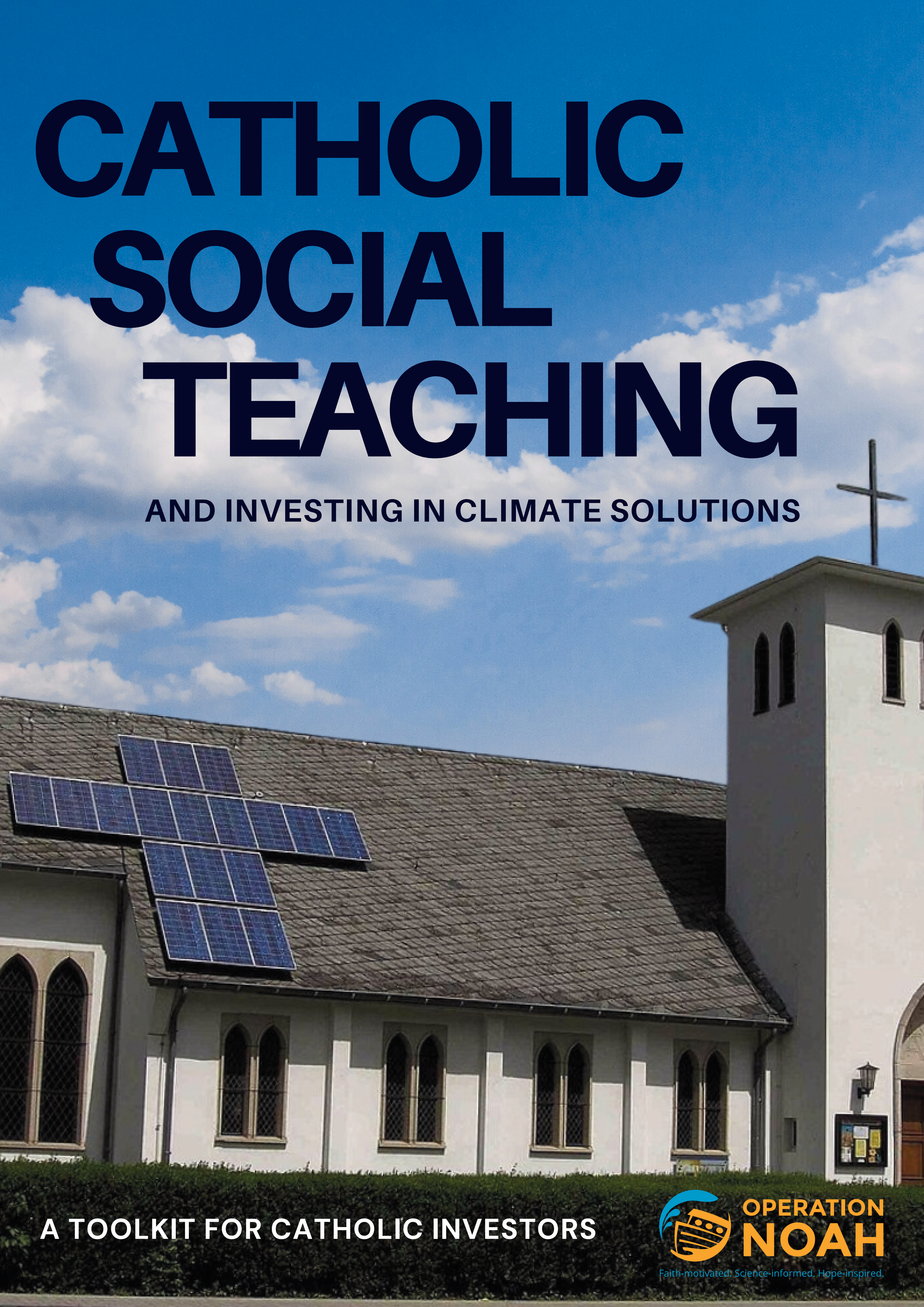
CATHOLIC SOCIAL TEACHING

AND INVESTING IN CLIMATE SOLUTIONS



A TOOLKIT FOR CATHOLIC INVESTORS

OPERATION NOAH

Faith-motivated. Science-informed. Hope-inspired.

Contents

Introduction

Catholic Social Teaching (CST) is a rich tradition within the Catholic Church, offering guidance on applying the gospel message to social, economic, and political challenges. Rooted in the teachings of Jesus and the early Church, CST has developed over centuries to respond to the evolving needs of society. Catholic tradition, from the earliest foundations of the Church, has emphasised the importance of being in right relationship with God, with each other and with the planet. Its foundational principles are articulated in papal writings, beginning with Pope Leo XIII's *Rerum Novarum* in 1891. CST has a lasting legacy, for example influencing modern movements for workers' rights and protections.

Today, the wide impacts of the climate catastrophe make the applications of these principles more urgent. According to the Intergovernmental Panel on Climate Change (IPCC)[1], human-induced climate change is already affecting many weather and climate extremes in every region across the globe.

The climate crisis is one of the most pressing global challenges of our time because of its far-reaching implications for health, inequality and ecosystems. Extreme weather events disproportionately affect the most vulnerable populations, intensifying social and economic disparities. Recognising the severity of this crisis, the Catholic Church has long emphasised responsible stewardship of resources. Pope Francis's 2015 encyclical *Laudato Si'* underscores the interconnectedness of all creation and calls for an integral ecology that addresses spiritual, social, economic and environmental dimensions together.

