

REV SEAMUS FINN, OMI chair of the board of directors at the Interfaith Center for Corporate Responsibility (ICCR). October 31, 2017

Working with diversity: the experience of ICCR - Why faith-consistent investment/ impact/ ESG investment is the way forward?

The 45-year experience of the Interfaith Center on Corporate Responsibility is rooted and guided in the commitment of faith based institutional investors to collaborate in the exercise of the ownership responsibility. This is the ownership responsibility assumed through the management of their financial assets, especially their investments. Through the collaborative efforts of the ICCR, the responsible stewardship of their investments is expressed through coordinating actions to address specific challenging social, environmental and political issues.

The ICCR focuses on those issues that were priorities for their constituents. The constituents of the ICCR brought to the ICCR's attention through formal and informal channels the issues. The apartheid system of South Africa was the most pressing priority for the ICCR founders and a catalyst for the ICCR's founding

The center has always operated as a coalition that serves to welcome members from different faith traditions. As a coalition, the Interfaith Center respects the beliefs and the founding and guiding principles of each faith tradition. It also provides opportunities for collective and coordinated action on specific priority issues. ICCR does not seek to harmonize the investment policies or practices of members or associate members but facilitates and coordinates collaboration and encourages members to identify and join with other members when appropriate to actively engage corporations and the governing institutions of the financial markets.

The culture and operating practice of ICCR provides many opportunities for the members – faith groups – to::

- Share the foundational beliefs of their respective traditions or organizations,
- Share the rationale that motivates their actions, to discuss the principles that guide their investment philosophy
- Investigate the questions and challenges that are consistently emerging from the experiences of their respective members and constituencies.

These conversations promote understanding and can also help identify topics and issues that are ripe for deepened collaboration.

Leadership

Over the years, ICCR has provided an incubator-safe space for members and their collaborators:

- to explore the different aspects of pressing issues and

- to discuss specifically the corporate angles that might be available for shareholders to employ in response.

In this way, the ICCR community has often been at the frontlines in identifying structures of corporate accountability and responsibility. This was accomplished through the opening and expanding tables of conversation with specific industry sectors and companies.

The first experience of this kind of leadership in directed impact investing for many faith traditions was guided by the call and exhortation of their foundational beliefs:

- to care for the needs of the other, to protect the weak and the poor and to lend without always counting the cost or seeking profit.

Academic and professional literature provide many examples of how these beliefs motivated the very early entrance of the faith communities into the work of micro lending, microfinancing and microcredit through the creation of innovative and blended fund. This is evident in both concessional and market rate impact investing.

Networks

The extensive networks that faith traditions have established through their constituent faith communities, some of them at a global level, have also been a critical resource. This has consistently facilitated the presence of different voices and diverse experiences when an issue or priority is being examined. This often introduces additional questions and innovative solutions to the discussion. The presence of small faith communities and their institutions in some of the most remote regions of the world is a concrete example of how the relationships in these communities can operate as an early warning system for the existence of human rights or environment abuses that might otherwise remain unnoticed.

The interfaith culture and climate that is at the heart of the ICCR approach provides a significant advantage in the richness, diversity and depth of the perspectives that are brought to issues but also in avoiding some of the challenges that a global company may face if it becomes overly identified with the priorities or any sectarian campaigns of one faith tradition or one set of beliefs.

Partners for Development

The experiences of working on the Millennium Development Goals (MDG) and the adoption of the Sustainable Development Goals (SDG) by the General Assembly in 2015 present some new opportunities and challenges for institutional faith based investors and for the ICCR.

Many of the individual faith traditions were a part of the UN process that led to the adoption of the SDGs. They are now in the process of identifying the goals and objectives that most

appropriately align with their respective visions and programs. At the same time the faith communities are considering how they might effectively and productively respond to other objectives in the SDGs.

The recognition by the framers of the SDG platform that their achievement would require additional sources of revenue and significant participation by the private sector provides opportunities for faith based investors on two fronts.

1. They can identify funds and other finance instruments that are focused on addressing specific goals and objectives and can deploy some of their own assets in them. This can be done by individual institutional investors or could be coordinated with other faith partners especially in regions and projects where such common witness might be appropriate.
2. They can also encourage private companies and funds where they have holdings to include the SDGs in their strategic planning and in their work with stakeholder communities.

Concluding Remarks

The tremendous challenges that will direct the future direction of humanity and the planet and the achievement of the SDGs presents a profound set of questions to the faith communities.

These questions include:

- How faith-based investors collaborate with governments, and other secular development organizations and institutions in a multi stakeholder process and environment is a challenge.
- How faith based investors engage questions and proposals about the adequacy of the model of capitalism which currently prevails and the responsibility of the faith based asset owners who participate in it is an example of another.

The discussion of interfaith impact investment guidelines or proposals will hopefully explore and advance these conversations

Séamus Finn

Rev. Séamus Finn, O.M.I., is the chair of the board of directors at the Interfaith Center for Corporate Responsibility (ICCR). A member of the Missionary Oblates of Mary Immaculate, he served as director of the Justice/Peace and Integrity of Creation Ministry team of the Missionary Oblates from 1999 to 2014. He is currently also a board member of the International Interfaith Investment Group (3iG). He is a leader in faith-based and socially responsible investing and draws on his experience with the ICCR and 3iG, organizations that help the faith traditions make investments that accord with their beliefs. The cornerstone of his advocacy with corporations and financial institutions is a call for greater transparency and disclosure by the companies and a reliable regulatory and supervisory framework that has a global reach. He

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served in parish ministry in Brattleboro, Vermont; Puerto Rico; Miami, Florida; and Lowell, Massachusetts. He completed his doctorate at Boston University School of Theology in 1991.