

What is Socially Responsible Investing?

There are several types of SRI, or as some call it Impact Investing, that one should be aware of:

- **Invest/Divest- Screening Companies to Invest In:** Simply put, seek to invest in companies that make a product or do a service that makes the world better. Avoid investing in companies that have a negative social and environmental impact thus making the world worse. Give preference in investments to companies that have good ESG ratings (Environmental, Social, Governance practices)
- **Corporate Engagement:** Investors engage companies in various ways . Even if South Church doesn't do this directly we could support investors that meet with company executives to try to get a company to improve practices. Examples: no child labor in supply chains, minimize process waste, take steps to address climate change, sustainable forestry. Some investors utilize **Shareholder Resolutions:** introducing resolutions at shareholder meetings to require the company to disclose more information or improve practices in some specific way. Lastly, an investor can engage in **Proxy Voting:** Voting shares to support responsible resolutions, regardless of who introduced them.
- **Impact Investing:** Invest to achieve a specific goal, e.g. empowering women in India or installing solar electricity in Kenya or addressing poverty on a Native American reservation or inner city neighborhood.

These are all different kinds of activities that fall under the category of SRI. Some of these actions are relatively straightforward , others require a more sophisticated investment approach . Corporate engagement requires staff to research an issue and present the arguments to company executives, often working in collaboration with other like-minded investors. Shareholder resolutions are often used when the company doesn't respond to polite requests.

Impact or Community Development investing can do substantial good in an area you particularly care about. But the financial returns may be lower than market so investors often “tithe” their portfolio earmarking a specific amount for such an approach.

Who Does SRI?

For over 50 years religious investors have worked to merge their faith and finance attempting to insure moral consistency as much as possible. In the early 1970s the UCC joined with Presbyterians , United Methodists , American Baptists and others to create the Interfaith Center on Corporate Responsibility (ICCR) to coordinate engagements with companies by religious shareowners. ICCR is close to 50 years old now and has gathered hundreds of Roman Catholic , Jewish and Protestant investors along with foundations, SRI investment firms, Unions and pension funds to be active shareholder voices on environmental and social justice concerns. The UCC was one of the first Churches to file shareholder resolutions with companies.

Also, huge investment managers like BlackRock, State Street , Vanguard and Fidelity are taking modest but important steps to take ESG (Environmental, Social and Governance) issues into account in their investment decisions and engagements with companies. According to the USSIF Trends report there are now investors with over \$8.5 trillion in assets involved in SRI investing in the U.S. It is also a trend growing by leaps and bounds globally as well . Faith voices have been essential in raising issues like climate change, water, diversity, lobbying and political spending with companies.

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