Through their investments, Catholic organisations have a unique opportunity to lead by example, fostering a more just and sustainable future for all. The principles of CST encourage Catholic investors to discern the effects and impacts of their investments, with the goal of minimising harm while seeking the common good. For faith-based investors, the view of the world that is the result of numbers and analytics is forever incomplete. Even brief moments in the presence of Scripture or quick reference to the Church's teaching can supplement such gaps in ethical perspective or process, by opening them up to the action of grace.

Purpose of this resource

This toolkit is designed to support financial directors, treasurers, trustees and committee members within Catholic dioceses, organisations, congregations and religious orders in aligning their investment strategies with CST principles. All Catholics are encouraged to engage with this resource, equipping themselves to advocate for impactful solutions within the Church, and to share it with decision-makers. It is essential to focus efforts on the most effective actions available - doing everything we can with the resources and influence we have.

While there are many ways to address climate change, not all solutions are equally effective, proven or equitable. As stated in Operation Noah's 2022 report, *Church investment in climate solutions: Financing a liveable future*, some of the most effective climate solutions in reducing emissions are also those that offer the greatest opportunities for investment. These include renewable energy and energy storage, both of which have seen significant cost reductions in recent years.

Renewable energy investments are particularly effective because they target a primary driver of climate change: fossil fuel emissions. Transitioning to clean energy not only drastically reduces greenhouse gas emissions today, but also supports the development and affordability of technologies critical to eliminating future emissions. In those parts of the world where the effects of climate change are already being felt keenly, climate adaptation and resilience strategies will also need to be developed. A holistic approach – one that is open to investments across public and private markets – ensures that social and environmental impact is prioritised over short-term financial returns. By investing in these areas, Catholic organisations are not only responding to their moral obligation to care for creation and their neighbours, but also setting a compelling example of effective and scalable climate action.

[1] Summary for Policymakers. In: Climate Change 2021: The Physical Science Basis

Using the toolkit

This toolkit is structured into seven chapters, focusing on core pillars of Catholic Social Teaching (CST) and its relevance to addressing the climate crisis.

These pillars are:

1. Life and Dignity of the Human Person and Integral Ecology
2. Care for Creation
3. Preferential Option for the Poor
4. Solidarity and the Common Good
5. Subsidiarity and Participation in Governance
6. Economic Justice, the Dignity of Work and the Rights of Workers
7. Peace

Each chapter uses the 'see, judge, act' framework, a method deeply rooted in CST. Drawing on Joseph Cardijn and the Young Christian Worker movement, Pope John XXIII first used it in his encyclical *Mater et Magistra* in 1961. This approach encourages critical reflection on the world (see), discernment through the lens of faith and CST principles (judge) and the translation of insights into meaningful action (act). This practical methodology equips individuals and organisations to address challenges holistically and with a sense of purpose.

'Decisions which may seem purely instrumental are in reality decisions about the kind of society we want to build' (*Laudato Si'*, 107).

The toolkit is designed for a variety of uses, including personal study, group reflection and corporate engagement. Accompanying materials, such as webinars and short videos, enhance accessibility and provide practical guidance for implementing the toolkit's recommendations. The see/judge/act framework can be used as a structure for discussion; for example, choosing one suggestion or question from each section to reflect on at the beginning of each trustee meeting.

Electronic versions of this document contain hyperlinks. For printed versions, link descriptions have been optimised for internet search.

www.operationnoah.org/catholic-social-teaching-toolkit

Disclaimer: This toolkit is intended to provide general guidance and educational information; it does not constitute, or intend to constitute, investment advice or any investment service, and is not a substitute for professional investment advice. The case studies and examples provided are for illustrative purposes only and may not be representative of all potential outcomes. Catholic organisations should consult with qualified financial advisors to make investment decisions that align with their specific goals and risk tolerance.

1. Life and Dignity of the Human Person and Integral Ecology

The dignity of the human person is rooted in the belief that every individual is created in the image and likeness of God (Genesis 1:26-31). This means that each person possesses inherent worth and inalienable dignity.

'Before I formed you in the womb, I knew you' Jeremiah 1:5.

The Catholic Church affirms the inherent dignity of every human person and the interconnectedness of all creation. These two fundamental principles provide a framework for understanding the complex challenges of our time, including the climate crisis. Central to these principles is Pope Francis's concept of 'integral ecology,' which calls for a holistic approach that acknowledges the inseparable bond between social wellbeing, cultural values, economics, and environmental responsibility. Integral ecology recognises that the health of the planet is intertwined with the health of human communities, especially the most vulnerable (*Laudato Si'*, 49). Human dignity is linked directly to caring for the environment, highlighting our moral obligation to protect creation and ensure a sustainable future for all. The Church has always had a long perspective, both in looking back but also looking forward into the future.

Climate change jeopardises human dignity by causing displacement, health crises and poverty. As Pope Francis notes in *Laudate Deum*, the climate crisis 'prejudices the lives and families of many persons' (2).

'Beloved, let us love one another, for love is from God, and whoever loves has been born of God and knows God. Anyone who does not love does not know God, because God is love. In this the love of God was made manifest among us, that God sent his only Son into the world, so that we might live through him. In this is love, not that we have loved God but that he loved us and sent his Son to be the propitiation for our sins. Beloved, if God so loved us, we also ought to love one another. No one has ever seen God; if we love one another, God abides in us and his love is perfected in us' 1 John 4:7-12.

