



DIOCESE OF OGDENSBURG

Chancery

622 WASHINGTON STREET • P.O. BOX 369 • OGDENSBURG, NEW YORK 13669
TELEPHONE: 315-393-2920 • FAX: 315-394-7401

GUIDELINES FOR RESPONSIBLE INVESTING

Statement of Principles

All human activity is to be judged in the light of how well it protects and fulfills the dignity of persons. Any activity that attacks or subordinates human persons as means to ends must be repudiated. "Respect for the human person entails respect for the rights that flow from his dignity as a creature. These rights are prior to society and must be recognized by it" *The Catechism of the Catholic Church* (CCC), 1930.

Economic activity concerns the supplying of human material needs and wants. Economic choices and institutions are to be judged by whether they protect or threaten the goods of persons. "The fundamental moral criterion for all economic decisions, policies, and institutions is this: They must be at the service of **all people, especially the poor**" *Economic Justice for All* (EJ), 24.

With social teachings grounded in the dignity of the human person, the Church seeks to apply these teachings to every institution and aspect of social life. To that end the Church seeks: a) to strengthen the family as the central institution of society, b) to affirm the right to life and those things necessary for human decency, c) to put the needs of the poor and vulnerable first, d) to respect the rights of workers, e) to practice solidarity with the whole human family, and f) to be good stewards of creation [cf. "Sharing Catholic Social Teaching: Challenges and Directions," United States Catholic Conference, 1998, pp.4-5].

In its investments, the Roman Catholic Diocese of Ogdensburg will direct that its investments be managed in accord with principles of morality rooted in Catholic belief. Investing involves the application of the principles of cooperation. Catholic moral teaching distinguishes direct or formal cooperation in evil from indirect or material cooperation. Formal cooperation in evil is one with the intention of the evildoer and as such, is always wrong. In material cooperation, the cooperator intends a good act that indirectly gives material support to an evil agent. Such cooperation can be justified for a proportionate reason, that is, where the harmful consequences do not exceed the good consequences. The more proximate the material cooperation, the greater must be the good consequences to justify it.

The Diocese of Ogdensburg will seek to provide guidance and example in applying the Catholic Church's moral teaching to the production and practices of companies. Through its shareholding, the Diocese will also seek to influence corporate decisions that affect the common good. Through divestment, the Diocese will seek to separate itself from involvement with products and practices deemed significantly immoral.

Policies

In the light of the moral and social teaching of the Catholic Church, the Diocese of Ogdensburg directs that its investments are to be formulated and maintained in accord with the following policies. These applications are based in part on the 1991 "Socially Responsible Investment Guidelines" of the National Conference of Catholic Bishops. In making application of the following policies, the Diocese will utilize material published by the *Social Investment Research Service (SIRS)*, and other appropriate sources which make possible the application of principles of Catholic moral teaching.

Investment managers for the diocese are responsible for implementing the provisions of these policies. It is expected that they will utilize screening services available from third party sources, such as *SIRS*, applying them to the investments of the Diocese in keeping with these policies. Managers shall refer investments deserving further consideration to the Investment Advisory Committee. However, the Investment Advisory Committee retains the right to review all diocesan investments and make decisions regarding the appropriateness of each.

Abortion

We will not invest in companies whose activities include participation in abortion.

Affordable Housing

We will not deposit funds in a financial institution that receives less than a "satisfactory" rating from federal regulatory agencies under the Community Reinvestment Act.

Contraception

We will not invest in companies which manufacture contraceptives.

Discrimination

We will not invest in companies whose policies are found to be discriminatory against women or racial minorities.

Environment

We will not invest in companies which are found to have unacceptable records on environmental issues.

Gaming

We will not invest in companies which obtain significant revenue from casino gambling or the production or distribution of related equipment.

Pornography

We will not invest in companies which have significant involvement in the production or distribution of pornography.

Tobacco

We will not invest in companies which derive significant revenue from the manufacture or distribution of tobacco products.

Weapons

We will not invest in companies primarily engaged in military weapons production or the development of weapons inconsistent with Catholic teaching on war (e.g., biological and chemical weapons, arms designated or regarded as first-strike nuclear weapons, indiscriminate weapons of mass destruction, etc.), or whose major source of income is derived from offensive weapons.

Work Place Safety

We will not invest in companies which have unacceptable records on work place safety issues.

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Exclusion on the basis of *SIRS* ratings or those of other similar services will not be applied to companies which are not graded by the agency.

