



Why Faith Groups Have Historically Practiced Sustainable and Responsible Investing

Religious organizations steward their organizational finances and the investments managed on behalf of their constituents and beneficiaries in alignment with the beliefs, teachings, and values of their respective faiths. Many religious organizations develop investment guidelines, which include strategies such as screens to exclude industries that they believe cause injury to society, shareholder engagement with portfolio companies to mitigate environmental and social harm, and investing in companies or projects that are making a direct and positive impact. This practice, known as faith-consistent investing, is one form of what today is commonly referred to as sustainable and responsible investing. Faith-consistent investing is a fundamental right protected under the First Amendment, which guarantees both free speech and religious freedom, and ensures that investors are able to make their investment decisions in accordance with their beliefs.

The Interfaith Center on Corporate Responsibility (ICCR) is a coalition of over 300 faith and values institutional investors who, for more than 50 years, have been leaders in faith-consistent and sustainable investing. Our [genesis](#) as an organization is grounded in the advocacy of multiple faith groups to address the racist apartheid regime in South Africa. Faith-consistent investing leads religious investors to assess how corporate policies and practices may adversely impact the health of people and the planet, which has a direct impact on the long-term performance of their portfolios. Faith-based investor engagements with portfolio companies, through dialogue and the filing of shareholder proposals, are a natural extension of these beliefs and are central to both our duties as trusted fiduciaries seeking competitive returns and our responsibilities as faithful stewards supporting the fundamental values of our religious traditions. For this reason, we are concerned about any attempts by legislators or policymakers to interfere with investors' fundamental freedom to make investment choices and/or engage with portfolio companies in alignment with their investment philosophies and institutional values. This includes letters received from the House Judiciary Committee in 2024 by several of ICCR's faith-based members requesting informational disclosures under the pretense of exploring violations of antitrust laws.

While each faith institution has its own set of priority issues that it addresses through its respective ministries and advocacy work, there are many issues where faith investors' interests converge. Actions to mitigate the climate crisis ravaging our planet, to uphold human rights, including the fair treatment of workers, and to ensure equitable and affordable access to healthcare are just a few examples of priority issues of common concern among many faiths. The [2016 Edinburgh Finance Declaration](#) is one example of the world's leading faiths articulating their shared values. We believe that companies that adopt forward-looking policies and practices to mitigate environmental and social risks are well-positioned for long-term financial success and value creation. Conversely, companies that ignore these risks may

endanger the performance of the capital we are called to steward, and impose enduring external costs on society, the economy, and the planet that sustains us. A few examples, but by no means an exhaustive list, of faith-consistent investment guidance from prominent religious organizations are below:

- [Episcopal Church](#)
- [Islamic Finance Council](#)
- [Presbyterian Church](#)
- [Quakers \(The Religious Society of Friends\)](#)
- [Roman Catholic Church](#)
- [United Church of Christ](#)
- [United Methodist Church](#)
- [Unitarian Universalist Association](#)

Over the past 50+ years, ICCR member engagements with corporations on these issues have resulted in improved conditions for various stakeholders, including workers, customers, communities, and shareholders. For instance, most of the world's faiths emphasize stewardship of the planet, care for creation, and moral responsibility toward the environment, which makes them deeply concerned about the climate crisis. Faith investors working in climate-vulnerable communities witness firsthand how climate change adversely affects these areas. Without the adoption of meaningful climate mitigation and adaptation measures, extreme poverty and inequality, risks to land, food and water security, forced migration and geopolitical conflict, along with global health risks, will all intensify. Consequently, faith investors often align with other like-minded investors to tackle climate risk and advocate for a reduction of GHG emissions from our portfolio companies. Faith-based investors actively promote worker justice, which includes workplace health and safety protections, the provision of a living wage, and the freedom to associate and engage in collective bargaining. Faith-based investors have advocated for health equity, engaging with the world's largest healthcare companies to ensure that medicines and healthcare services are affordable and accessible reaching those most in need.

Importantly, while we often cooperate in investor spaces around strategies to spur corporate action, we make independent investment decisions to provide risk-adjusted returns to our individual constituents and beneficiaries in line with our respective faith beliefs. The U.S. Constitution provides that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof," and the First Amendment protects the religious liberty that is foundational to this great nation. This ban against government interference in faith-consistent practices is essential when considering all aspects of the life and work of religious institutions, including their investment decisions. It preserves their autonomy to invest their organizational assets and the pensions of their millions of beneficiaries in a manner consistent with their religious beliefs. In recognition of the constitutional limits of entanglement between the federal government and religious institutions, Congress included a Church plan exemption in the Employee Retirement Income Security Act of 1974 (ERISA).

We want to reiterate our belief that companies committed to addressing their impacts on society and the environment are better positioned for financial success over the long term. For this reason and because

our faith calls us to do so, we will continue to invest and engage with our portfolio companies to realize that goal.