Prayer from *Laudato Si'*, 246

All-powerful God, you are present in the whole universe and in the smallest of your creatures. You embrace with your tenderness all that exists. Pour out upon us the power of your love, that we may protect life and beauty. Fill us with peace, that we may live as brothers and sisters, harming no one. … Touch the hearts of those who look only for gain at the expense of the poor and the earth. Teach us to discover the worth of each thing, to be filled with awe and contemplation, to recognize that we are profoundly united with every creature as we journey towards your infinite light. We thank you for being with us each day. Encourage us, we pray, in our struggle for justice, love and peace.

We are bound to all our fellow creatures as a part of the natural world. Our very lives and livelihoods depend on a thin layer of fertile topsoil—just a few inches deep—and on the intricate balance of local and global ecosystems. At the same time our relationships extend across the globe: our reliance on international trade, transport and food production not only increases carbon emissions, but can also exacerbate power imbalances. Recognising these links highlights the need for a comprehensive response to the causes of the climate crisis—one that respects the delicate balance of our environment, ensures justice for all people and upholds the dignity of every living creature.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Read:** Discover the health impacts of the climate crisis: *The 2024 Report of the Lancet Countdown on Health and Climate Change -* Visual Summary (The Lancet Report).

- **Read:** Learn about climate impacts on children: 2024 research, How is the climate crisis impacting on children? (Save the Children International), focusing on the disproportionate impact of the climate crisis on children and young people.

- **Visit:** A local community affected by climate change, for example severe flooding, to bring the reality of climate impacts into sharp focus. Speaking with residents who have lost homes, livelihoods, or access to essential services reveals how integral ecology—the link between social wellbeing, cultural values and the environment—plays out on the ground.

- **Watch**: Educate yourself on Modern Day Slavery and Human Trafficking. Extreme weather events, rising sea levels and resource shortages can force people to migrate or seek desperate measures for survival. This vulnerability can be exploited by traffickers, leading to modern slavery and human trafficking. Understanding Contemporary Slavery (Freedom United).

- **Listen:** Podcast: Unfashionable climate interventions that work & fashionable ones that don't, Johannes Ackva, 2023, (80,000hrs).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How do your financial advisors ensure that the companies in which they invest respect and uphold human dignity?

- In what ways do your financial advisors assess the potential health and wellbeing risks associated with their investments, and how is this reflected in their selection process?

- What measures are in place to ensure transparency and ethical governance among your financial advisors' investment targets, especially with respect to potential risks like modern slavery or human trafficking?

- How do your financial advisors integrate the dignity and wellbeing of future generations into their investment approach, particularly concerning climate impacts?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Develop criteria for assessing the social and environmental impacts of investments, for example, using the FaithInvest guidance, *Faith Plans for People and Planet*.

- Invest in companies that prioritise human health and safety in their operations, for example, through Safety Schemes in Procurement (www.ssip.org.uk) membership schemes.

- Support initiatives that promote climate resilience and adaptation such as the Nature-based Solutions Initiative.

2. Care for creation

'We have to realise that a true ecological approach always becomes a social approach; it must integrate questions of justice in debates on the environment, so as to **hear both the cry of the earth and the cry of the Poor'** (*Laudato Si'*, 49).

The Catholic Church calls us to care for God's creation as good and loving stewards, protecting the environment for future generations. Investors have the opportunity to support sustainable practices and contribute to a healthier planet. We are entrusted with the care of God's creation and we have a duty to use it wisely and responsibly. By contributing to the destruction of the environment, we are harming future generations and violating the dignity of all creation. 'Sustainability assumes a sacramental dimension, correcting the unlimited exploitation of an economy premised on growth without respect for limits' (*Mensuram Bonam*, 23, Care for our Common Home).

Prayer from *Laudato Si'*, 246

Triune Lord, wondrous community of infinite love, teach us to contemplate you in the beauty of the universe, for all things speak of you. Awaken our praise and thankfulness for every being that you have made. Give us the grace to feel profoundly joined to everything that is. God of love, show us our place in this world as channels of your love for all the creatures of this earth, for not one of them is forgotten in your sight.

Creation reveals the nature of God: 'For [God's] invisible attributes, namely, his eternal power and divine nature, have been clearly perceived, ever since the creation of the world, in the things that have been made' (Romans 1:20).

Popes John Paul II and Benedict XVI have spoken of the need for ecological conversion. The first took as his theme for World Peace Day in 1990 'Peace with God the Creator, Peace with all of Creation'. This Pope, who loved to walk in the mountains, stated that, 'a new ecological awareness is beginning to emerge which, rather than being downplayed, ought to be encouraged to develop into concrete programmes and initiatives' (1). He condemned the squandering of finite resources while millions live in poverty, describing the ecological crisis as 'a moral issue' (15).

Pope Francis reminds us that 'the natural environment is a collective good, the patrimony of all humanity and the responsibility of everyone' (*Laudato Si'*, 95).

