Indigenous Socially Responsible Investing & CDFIs: Building Communities Using Values

Moderator
Fern Orie, Wisconsin Native Loan Funds Chief Executive Officer

Panel Presenters
Keith Doxtator, Oneida Nation Trust Enrollment Director
Kate Finn, First Peoples Worldwide Staff Attorney
Becky Albert-Breed, First Nations Community Financial Executive Director & Ho-Chunk Nation Trust & Investment Vice-Chairperson
SRI/ESG Investing – The Power of Advocacy

• Values & Priorities
• Growth of our reach & network
• Advocacy includes investing money & time

IIPWG – The Investors & Indigenous People’s Working Group

Yethiya wihe’ - “We all give to them/We all invest in them”
- Oneida language

Susan White
Oneida Trust Enrollment Director
1994-2018
Values > Network > Advocacy

- 1975 – Oneida manages funds
- 1990 – First Socially Responsible Investment (SRI) Policy
- 1995 – “does not harm the environment or the spiritual and cultural values of American Indians”
- Today – Several Environmental, Social, and Governance (ESG) factors
  - Impacts to indigenous communities
  - Environmental impacts
  - Workplace safety and diversity
  - Community development
Values > Network > Advocacy

United Nations

U.N. Sustainable Development Goals

US SIF

Examples of ESG Criteria Used by Sustainable Investors
Values > Network > Advocacy

- Money Managers
- Like-minded groups
  - Interfaith Center for Corporate Responsibility (ICCR)
  - US SIF
  - Investors and Indigenous Peoples Working Group (IIPWG)
- Conferences
- Avoidance to Activism
- Shareholder proposals
- Crafting policy and legislation
NFL’s Washington Nickname

- Engaged team ownership
- Engaged stadium sponsor – FedEx Field
- Trademark status of name
- Engaging apparel sponsor
Marathon Petroleum

- 2017 Resolution to describe due diligence process to identify:
  - Environmental risks
  - Social risks
  - Indigenous rights risk
  - Which international standards are used

- Filing objections
- Annual Shareholder meeting
- >35% support
- Re-filed for 2018, withdrawn
  - Human Rights and Core Values
  - Enhanced disclosures
  - Utilize UN guidelines to address social matter
Fiduciary Responsibility

- ESG factors produced:
  - Higher returns
  - Lower standard deviations
  - Higher Sharpe ratios
Social Cost and Material Loss: The Dakota Access Pipeline

The True Costs of DAPL

$12B TOTAL ESTIMATED COSTS

Nearly $12 billion in costs incurred by key stakeholders involved in DAPL.

$7.5B TOTAL COST TO ETP

Estimated costs incurred by Energy Transfer Partners as a result of protests, increased public scrutiny and additional operating costs.¹

$4.4B TOTAL COST TO BANKS

Estimated costs incurred by the banks that financed DAPL due to public pressure from the "Defund DAPL" campaign.²
Human Rights Due Diligence

FREE, PRIOR AND INFORMED CONSENT
DUE DILIGENCE QUESTIONNAIRE

PART 1: PROJECT DEVELOPER’S EXISTING POLICY COMMITMENTS

1. List existing policy commitments related to human rights.
2. Ensure the policies take into account international human rights standards such as those in the core commitments of the United Nations Guiding Principles on Business and Human Rights: the United Nations Declaration on Human Rights; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; and the eight International Labour Organization (ILO) core conventions.
3. If the project developer is a member of an organization that prioritizes human rights during development initiatives, such as the Equator Principles Association, ensure policies reflect the minimum recommendations of the organization(s).
4. List existing policy commitments to indigenous peoples.
   a. Specify whether the policy:
      i. is separate from but inclusive of the project developer’s general human rights policy;
      ii. reflects the minimum standards in the United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention 169;
      iii. applies to every stage of project development including planning, implementation, closure and risk-management.
   b. Specify where the policy addresses consultation and whether it includes steps for an iterative consultation process.

PART 2: IDENTIFYING IMPACTED INDIGENOUS PEOPLES

1. List the impacted indigenous peoples and communities.
   a. Provide information as to how impacted indigenous peoples were identified and through which sources.
   b. Provide information about how indigenous communities’ historical and ancestral ties to the land have been considered.
   c. Disclose the methods by which the project has been assessed for impacts that may be different for a marginalized community (i.e., if there is only one road in or out of a community center, or only one water intake serves the entire community).
2. Provide a list of indigenous communities that are potentially impacted by the project. Potentially impacted communities are those with ties to the project impacted land and resources that could include hunting or fishing rights, or ancestral and historical ties.
   a. Ensure this list is cross-referenced during the entire due diligence process.
First Peoples Private Equity Fund

- First Peoples is building an innovative financing model that seamlessly integrates indigenous values into all of its structures, and then deploys capital directly to Native communities, entrepreneurs, and entities.

