelines, last revised in 2003, remind us that “we must do all we can to assure that we invest in those corporations and institutions that promote human dignity and enhance the common good.” USCCB’s principles continue to require exercising responsible financial stewardship over economic resources while exercising ethical and social stewardship in its investments. The specific USCCB investment policies cover five major categories: promoting human life; promoting human dignity; enhancing the common good; pursuing economic justice; and saving our global common home.



The working group, led by Bishop Gregory Parkes of St. Petersburg, who chairs the USCCB Committee of Budget and Finance, was supported by Christian Brothers Investing Services along with input from several other members of the Interfaith Center on Corporate Responsibility. The updated investment principles include actions to actively work for change, such as shareholder engagement, divestment, and impact investing. It highlights the need to work closely with investment advisors to carry out goals and policies by providing them with a set of instructions on proxy voting. The USCCB investment strategy is centered on defense and promotion of life, seeking to avoid doing harm, actively work for change and promote the common good. The revisions have significant updates to areas concerning the common good and defense of human life; they expand guidelines on environmental issues, following the call of papal encyclical *Laudato Si'*.

Institutions that have grounded their own investment policies and guidelines on the USCCB socially responsible investment guidelines should closely examine these updates and engage in conversation with stakeholders as they consider how to integrate these changes.

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## Midwest Jesuit Institutional Investors Moving Away from Fossil Fuels



In early 2021, [Creighton University](#) became the third USA Jesuit university to divest from fossil fuels. University President Fr. Daniel Hendrickson reflected, "This modified policy signifies our strong commitment to sustainable investing — and sustainability in general across the University."

The policy culminated two-plus years of student advocacy which was noted appreciatively by Fr. Hendrickson and instrumental in the process. Student leader Michael Galeski wrote, "This is a win not only for the climate and Creighton's endowment, but for the future of sustainable and responsible capitalism...the companies that refuse to adapt their business models to a carbon constrained society are losing badly."

Later in 2021, coinciding with COP 26 Glasgow, both [Loyola University Chicago](#) and the [USA Midwest Jesuit Province](#) announced their decision to distance from fossil fuels in conjunction with 72 faith institutions (36 Catholic) as part of the [Laudato Si' Movement](#), which works closely with the [Vatican Dicastery for Promoting Integral Human Development](#).

In May 2021, Salesian [Fr. Josh Trom Kureethadam](#) who heads the Vatican dicastery's ecology division said, "We know that the fossil fuels are causing the climate crisis and destroying our planet. Still, we keep on investing [in] the dirty fossil fuels...It is a physical imperative that we change course, that we divest."

Loyola CIO Katie Wyatt, told NCR that while the issue had been considered at Loyola for some time it was expedited by a recent Midwest Jesuit apostolic plan calling for institutions to apply the [Jesuit worldwide apostolic preferences](#) to their decisions, which includes care for our common home. "What we're really trying to achieve here is an investment policy consistent with the whole of Jesuit mission and values," she said.



Midwest Jesuit provincial Fr. Karl Kiser, said of the province's decision to distance from fossil fuels in favor of greener investments,

"We are committed to the Holy Father's Laudato Si' goals and the 'journey to integral ecology' that he envisions. The gifts entrusted to us to advance our apostolic mission align with and promote the goal of a more just and sustainable tomorrow. Compelled by faith, our care for creation reflects the immense gratitude due to the Creator; it inspires in us greater simplicity of life, community engagement with others of goodwill, and a deepening awareness of the cry of the poor and of the earth. We are reminded of Pope Benedict XVI's reflection on the verse Genesis 1:28, which reads, 'Subdue the earth' This does not mean Enslave it! Exploit it! Do with it what you will! No, what it means is: Recognize it as God's gift! Guard it and look after it, as children look after what they have inherited from their father. Look after it, so that it becomes a true garden for God."

In his [TED talk](#) on integral ecology, Pope Francis addressed investments directly, along with other actions to avert catastrophic climate change. "One way to encourage this change is to lead businesses toward the urgent need to commit themselves to the integral care of our common home, excluding from investments those companies that do not meet the parameters of integral ecology, while rewarding those that work" to promote sustainability, social justice and the common good, Francis said.

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## Over Long-term Engagement with UCS Province, CoreCivic takes Major Steps to Address Human Rights Concerns in Private Detention and Prisons



Occasionally, Jesuit provinces will take the lead on SRI engagements that they deem especially significant for their regions or one or more of their ministries. For nearly 10 years, the UCS Province, in collaboration with the Jesuit Social Research Institute at Loyola University (JSRI), has been engaged in regular and productive dialogue with CoreCivic (formerly Corrections Corporation of America), one of the largest private prison companies in the United States, around human rights risks in their prisons and detention centers. The province and JSRI felt compelled to commit to this endeavor because of the large number of CoreCivic facilities located in the deep South and the dearth of vocal advocates for those men, women and children incarcerated or detained in those facilities.