Laudato Si' is a passionate call to all people of the world to take swift and unified global action, particularly in relation to the destruction of the environment. Pope Francis writes that while humanity has made incredible progress in science and technology, this has not been matched with moral, ethical and spiritual growth (112-114). This imbalance risks causing our relationships with creation and with God to break down and our hearts to become hardened to the cry of the earth and the cry of the poor. Instead, we are invited to respect creation and everyone that is part of it; remembering what God has entrusted to our care.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Read:** State of the Climate 2024 (World Meteorological Organisation).
- **Listen:** Podcast, *The Ethics of Climate Change* (University of Oxford).
- **Visit:** A local conservation area or wildlife sanctuary to spend time in awe and wonder of nature.
- **Read:** Caring for our common home, A cry for land restoration and justice in Brazil (CAFOD).
- **Watch:** The film *The Last Forest* (2021).
- **Watch:** Why should we care for God's creation? (A Rocha).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- Do your holdings include industries that deplete natural resources or contribute to environmental degradation? What is your financial advisors' process for identifying and mitigating such risks?
- How do your financial advisors measure the portfolio's impact on the environment, and how do they ensure you are neither indifferent nor destructive in your approach to stewardship?
- Which environmental performance indicators or frameworks do your financial advisors use when selecting new investments or reviewing existing ones? Do these measurements include Scope 3 emissions of investments?
- How can your investments actively protect or restore biodiversity? Can they provide examples of strategies or metrics used to assess progress?

Ecological Examen *by Joseph Carver SJ*

- All creation reflects the beauty and blessing of God's image. Where was I most aware of this today?
- Can I identify how I made a conscious effort to care for God's creation during this day?
- What challenges or joys do I experience as I recall my care for creation?
- How can I repair breaks in my relationship with creation, in my unspoken sense of superiority?
- As I imagine tomorrow, I ask for the grace to see the Incarnate Christ in the dynamic interconnectedness of all creation.

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Review, sign and share the Green Investment Declaration with Operation Noah.
- Ensure that your Investment Policy has strong environmental principles that reflect your values and aims, share this policy with your portfolio managers and commit to regularly reviewing it.
- Amplify your actions by sharing information about your climate-positive investing with other organisations, such as sister churches or religious orders.

Making your money work for God's creation

The Green Investment Declaration urges faith institutions to use their financial power to combat climate change by investing in sustainable solutions. Signatories commit to aligning investments with their values, progressing through stages from initial commitment to significant asset allocation.

www.operationnoah.org/investment

3. Preferential Option for the Poor

'This poor man cried, and the Lord heard him, and saved him out of all his troubles'
Psalm 34:6.

We are called to serve the poor, as Christ's hands and feet on earth, fulfilling the Psalmist's prayer. The *Catechism of the Catholic Church* teaches that 'those who are oppressed by poverty are the object of a preferential love on the part of the Church' (2448). Climate change disproportionately impacts the poor, exacerbating existing inequalities. Investors have the opportunity to support initiatives that help the poor and vulnerable adapt to climate change.

In *Laudate Deum*, Pope Francis stresses that climate change disproportionately affects 'the most vulnerable people, whether at home or around the world' (3).

It is said that the true measure of any society is how it treats its most vulnerable members. The principle of the preferential option for the poor does not ask that we should focus on the poor to the exclusion of others, but rather that we are called to prioritise those who are in most need of our support.

In his apostolic exhortation, *Evangelii Gaudium*, Pope Francis writes: 'For the church, the option for the poor is primarily a theological category rather than a cultural, sociological, political or philosophical one. God shows the poor "his first mercy" ... This option—as Benedict XVI has taught— "is implicit in our Christian faith in a God who became poor for us, so as to enrich us with his poverty"' (198).

Prayer from *Laudato Si'*, 246

O God of the poor, help us to rescue the abandoned and forgotten of this earth, so precious in your eyes. Bring healing to our lives, that we may protect the world and not prey on it, that we may sow beauty, not pollution and destruction.

Catholic investors are called to consider how our resources can reduce and not perpetuate inequality.

Unlike philanthropy or charitable giving, investment typically presupposes a financial return. A key ethical question is: What constitutes a fair and just return on capital, especially when the initiatives support the poorest in society? Investors need to ensure that any returns flowing back to them minimise harm, do not unduly extract resources or exacerbate inequalities.

Some helpful examples and case studies can be found with Epworth Investment Management (part of the Central Finance Board of the Methodist Church) which focuses on socially responsible investment, and the Quakers in Britain investment policy, which has rigorous screening criteria excluding industries and companies pursuing harmful practices - such as exploitative labour.

Certain investment schemes - such as predatory loans or initiatives with hidden fees - can harm the communities they are meant to help. Faith-based investors must therefore scrutinise the terms and structures of potential projects to ensure they support people's dignity, rather than perpetuate cycles of poverty.

Loss and damage refers to the real and often irreversible harm faced by communities most exposed to climate change—typically those contributing least to its causes. In line with the preferential option for the poor, ethical investors can target solutions that directly address these impacts—such as climate-resilient infrastructure, or micro-insurance schemes protecting smallholder farmers from extreme weather. By compensating or preventing the most severe losses, investors uphold human dignity, promote justice and place vulnerable populations at the heart of climate action.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Read:** Responding to the Signs of the Times: A Theological Reflection on Loss and Damage (SCIAF).
- **Visit:** Seek to listen to the voices of the poorest in our society as you make investment decisions, for example, by visiting a food bank or a credit union.
- **Watch:** A film about Orbisa, an Ethiopian farmer, and the impact of the climate crisis on our global neighbours (*Your Neighbour is Thirsty* campaign, Tearfund).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How can you ensure that your investments do not exacerbate existing inequalities and contribute to the displacement or exploitation of vulnerable populations due to the climate crisis?
- When evaluating investment opportunities, how do your financial advisors assess both the potential financial returns and the social and economic benefits, particularly for the poorest members of society? What metrics do your financial advisors use to measure these impacts?
- How can your financial advisors ensure that our investments promote equitable access to energy for vulnerable populations? What mechanisms are in place to guarantee fair distribution of benefits and prevent the exploitation of marginalised communities?
- Are investments supporting companies whose supply chains pay living wages and are providing opportunities for the poorest communities?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Develop criteria for assessing the equity and inclusivity of investments by exploring resources from Faith Invest, the Global Impact Investing Network (GIIN) and the European Impact Investing Platform (EII Platform)
- Invest in companies that prioritise low-cost accessible renewable energy and water for the poorest in society in regions threatened by climate change.
- Consider engaging in shareholder activism to advocate for company policies that reduce inequality and promote economic justice. Visit Shareaction.org for more information.

