

# Ethical Investment Policy

## POLICY

### *Preamble*

At its simplest, all Christian discipleship is a response to Christ's 'great commandment' to love God and to love our neighbour as ourselves. (Matthew 22: 34-40)

The Church, in its worship and mission, including its investment policies and practices, seeks to bear witness to God's love for all of creation; and to resist that which diminishes life.

This perspective will prohibit investment in enterprises whose products or practices cause or perpetuate injustice and suffering, infringe fundamental human rights or cause unacceptable damage to the natural environment.

Love of neighbour extends to caring for the natural environment which supports our neighbour's life; and it extends in time to those who follow us – and so long term considerations will also come into decisions relating to investments.

Our theological tradition teaches that we live in a world where God's intention that we live in love, peace and justice has been distorted. Accordingly, our choices are rarely pure or unambiguously good and true. Choices made in good faith are often a careful weighing up of 'the greater good' or the 'lesser of evils'. Such processes will inevitably be part of the context of investment choices.

### *Investment Process*

The investment process will ensure that all investment decisions are made having regard to the values expressed in the preamble and to our requirement to exercise good financial stewardship. Good financial stewardship can be achieved by the evaluation of negative screens together with a focus on appropriate economic returns and sustainability. The Church will, where appropriate, undertake a process of engagement with companies involved in unacceptable activities in the hope of a more just outcome

### *Negative Screen*

We, as a Synod, avoid investing in:

- Companies whose products, services or practices cause or perpetuate injustice and suffering, infringe human rights or cause unacceptable damage to the natural environment. Industries included are thermal coal extraction and exploration, armaments, uranium, gambling, alcohol, tobacco and pornography.
- Companies where their practices are unacceptable in areas such as human rights, occupational health and safety and environmental management and wherever companies support oppressive regimes.

We recognise that there will be occasions when companies breach any of the above principles in a minor way but we will apply the negative screen where, in the view of the investing Uniting Church organisation, the breaches warrant a change of investment. We acknowledge that these decisions will always be complex involving a balance between positive and negative factors.

### *Neutral*

The majority of investments will be in companies which are considered to be neutral. Such investments will be made on the basis of investment criteria which will assist us to

exercise good stewardship and provide a reliable source of income and capital growth to the Church. The wise use of resources is, in itself, an ethical outcome.

#### PROCEDURES FOR IMPLEMENTATION OF POLICY

The Ethical Investment Policy applies to all Synod entities that have investment assets and report directly to the Resources Board and/or Synod. While congregations are covered by the Ethical Investment Policy, congregational compliance will not be monitored by the Synod of SA. The Synod is committed to annual reporting of the shareholdings of its investment entities and the companies which have been specifically excluded on account of the implementation of the Ethical Investment Policy.

The Resources Board can at any stage ask for an interpretation of the Ethical Investment Policy from the Standing Committee, in consultation with the Ethical Investment Working Group (EIWG).

#### Review of Investments by Ethical Investment Working Group

- The Synod Solidarity and Social Justice Officer of Mission Resourcing SA and the Resources Board will co-sponsor a quarterly meeting of the EIWG for the purpose of working through ethical concerns about any company in a Synod entity's investment portfolio.
- When these concerns are raised, the EIWG can seek:
  1. Information about the environmental, social and corporate governance practices of the company from other Uniting Church Synods;
  2. Information available from Socially Responsible Investment corporate researchers.
- At any time, once the EIWG has collected all the relevant information, it can recommend to the Resources Board how the group believes any ethical concerns may be best addressed.

If, in the view of the Resources Board, a company no longer satisfies the Church's Ethical Investment Policy, all entities covered by these procedures should divest themselves of investments in that company within 30 days of the decision being communicated by the Resources Board.

#### *Raising an ethical concern by UCSA members/organisations*

The investment activities of the Uniting Church SA are to be open and transparent, with all key stakeholders able to raise ethical concerns they may have. The process for raising these concerns is as follows:

- Individuals, congregations and Uniting Church organisations may request a formal review of investment activities of any entity covered by these procedures, if they believe a company or investment held by this entity may be in breach the Ethical Investment Policy of the Church.
- Any request for formal review should address the matter in writing to the Chairperson of the Resources Board. This request should provide as much background information as possible to justify the inquiry.
- On receiving the inquiry, the Resources Board Uniting Church Investment Committee (UCIC) will undertake a review of the investment or company in question, addressing any specific ethical considerations.
- In conducting the review, the UCIC may be guided by reports and research from a range of providers who assess companies in terms of environmental, social and corporate governance criteria. The UCIC may also seek further information from the inquirer.

- If any ethical issues arise from these reports, the UCIC will refer these concerns to the Resources Board for a determination as to whether the company satisfies the Ethical Investment Policy of the Church.
- The results of the review will be communicated to the original inquirer in writing, normally within 30 days of receiving the original request.

*Lodging an appeal*

If a stakeholder is unsatisfied with the outcome of their ethical investment inquiry, they may appeal the decision by having it referred to the Uniting Church SA Standing Committee.

To lodge an appeal against a Resources Board decision on ethical investment, a stakeholder should address their appeal to the CEO / General Secretary, Uniting Church SA, the Secretary of the Standing Committee. In lodging an appeal, the stakeholder will need to provide a rationale as to why they consider the Resources Board decision to be incorrect.

This version of the Ethical Investment Procedures approved by the Resources Board on 29th June 2015.