As a diocese we are seeking to exercise leadership in applying Catholic moral principles to our investment portfolios. By doing so we hope to remove ourselves as much as possible from participating in products and practices that we understand to be wrong. We recognize, however, that an investor's moral accountability is complex.

On the matter of pooled investments or mutual funds, the principles of moral cooperation must be applied. There may never be direct or formal cooperation with evil actions, but where ownership is indirect and the cooperation material and remote, as is the case with many commingled investments, then investment may be acceptable for the economic opportunity it offers. Pooled investments in sectors that have a significant proportion of companies with morally unacceptable products or practices should be avoided. Investments in companies in developing countries and emerging markets may present more difficulties for our assessment because of a lack of screening mechanisms to apply to them, but the same principles of cooperation apply. Moreover, our investing in emerging markets can have the benefit of helping the generally poorer populations of the developing countries to take their rightful place in the world economy.

Some may be concerned that there is a lack of consistency in application of the moral principles of the Church when U.S. government bonds and notes are purchased for our portfolios even though our government is engaged in activities which are contrary to the teachings of the Church, such as the promotion of abortion or the production or potential use of particular weapons. Direct participation in a morally objectionable act is incurred when one is a willing owner of an entity responsible for such activity. The same criterion is not met in the case of lending money to the government through the purchase of bonds. Nevertheless, the values remain in conflict. In light of the fiduciary responsibility the Diocese has toward the People of God in the North Country and those who benefit from the use of its financial resources, and by virtue of the absence of direct participation in works of the government to which we object, the Diocese will continue to allow government bonds and notes to be purchased for its accounts.

Addendum 1

Some of the Church's specific moral teachings that bear upon a moral appraisal of the products and activities of companies are as follows (all quotations are from *The Catechism of the Catholic Church*):

God alone is the Lord of life from its beginning until its end; no one can under any circumstance claim for himself the right directly to destroy an innocent human being. (2258)

The legitimate defense of persons and societies is not an exception to the prohibition against the murder of the innocent that constitutes intentional killing. (2263)

Human life must be respected and protected absolutely from the moment of conception. From the first moment of his existence, a human being must be recognized as having the rights of a person--among which is the inviolable right of every innocent being to life. (2270)

Direct euthanasia consists in putting an end to the lives of handicapped, sick, or dying persons. It is morally unacceptable. (2277)

It [pornography] offends against chastity because it perverts the conjugal act, the intimate giving of spouses to each other. It does grave injury to the dignity of its participants (actors, vendors, the public), since each one becomes an object of base pleasure and illicit profit for others. (2354)

Every action which, whether in anticipation of the conjugal act, or in its accomplishment, or in the development of its natural consequences, proposes, whether as an end or as a means, to render procreation impossible is intrinsically evil. (2370)

In the beginning God entrusted the earth and its resources to the common stewardship of mankind to take care of them, master them by labor, and enjoy their fruits. The goods of creation are destined for the whole human race. (2402)

The **right to private property**, acquired by work or received from others by inheritance or gift, does not do away with the original gift of the earth to the whole of mankind. The **universal destination of goods** remains primordial, even if the promotion of the common good requires respect for the right to private property and its exercise. (2403)

Any system in which social relationships are determined entirely by economic factors is contrary to the nature of the human person and his acts. (2423)

A system that "subordinates the basic rights of individuals and of groups to the collective organization of production" is contrary to human dignity. Every practice that reduces persons to nothing more than a means of profit enslaves man, leads to idolizing money, and contributes to the spread of atheism. (2424)

Those **responsible for business enterprises** are responsible to society for the economic and ecological effects of their operations. They have an obligation to consider the good of persons and not only the increase of **profits**. Profits are necessary, however. They make

possible the investments that ensure the future of a business and they guarantee employment.
(2432)

Charity and respect for the truth should dictate the response to every **request for information or communication**. (2489)

Christian purity requires a **purification of the social climate**. It requires of the communications media that their presentations show concern for respect and restraint.
(2525)

The tenth commandment forbids **greed** and the desire to amass earthly goods without limit. It forbids **avarice** arising from a passion for riches and their attendant power. It also forbids the desire to commit injustice by harming our neighbor in his temporal goods. (2536)

A handwritten signature in cursive script that reads "Robert J. Cunningham".

Most Reverend Robert J. Cunningham
Bishop of Ogdensburg

November 6, 2006

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