4. Solidarity and the Common Good

Solidarity is a cornerstone of Catholic Social Teaching. It makes us aware that we are deeply connected to one another and calls us to work together for the common good. Pope Francis reminds us in *Fratelli Tutti*, 'The existence of each individual is deeply tied to that of others: life is not simply time that passes; life is a time for interactions' (66).

'If one member suffers, all suffer together; if one member is honoured, all rejoice together' 1 Corinthians 12:26.

The climate crisis is a global challenge that demands a united response, transcending borders and divisions. As Pope Francis emphasises in *Laudato Si'*, 'everything is connected', therefore we are responsible for one another and solidarity must guide our collective response to the climate crisis (91).

Pope Francis builds on this in his address to the World Meeting of Popular Movements (2014), where he described solidarity as more than mere generosity:

'Solidarity… is to think and to act in terms of community, of the priority of the life of all over the appropriation of goods by a few. It is to fight against the structural causes of poverty, inequality, lack of work, land and housing, the denial of social and labour rights… and all those realities that many of you suffer and that we are all called to transform.'

Investors have a unique opportunity to demonstrate solidarity by supporting sustainable solutions, particularly focused on those communities most vulnerable to impacts of climate change.

We can collaborate with Catholic organisations, advocate for policies that address the global impacts of climate change, and invest in initiatives that foster international cooperation. Such actions align with the Church's call to see ourselves as part of one human family, where the suffering or flourishing of one affects us all. For investors, this means taking a hard look at the impact of financial decisions on communities and the environment. Investments should prioritise initiatives that uplift the vulnerable, combat inequality and promote just transitions to renewable energy and sustainable practices.

Prayer from *Fratelli Tutti*, 287

Lord, Father of our human family, you created all human beings equal in dignity: pour forth into our hearts a fraternal spirit and inspire in us a dream of renewed encounter, dialogue, justice and peace. Move us to create healthier societies and a more dignified world, a world without hunger, poverty, violence and war. May our hearts be open to all the peoples and nations of the earth. May we recognize the goodness and beauty that you have sown in each of us, and thus forge bonds of unity, common projects, and shared dreams.

Special attention needs to be given to the rights of communities affected by business operations, such as those facing forced displacement or the desecration of ancestral lands due to resource extraction.

In this spirit, solidarity calls us to persevere in building a more just world pursuing the good of all. It challenges investors, organisations and individuals to see themselves in others, to foster a sense of shared purpose, and to collaborate on transformative solutions.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Visit:** Meet with a local community group that are seeking to build climate solidarity through practical action. One example is a 'Hazelnut Community', and you can find your local group at www.hazelnutcommunityfarm.com.
- **Read:** Climate change, migration and human trafficking (2023) (CAFOD).
- **Watch:** The Power of Us: How vulnerable communities are at higher risk during climate disasters (ABC News).
- **Read:** Explore ways to Live Simply (CAFOD).
- **Read:** Building communities that are resilient to disaster risks and climate change effects (2024) (UNICEF).
- **Read:** Catholic sisters continue to revise and refine how they invest to help the world (Global Sisters Report).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How do your financial advisors assess the social and economic effects of climate change on vulnerable populations when selecting investments?
- Do your financial advisors use specific criteria to evaluate whether potential investments are equitable and inclusive, especially for marginalised communities?
- What processes do you use to incorporate the perspectives of marginalised communities into climate-related investment decisions?
- What processes are in place to hold companies accountable if they commit human rights abuses, engage in exploitative practices, or otherwise violate ethical standards?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Invest in companies providing low cost energy access for the poorest communities and redistributing profits.
- Invest in projects that provide sustainable infrastructure, renewable energy access, climate-resilient agriculture, and disaster preparedness.
- Exclude companies that are members of industry associations that lobby for watered down climate or human rights legislation.

5. Subsidiarity and Participation in Governance

The Catholic Church teaches that the principle of subsidiarity should guide our approach to social and economic organisation (see *Quadragesimo Anno*, 79), meaning decisions should be made at the lowest level possible, closest to the people affected. In the context of climate change, this calls for local communities to play a leading role in shaping solutions.

Participation in governance, another key principle of Catholic Social Teaching, affirms that all people have the right to influence decisions that affect their lives. For investors and businesses addressing climate challenges, this principle demands an ethical examination of how we engage with communities on issues such as local pollution, resource extraction and land use. Are communities meaningfully included in decision-making processes, or are their rights overlooked?

Subsidiarity compels us to ask whether these communities are granted the right to refuse practices that harm their environment or violate their cultural and spiritual heritage. Decisions imposed from above, without proper dialogue, undermine human dignity and exacerbate injustice.

'Woe to him who builds his house by unrighteousness, and his upper rooms by injustice, who makes his neighbour serve him for nothing and does not give him his wages' Jeremiah 22:13–16.