The province and other investors affiliated with the Interfaith Center for Corporate Responsibility requested that CoreCivic review their policies and practices related to Human Rights to assess where additional protections need to be adopted. The long-term goal of this engagement has been getting the company to agree to conduct risk assessments to determine the potential for Human Rights abuses in their facilities, to address any shortcomings with adequate resources, to develop procedures to integrate Human Rights policies throughout the company, and to

monitor and report on their performance as it relates to Human Rights.

As part of this initiative, JSRI received a grant from the Langeloth Foundation which made it possible for them to 1) hire prison experts for consultation and participation in dialogues, 2) include Jesuits working in prison ministry in dialogues and annual meetings, 3) conduct research on Human Rights abuses in prisons and detention centers run by the company; and 4) develop a Human Rights training module for use in prisons and detention centers. The grant also enabled JSRI to contract with Professor Andrea Armstrong, a Loyola Law School faculty member with expertise in prisoner rights, incarceration, and prison conditions, to develop a training session on “Applying Human Rights in a Correctional Setting” for frontline corrections and detention workers.

Since the beginning of the engagement, CoreCivic has made significant progress in addressing the salient Human Rights risks identified through a risk assessment process conducted by a third party and in further embedding a Human Rights culture throughout the company. Some examples of that progress:

- The company is currently working on tying their present monitoring systems to salient Human Rights and setting Human Rights goals around implementation steps identified in the risk assessment.
- A revised Human Rights Policy that ties more closely with the UN Human Rights policies has been written.
- The company is internally structuring to make Human Rights a focus led by a steering committee composed of staff from across the company.
- The company has produced and publicly posted 3 ESG reports, the last two of which include human rights risk assessments. (You can read the latest report and risk assessment at <https://www.corecivic.com/esg-report>.)
- Two board committees deal with Human Rights and is considering new Board members with Criminal Justice Reform experience.
- A Human Rights component is a part of all key pre-service and current-service training programs.
- The company has significantly increased its focus on criminal justice reform and key leaders are developing good relationships with Criminal Justice Reform leaders in the country, some of whom are being invited to Board Meetings.
- The company is planning facility level Human Rights assessments.

Ten years is a long time to be engaged with one company. Through developing trusting relationships and consistent and regular dialogues with CoreCivic staff over the years, investors have been able to see meaningful progress in the company’s commitment to transparency around human rights risks, which hopefully translates into better conditions for the incarcerated and detained people in the 113 facilities run by the company.

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## JCIR Dialogue Shapes Human Rights Policy at Aura Minerals

After preliminary consultations with Honduran stakeholders, [ICCR](#) (USA), and [SHARE](#) (Canada) staff, JCIR members launched a 2013 exploratory process which recommended a new dialogue with Aura Minerals, a mid-tier gold and copper company. The following year, our JCIR engagement with [Aura Minerals](#) began with a letter from the Jesuit Provincial to Aura CEO requesting a shareholder dialogue to address human rights and environmental concerns, particularly regarding legacy and current operations at the [San Andres](#) gold mine in western Honduras. Even prior to Aura’s acquisition of the mine in 2009, there were tensions with the communities regarding human rights/environmental incidents and reported breakdowns in the consultation process resulting in fragmentation and distrust.



Our request for dialogue with Aura was affirmatively received and we began regular dialogues, correspondence and monitoring. The most important aspect of JCIR’s engagement with Aura has been our ongoing communication with faith, human rights and environmental NGOs in Honduras, and others with expertise on regional justice/ecology concerns. Listening to these voices on the ground has helped us understand local contexts, particularly the

perspective of stakeholders who might be disenfranchised. Over the years of this engagement, the Aura management, board, corporate headquarters and company vision has changed, but the dialogue pace and our direct communication with corporate leadership has remained steady.

Drawing on best practices from other corporate policies in the mining sector, our dialogue team presented a draft policy to the company during 2016-17. Over ensuing years, continued dialogue provided additional clarifications to the human rights policy and this document became the framework for the new board approved the human rights policy (May 10, 2021). The [policy](#) is now posted on Aura's website (three languages) and includes most of our original asks including the concepts of [Free Prior and Informed Consent \(FPIC\)](#); the [UN Guiding Principles on Business and Human Rights](#); and the [UN Declaration on the Rights of Indigenous People](#).