- **Core Values:**
  - Indigenous self-determination
  - Equity in power and decision-making
  - Financial excellence
  - Positive social impact
Ho-Chunk Nation
SRI Support

- Enacted Trust & Investment Committee in 2012 to heighten fiduciary oversight and incorporates SRI support through our Investment Policy Statements
- Legislative Branch attended Oneida SRI conference in 2010 in full support
- Presented with Susan White in support of IIPWG efforts
- IIPWG initiatives
  - Signed onto petitions
  - Loaned our investment proxies to Oneida for SRI efforts with the FedEx annual shareholder meeting
- Through First Nations Community Financial – continued support of IIPWG, Equator Principles & implementation of Indigenous and surrounding community reinvestment in Upper Midwest
GOAL: REINVESTMENT INTO NATIVE COMMUNITIES

Innovation = combining voices to be heard on a higher level, greater visibility for advocacy, collective stronger impacts with the communities

WIBA – Wisconsin Indian Business Alliance = Alliance of 4 Native CDFIs

- CDFIs – Community Development Financial Institutions focus on serving the needs of the poor and working class within urban and rural communities, as many of these citizens are underserved or ignored by traditional commercial banks and lending processes. The goal is to help this group of people become more financially self-sufficient and contribute more to overall economic growth through community redevelopment.

- Mission: Working together to coordinate and leverage resources to maximize access to loans, training and counseling to best serve Wisconsin Indian Country & surrounding communities – both on and off federally recognized reservation communities.

FIRST NATIONS COMMUNITY FINANCIAL (FNCF)
FIRST AMERICAN CAPITAL CORPORATION (FACC)
NIIIII CAPITAL PARTNERS, INC. (NiiCaP)
WISCONSIN NATIVE LOAN FUND (WINLF)
Wisconsin Indian Business Alliance (WIBA)*

2019 IMPACTS

- Consumer & Housing: $2,225,114
- Business Loans: $1,428,482
- Jobs Created and Retained: 76
- Individuals & Families Assisted: 1,442
- Small Businesses Assisted: 281
- Total Loans Deployed: $3,763,596
- July 2018 - June 2019
- 52 Workshops and Events with 1,573 Attendees

*Collective Impacts of Four WIBA NCDFIs:
- First American Capital Corporation (FACC)
- First Nations Community Financial (FNCF)
- NiiJii Capital Partners, Inc. (NiiCap)
- Wisconsin Native Loan Fund (WINLF)
# WIBA
## Wisconsin Indian Business Alliance
### Loan Deployment in Wisconsin Indian Country

<table>
<thead>
<tr>
<th>WIBA Member</th>
<th>Bad River Band of Lake Superior Chippewa</th>
<th>Forest County Potawatomi</th>
<th>Ho-Chunk Nation</th>
<th>LaCrosse Band of Lake Superior Chippewa</th>
<th>Menominee Indian Tribe of Wisconsin</th>
<th>Oneida Nation</th>
<th>Red Cliff Band of Lake Superior Chippewa</th>
<th>Sokaogon Chippewa Community</th>
<th>Stockbridge-Munsee Community Band of Mohican Indians</th>
<th>Other Tribal, Minority or Disadvantaged Borrowers</th>
<th>Total</th>
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<tbody>
<tr>
<td>2019 FACC (Business)</td>
<td>$384,400</td>
<td>$80,000</td>
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<td>$1,003,806</td>
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<td>2019 FNCF (Business)</td>
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<tr>
<td>2019 FNCF (Consumer)</td>
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<td>$5,549,236</td>
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<td>2019 WINLF (Business)</td>
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<td>WINLF (Housing)</td>
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<td>WINLF (Consumer)</td>
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<tr>
<td><strong>Total WIBA Loans Deployed</strong></td>
<td><strong>$647,994</strong></td>
<td><strong>$90,162</strong></td>
<td><strong>$6,294,712</strong></td>
<td><strong>$657,224</strong></td>
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Tribal affiliation data are based on compilations. For more information, visit wibanative.org or email coordinator@wibanative.org.
**WIBA SUCCESS STORIES**

**Wisconsin Native Loan Fund** was able to provide a Native family with a debt consolidation loan to refinance their high interest auto loan, which qualified the family to purchase their first home through the HUD 184 loan program. **WINLF** was also able to provide them with a down payment assistance loan to qualify for the HUD Loan.

**First American Capital Corporation** through encouragement, assisted Allen with **Go-Green Painting, LLC**. He kept in communication with his mentors at FACC and Bay Bank, who offered support and technical assistance. Allen repeatedly shared that he felt his business would have failed in the first year without support from FACC and Bay Bank.

**Sweetgrass Stables, LLC.** is a 100% Native and U.S. Veteran owned and operated business served by a **First Nations Community Financial small business loan**. Sweetgrass Stables offers a number of engaging opportunities for disabled children and veterans to make new, lifetime relationships with our four-legged friends.

**NiiJii Capital Partners** provided an expansion loan to assist **Mercer Well CM** in warehouse improvements and machinery additions. Their well drilling business office is located on the Lac du Flambeau reservation, and they house their drilling machinery in Mercer.
In Closing

We encourage you to take a look at your projects/investments and incorporate your values for the future.

Questions?