Investors have a moral responsibility to ensure that financial decisions respect human rights, uphold justice and prioritise sustainable practices. This involves supporting companies that actively engage with local communities, respect land and cultural rights, and implement solutions addressing both environmental and social harm. It also includes divesting from industries that perpetuate pollution, resource exploitation and community displacement.

We can collaborate with Catholic organisations, advocate for policies that address the global impacts of climate change and invest in initiatives that foster international cooperation. Such actions align with the Church's call to see ourselves as part of one human family, where the suffering or flourishing of one affects us all.

Prayer for ethical investment *(adapted from a Climate Sunday prayer by Lya Vollering)*:

Dear Lord, we belong to you. All that we are and have is yours. Help us to safeguard all that you have given into our care. Pour out the power of your love, that we may protect all that is vulnerable: Mother Earth and all her creatures. Send your Holy Spirit to those of us who have been given the responsibility over money and resources. Help us to invest wisely in all that nourishes and protects, harming no one. Encourage us, we pray, in our struggle for justice, love and peace.

For investors, this means taking a hard look at the impact of financial decisions on communities and the environment. Investments should prioritise initiatives that uplift the vulnerable, combat inequality and promote just transitions to renewable energy and sustainable practices. Special attention needs to be given to the rights of communities affected by business operations, such as those facing forced displacement or the desecration of ancestral lands due to resource extraction.

In this spirit, solidarity calls us to persevere in building a more just world pursuing the good of all. It challenges investors, organisations and individuals to see themselves in others, to foster a sense of shared purpose and to collaborate on transformative solutions.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Watch:** Video on Subsidiarity (CAFOD).
- **Watch:** Mensuram Bonam - Faith-Based Investment Measures Webinar (Catholic Investment Services).
- **Watch:** For the Love of Our Planet by Isaac Harvey.
- **Read:** Inclusive energy: How to involve people with disabilities in decisions about energy 2021 (Tearfund).
- **Read:** Articles about how communities are fighting for environmental justice RISE St. James in Louisiana and Stonehenge road tunnel project (The Guardian).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How can the principles of subsidiarity and participation be applied to climate governance in the management of your investments?
- How are communities in developing nations that receive climate investment involved in decision-making on these projects?
- Do your investments support local, community-based initiatives which respond to climate change?
- Is there a balance between global, national and local efforts to address climate issues across your investments?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Create opportunities for community and stakeholder involvement in your investment committees. If you're not investing directly, then ask your fund manager how stakeholders are involved and whether they can provide any feedback from projects.
- Prioritise funding for grassroots organisations and community-led projects that empower individuals and local leaders to take ownership of climate solutions.
- Advocate for policies that empower communities to participate in decision-making on climate issues.

6. Economic Justice, the Dignity of Work, and the Rights of Workers

The Catholic Church teaches that work is a fundamental dimension of human life, possessing inherent dignity and affirms the right of all people to a just wage and decent working conditions. In the face of climate change, it is crucial to address the economic impacts of climate action and ensure that provision for a just transition safeguards the livelihoods and dignity of workers. This aligns with 'The Parable of the Workers in the Vineyard' (Matthew 20:1-16) which portrays a landowner who pays all his workers the same wage regardless of how long they worked, highlighting the idea that every worker deserves a fair compensation and that their labour should be valued.

Economic justice emphasises the need for a fair and equitable economic system where everyone can participate and benefit.

'Is not this the kind of fasting I have chosen: to loose the chains of injustice and untie the cords of the yoke? To set the oppressed free and break every yoke? Is it not to share your food with the hungry and to provide the poor wanderer with shelter—when you see the naked, to clothe them, and not to turn away from your own flesh and blood?' Isaiah 58:6-8.

In the context of the climate crisis, this principle may call investors in climate solutions to prioritise a just transition for workers in fossil fuel industries, supporting communities most impacted by climate change and promoting equitable access to clean energy. The Church has long recognised the dignity of work and the exploitation of workers, a concern highlighted by Pope Leo XIII in *Rerum Novarum* (1891), in which he starkly condemned the exploitation of workers: 'A small number of very rich men have been able to lay upon the teeming masses of the labouring poor a yoke little better than that of slavery itself' (3). He challenged the prioritisation of profit over people, asserting that work is more than a means of survival—it is a way of participating in God's creation. To 'gather one's profit out of the need of another, is condemned by all laws, human and divine', he proclaimed (20), affirming the right of all individuals to fair wages and safe working conditions.

Prayer adapted from a CAFOD prayer called 'Break the chains'

God of life, Creator of the earth and all that it contains, you rested and saw all that you had made, and proclaimed that it was good. Encourage us to lift our heads from the daily grind and know that we are always in your sight. Empower us to break the chains that bind people in unfulfilling work, and to bring hope to those that toil unseen. Open our eyes to see what is truly important and lead us to seek the real wealth that only comes from you, making itself felt in dignity and justice for all. We ask this through Christ our Lord, Amen.

This principle extends beyond workers to consumers. Pope Benedict XVI observed, in *Caritas in Veritate*, 'Global interconnectedness has led to the emergence of a new political power, that of consumers and their associations… Purchasing is always a moral—and not simply economic—act. Hence the consumer has a specific social responsibility, which goes hand-in-hand with the social responsibility of the enterprise' (66).