Along with approval of this human rights policy, Aura published a [Sustainability Report](#), their first in seven years. To help support the policy, the company has hired an ESG manager and retained a consultant to identify salient issues for ongoing trainings. Human Rights and environmental due diligence along with forthright community engagement are particularly critical practices for companies operating in countries with high conflict and endemic corruption such as Honduras.

Independent media and all sides involved in the dialogue admit that significant tensions and divisions remain at the San Andres mine, particularly in light of criminalization of environmental defenders and community opposition to the exhumation/relocation of a cemetery adjacent to the open pit mine. Our hope is that the terms of the human rights policy will provide clearer guidance to the company, contractors and nearby communities.

In addition to Honduras, Aura has assets in Brazil, Mexico and Colombia. Going forward, the dialogue will address implementation, monitoring, and reporting on the new policy. We are grateful for the committed work of this dialogue team which through the years has included Jesuit higher education (Fr. Nicky Santos, Michael Runnels, Christopher Jeske); Jesuit provinces/Conference (Anne-Marie Jackson, Fr. Peter Bisson, Cecilia Calvo, Fr. Paul Kalenzi, Shaina Aber, Fr. David Schulist and Jesuit regents Michael Pederson, David Inczauskis) and Mercy/ICCR colleagues (Pat Zerega, Mary Minette, Christopher Cox, Lindsay Mendoza).

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## American Airlines' Net Zero Pledge a Step towards the Paris Climate Agreement

A 2018 report from the UN Intergovernmental Panel on Climate Change noted that for temperatures to stay “well below” 2 degrees, with the possibility of staying within 1.5 degrees of warming, global emissions would need to reach “net zero” by mid-Century. “Net zero” means that most human-caused emissions are zero and that any remaining emissions are offset by carbon removal through carbon capture and storage or “natural climate solutions” that absorb carbon, such as forest restoration.

But with existing technologies, or even those in development, it won't be possible for some industries to get to zero by 2050. One example is air travel—until a zero-emitting jet fuel or batteries light enough to operate a plane for long distances are available, planes will need to use fossil-based fuel to some degree.

For the past several years, JCIR has joined with Mercy Investment Services and other investors to engage American Airlines—the largest U.S. airline – about climate change and possible pathways to lower emissions. Early in our dialogue American leaned heavily on an international agreement that committed global airlines to neutral emissions growth after 2020 but didn't cover domestic air travel and would not bring the industry's overall emissions in line with the below 2 degrees of warming goals of the Paris Agreement. In our early conversations, American they noted their difficult path to



decarbonization and argued that achieving the existing international goals would be sufficient. However, in our dialogues with company representatives, we pointed out that airlines faced business risks due to changing attitudes towards air travel, particularly a growing “flight shaming” trend on social media that called out the outsized-per-traveler emissions of flying. Our discussions also focused on the physical and economic risks posed by climate change-driven extreme weather events to airports, planes and ground equipment, and overall flight operations.

In 2020 the Climate Action 100+ initiative, an effort by many of the largest global investors to urge companies to reduce emissions in line with the goals of the Paris Agreement, announced its “net zero” benchmark, with an emphasis on strong long-term emissions targets aimed at reaching net zero emissions by mid-Century. In response, companies in industries, including oil and gas, utilities, transportation, banking, and food and beverages, began pledging to reach net zero emissions by 2050. As co-lead investor in the Climate Action 100+ engagement with American, JCIR brought the benchmark structure to the company’s attention, and American announced a “Net Zero” goal in the fall of 2020.

The “Net Zero” pledges from American and other companies represent a huge step toward ensuring that 1.5 degrees of warming is attainable, but investors must continue to ask companies for more details about their plans. For example, we are asking American about investments in aviation biofuels and how they plan to ensure they are sustainably sourced, how they are working to ensure strong public policy to support their energy transition, and to what extent they plan to rely on carbon offsets to meet some of their goals.

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## Francesco Collaborative Offers Formation and Networking for Catholic Investment Professionals



The Francesco Collaborative is a US-based network of entrepreneurs, investment managers, and scholars that draws on the wisdom of Catholic teachings in an effort to build an economy centered on human and ecological flourishing. The group emerged out of the global Catholic Economy of Francesco gathering (organized in collaboration with the Vatican) and is anchored in Pope Francis' vision for an integral ecology that promotes the common good, ensures human dignity and cares for our common home. Francesco Collaborative seeks to build a network of investors seeking alternative investments that can breathe life into this vision. To learn more, [visit their website](#).

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