News



Bishop David Malloy of Rockford, Illinois, chairman of the U.S. Conference of Catholic Bishops' Committee on International Justice and Peace, speaks Nov. 16 during a session of the bishops fall general assembly in Baltimore. (CNS/Bob Roller)



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Bishops approved new guidelines governing financial investments of the U.S. Conference of Catholic Bishops that include wider limits on where money would be invested and advance a policy of engagement on corporate practices that impact human dignity.

With 216 votes in favor, 10 opposed and five abstentions, the guidelines that were approved Nov. 17 update the conference's investment policy that was last changed in 2003.

Bishop David Malloy of Rockford, Illinois, chairman of the conference's Committee on International Justice and Peace, said the new guidelines have been under development for three years among a broad consultation involving nine bishops' conference committees under the direction of the Christian Brothers Investment Services, which acted as manager of the process.

Malloy presented the guidelines Nov. 16, standing in for Bishop Gregory Parkes of St. Petersburg, Florida, treasurer of the bishops' conference, was unable to travel to Baltimore because an illness.

The guidelines were approved with few changes offered by the body of bishops meeting in person during their fall general assembly Nov. 15-18 in Baltimore.

The new document includes input gleaned from a survey of bishops on what they thought should be included in a revised policy, Malloy explained.

The policy adds guidance in areas such as telecommunications, media and social impact investing, and expands consideration of steps ranging from no investment to engaging corporations on their business practices.

"This update maintains and builds upon those aspects of the [existing] guidelines that users deemed to be the most useful," Malloy told the assembly.

Bishop Robert McElroy of San Diego thanked the committee that reviewed amendments offered by bishops overnight for adding a footnote to the document that calls for promoting "responsible investments in social and environmental sectors, for example by evaluating progressive disinvestment from the fossil-fuel sector."

"I think we're going to have to move to an absolute prohibition on fossil fuels if we're going to give witness to where the world needs to move," McElroy said.

The document obtained by Catholic News Service includes numerous concerns in which the U.S. bishops' conference will not invest as well as others in which the conference will engage corporations through vote proxies and support of shareholder resolutions to change company practices.

Acknowledging the bishops' conference is responsible for growing its financial assets in order to carry out the various ministries it undertakes, the document holds that the conference has a responsibility to do so in a responsible manner "to foster the growth of each person and of the whole person," as Pope Francis said in a 2019 address to the Council for Inclusive Capitalism.

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The document opens with a review from more than three decades ago of the U.S. bishops' explanation that proclaiming the Gospel in a complex economic world requires "a prudent strategy where decisions are made by following the moral teaching of the church."

Such an effort requires the evaluation of investments by determining how companies and other entities "protect life, promote human dignity, act justly, enhance the common good and provide care for the environment."

The document also reviews stewardship principles that shareholders must undertake to protect human dignity.

"The entangled web of corporate relationships that is today's economy almost makes it impossible to know all the effects investing in a single company, specific security, or investment fund can produce. Nevertheless, 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," the document says.

It adds, "Companies, securities or investment funds that produce a significant amount of revenue from immoral activities should not be invested in."

The document offers three corporate strategies to follow: avoid doing harm, actively work for change and promote the common good.

In carrying out the strategies, the U.S. bishops' conference will continue to build on current efforts and monitor how Catholic teaching and conference policies are advanced or undermined by corporate actions, according to the document.

The draft guidelines also call for the U.S. bishops' conference to work with investment advisers "to articulate clearly its goals and policies"; apply common sense and prudence in carrying out investment strategies; and require financial advisers to report every three years on the effectiveness of the guidelines and how they are being implemented.

Investment policies in the document cover five categories: protecting human life, promoting human dignity, enhancing the common good, pursuing economic justice and saving our global common home.

The policy calls for no investments in any company directly involved in abortion; euthanasia; assisted suicide; in vitro fertilization; human cloning; contraceptives or embryonic stem-cell and fetal tissue research that ends the life of a child in the womb or makes use of tissue derived from abortions "or other life-ending activities and/or develops products and services from such research."

Other companies where investments would not occur include those involved with pornography or sexual exploitation or those that "directly participate in the performance of sex reassignment surgery or in the administration of drugs or hormones for the purposes of delaying normal puberty or of changing the body of an individual to correspond to a sex discordant with biological sex."

Investments also would not occur in corporations "that derive any revenue from the production of weapons inconsistent with Catholic teaching on war" such as biological and chemical weapons, land mines, first-strike nuclear weapons and weapons of mass destruction.

Beyond such investment restrictions, the policy calls for the U.S. bishops' conference to "actively engage" companies through proxy votes and support of shareholder resolutions involving other concerns stemming from the church's social teaching.

One effort would find the U.S. bishops' conference encouraging firms that make life-sustaining drugs and vaccines available to do so at affordable prices in the U.S. and developing countries, the guidelines said.

Another area of engagement cited in the guidelines involves urging companies "to advocate for an understanding of marriage or sexuality that is consistent with church teaching and natural law."

Beyond engagement, the U.S. bishops' conference "will seek opportunities to collaborate with other investors to invest in corporations, organizations and other financial initiatives that not only aim at financial return but also actively intend to address the common good, generating positive and environmental change," the guidelines said.

The draft policy calls for engagement, rather than not investing, with companies regarding climate change, reducing greenhouse gas emissions, environmental protection, water depletion, human rights, racial and social discrimination, human trafficking, hate speech in social media, discrimination or infringement on religious freedom, privacy and civil liberties.

The document also seeks to maintain investments to allow for efforts to encourage companies to improve labor standards, encourage social, environmental and financial responsibility, adopt ethical and responsible banking, and support affordable housing initiatives.

This story appears in the **USCCB Fall Assembly 2021** feature series. View the full series.