This critique of economic inequality has been further developed in other papal encyclicals. In *Sollicitudo Rei Socialis* (1987), Pope John Paul II used the terms 'structures of sin' (36) and the 'option for the poor' (42), also found in liberation theology. He condemned the widening gap between rich and poor, a disparity linked to systemic injustices such as the arms trade (24). Similarly, *Laborem Exercens* (1981) presented a powerful critique of labour dynamics, addressing issues such as the suppression of unions and the forced migration of workers. Pope John Paul II reminded the world that 'work is "for man", not man "for work"' (6), emphasising that human dignity must remain at the heart of all economic and labour practices.

Together, these teachings challenge us to advocate for systems that uplift workers, promote justice and uphold the inherent dignity of every individual in the face of environmental and economic challenges.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Read:** Case studies and Research tools for fair labour practices in supply chains https://verite.org/resources (Verité).
- **Watch:** Helping people find work with The Thomas Project (Church of England).
- **Read:** Research Brief: Modern Slavery in Global Supply Chains (Justice Care).
- **Workshop:** Where your treasure is (A course by Operation Noah on using money to tackle the climate crisis).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How do your financial advisors assess the impact of climate change on jobs and livelihoods?
- Does your investment portfolio include industries that exploit workers or degrade their dignity?
- Are your investments promoting a just transition to sustainable industries, with fair wages and decent working conditions?
- Do your investments counter trade unions or their activities?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Support initiatives that promote a just transition to a low-carbon economy. For example, prioritise funding for companies that equip workers with skills for green industries.
- Invest in companies that are living wage certified.
- Promote economic models that are both sustainable and just. For example, support businesses that adopt sustainable and just economic models, such as worker cooperatives, fair trade enterprises and engage in transparent supply chains.

7. Peace

The Catholic Church teaches that peace is a fundamental human right and essential for the full development of the human person: 'Respect for and development of human life require peace' (CCC, 2304). Climate change poses a serious threat to peace, as it can lead to conflict and instability. It is therefore vital to promote peace and reconciliation, ensuring that both human and environmental wellbeing are protected. Indeed, Pope Benedict XVI chose as the theme of his Message for the World Day of Peace in 2020 'If you want to cultivate peace, protect creation.'

Gaudium et Spes states: 'Peace results from that order structured into human society by its divine Founder, and actualized by men as they thirst after ever greater justice' (78). Catholic investors have a moral responsibility to promote peace and reconciliation. This can be achieved by supporting companies that prioritise human rights, fair practices and conflict resolution. Investing in initiatives that focus on peace-building and conflict prevention can help this approach to engage more deeply and more holistically. Such efforts could include divesting from industries linked to weapons production and recognising the links between resource exploitation and conflict.

Prayer attributed to St Francis of Assisi

Lord, make me an instrument of your peace. Where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; where there is sadness, joy. O Divine Master, grant that I may not so much seek to be consoled as to console; to be understood as to understand; to be loved as to love. For it is in giving that we receive; it is in pardoning that we are pardoned; and it is in dying that we are born to eternal life.

'Put on then, as God's chosen ones, holy and beloved, compassionate hearts, kindness, humility, meekness, and patience, bearing with one another and, if one has a complaint against another, forgiving each other; as the Lord has forgiven you, so you also must forgive. And above all these put on love, which binds everything together in perfect harmony. And let the peace of Christ rule in your hearts, to which indeed you were called in one body. And be thankful' Colossians 3:9-17.

Conflict and war, as Catholic teaching affirms, are the fruits of human disobedience, pride, and the insatiable desire for power. Pope Paul VI, in *Populorum Progressio* (1967) taught that 'peace is not simply the absence of warfare, based on a precarious balance of power'. In seeking a truly integral human development, 'we are not just promoting human wellbeing; we are also furthering man's spiritual and moral development, and hence we are benefiting the whole human race' (76).

Pope Francis, in his Message for the World Day of Prayer for the Care of Creation in 2023, said that when we maintain 'a right relationship with God, humanity and nature, then justice and peace can flow like a never-failing stream of pure water, nourishing humanity and all creatures.'

As followers of this teaching, Catholics are called to work tirelessly for a world where peace and justice prevail, recognising that the flourishing of human society is inseparable from the flourishing of creation.

See

Our decisions must be informed by walking in the shoes of others. Below are ways in which we can learn more from those on the frontline of the climate crisis:

- **Watch:** Pacem in Terris 50 Years Later Video (Catholic News Service) which examines Pope John XXIII's 1963 encyclical, *Peace on Earth*.
- **Watch:** How Is Climate Change Linked To Conflict? (Earthrise).
- **Read or Watch:** Words for a Dying World: Stories of Grief and Courage from the Global Church (Hannah Malcolm (ed.), SCM Press, 2020).
- **Read:** Learn about the facts and stories of refugees (Refugee Council).

Judge

Below are questions you may wish to engage with as a committee and with your financial advisors or portfolio managers:

- How can you invest in projects that promote sustainable land use, improve access to water resources and strengthen local governance in regions facing climate-related tensions?
- What specific processes do you have in place to identify and invest in projects that promote peacebuilding, reconciliation and cooperation in regions facing climate-related tensions?
- How do you assess the environmental and social impacts of our investments on local communities and the potential for these impacts to contribute to or mitigate conflict?
- Does your investment policy exclude arms manufacture and companies that derive profit from the military, as well as fossil fuels?

Act

Below are some practical steps you can take to transform and sustainably manage investments:

- Support initiatives that promote peacebuilding and conflict resolution in climate-related conflicts.
- Divest from weapons manufacturers as well as from fossil fuel and mining companies.
- Ensure your financial advisors are investing in companies that have clean human rights records and whose supply chains avoid conflict zones. Review the UN Guiding Principles (UNGP) Reporting Database.

Investment Case Studies

Whilst this toolkit does not set out to provide financial advice or endorse particular investment opportunities, it does aim to inspire further investment in the green transition. It does this in part by providing a clear framework for values-led financial planning for Catholic churches and institutions, and partly by showcasing examples of best practice in the sector. Below are links to a handful of projects that are leading the way in green investment - there will be many more examples, but these provide a snapshot of what is possible.

It is worth noting that these opportunities provide a range of return on investments (ROIs), and some should be viewed more as 'impact-first' opportunities that can play an important role within balanced investment portfolios. These examples provide a combination of environmental, social and financial returns for private investment.

Ambition Community Energy - creating community wind farms

This inspiring project has erected England's biggest onshore turbine, situated in an industrial area north of Bristol, UK, and it is 100% community-owned. The project was initiated by a community interest company linked to Ambition Lawrence Weston, a community group serving and served by residents of an area of multiple deprivation and partnered by a group of local churches.

The turbine was installed in 2023, and generates electricity equivalent to Lawrence Weston's domestic use, approximately 3,000 homes, and will save 87,600 tonnes of CO_2 over its lifetime.

The income from the green energy sales will help fund a development plan for Lawrence Weston, and will contribute to a new £1.7 million community hub for the area, which will provide support, training and debt advice to local residents.

The project received no government subsidies, and was totally funded by local grants and donations. This model is mirrored in similar community energy projects globally, and in the UK community energy was included in the Great British Energy Bill (Feb 2025) which secures its place as a public sector priority in future energy provision.

www.ambitioncommunityenergy.org

Power to Change - investing in community businesses

Established in 2015, this network organisation channels investment into sustainable community businesses to create thriving, local societies. Community businesses are run by local people for the benefit of the local community. They include shops, transport, solar farms, community hubs, pubs, gardens and community-led regeneration organisations.

In 2022, over 97% of community businesses reported they had a positive impact on reducing social isolation, improving community cohesion, improving health and wellbeing, and greater community pride and empowerment. They are locally rooted, accountable to the community, trading for community benefit and creating broad community impact.

Rather than investors directly supporting a community business, Power to Change is a catalyst and channel for investment into the community business sector.

www.powertochange.org.uk/

Landscape Finance Lab - investing in peatlands

The Landscape Finance Lab produces respected research into opportunities for private financing of landscape-level climate solutions. Founded within the conservation organisation World Wide Fund for Nature (WWF) in 2016 to test the best approaches for regenerating and attracting finance for landscapes at scale, it has since designed landscape-scale finance instruments and global funds for investing in landscapes and built a vibrant, collaborative community of landscape practitioners and green investors, working to make sustainable landscapes a reality.

For example, this 2024 report details the importance of strategically investing in the conservation and restoration of peatlands, illuminating the wide-ranging positive impacts of such investments for climate, nature, local communities and investors.
https://landscapefinancelab.org/publications/investing-in-peatlands

Examples of companies driving climate solutions

- **Oikocredit** invests in developing countries to empower people through loans and equity in sustainable sectors. They focus on social impact, supporting microfinance, agriculture, and renewable energy. https://www.oikocredit.coop/en/

- **Ecozen Solutions** provides climate-smart technology for the agricultural "farm-to-fork" supply chain, focusing on solar-powered cold storage and irrigation. They aim to reduce food waste and improve farmer incomes through sustainable, technology-driven solutions. https://www.ecozensolutions.com/

- **Shared Interest** is a fair trade financial co-operative that provides loans and financial services to fair trade producers, retailers, importers and exporters, primarily in southern Africa. They focus on empowering economically disenfranchised communities by facilitating access to finance and resources. https://www.sharedinterest.org/aboutus

- **MOPO** provides pay-per-use battery technology, delivering sustainable energy to individuals and businesses across Africa. Their solar-powered hubs distribute energy through proprietary batteries, managed by local agents, focusing on affordability and accessibility in areas with limited electricity. https://mopo.co/

Further Resources

All Scripture texts are from the English Standard Version Bible

- Vatican: *Laudato Si'*
- Vatican: *Laudate Deum*
- Vatican: *Journeying Towards Care For Our Common Home Five Years After Laudato Si'*
- Operation Noah Report: *Church Investment in Climate Solutions*
- Faith Invest: Catholicism and Finance
- Laudato Si Movement Guide to Sustainable Investing: Dioceses
- Laudato Si Movement Guide to Sustainable Investing: Congregations
- Christians for Impact: Climate Change Report
- Trócaire: *Ethical Investments in an era of Climate Change*
- CAFOD: Mary, Queen Of Creation
- CAFOD: Catholic social teaching on peace and conflict
- Church Investors Group: *Working With Your Investment Managers*
- Caritas and Catholic Social Teaching
- Caritas Aotearoa: Climate Change Prayer Booklet
- Diocese of Leeds: Catholic Social Teaching
- Church Times: *Catholic teaching and environmental theology*

Credits

Published by Operation Noah, April 2025

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Those who have contributed to this report and whose input is acknowledged below do not necessarily endorse the content of this report.

We would also like to thank the following experts for their advice, input, ideas and suggestions as we developed the ideas in this report (though all errors and omissions remain the responsibility of the authors): Stephen Power (Jesuits in Britain), John Paul de Quay (The Ecological Conversion Group), Raymond Friel OBE.

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