The **Methodist** Church

The United Nations at 80

Joint Advisory Committee on the Ethics of Investment 2025

The **Methodist** Church

Methodist involvement with the ethics of investment and human rights pre-dates the foundation of the Joint Advisory Committee on the Ethics of Investment (JACEI) in 1983. Yet it was only at the turn of the millennium that the United Nations established a Global Compact with businesses across the globe. This compact drew together the fundamental values that have long been a part of the United Nations Charter with the ethical role of business.

The UN Charter

Beginning "We the peoples", the UN Charter adopted in October 1945 espouses principles of equality, dignity, respect for law and opportunity for all through social and economic development. These are framed as essential prerequisites for a peaceful world and have clear parallels with values underpinning seven 'ethical pillars' developed by JACEI and the Central Finance Board of the Methodist Church (CFB).

While institutional mechanisms such as the Security Council and General Assembly are vital, it is the underlying shared principles that ultimately give the UN system its life and form. The principles are fundamental not only to the Universal Declaration of Human Rights and numerous UN treaties, but also in the mission of each part of the United Nations system.
They are principles that the 'peoples' of the world, represented by humanitarian organisations, faith groups and others, continue to espouse in international forums, even in the face of a challenging geo-political environment.

Private sector investments

One paradigmatic shift over the past 80 years has been the growth of a diverse private sector funded by global capital markets. Ethics with respect to investment are crucial because such growth can either concentrate wealth or help achieve more equal access to social and economic development. The 5,300 asset owners and investors that are signatories to the UN Principles of Responsible Investment (PRI) represent $128 trillion of investment funds. By comparison, the annual revenues available to the entire UN system are well below $1 trillion. If the vision of those that founded the United Nations is to be achieved, future investment strategies need to support principles that underpin the UN Charter.

UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a shared blueprint for peace and prosperity and have been a source of inspiration for JACEI and the CFB. They were set in 2015, have a target date of 2030 and provide a focus for action by governments, the UN system and other actors including the private sector.

The UN Development Programme (UNDP) states that too often short-term thinking continues to dominate commercial investment decisions, undermining longer-term sustainability. The UNDP aims to foster partnerships with governments, civil society and businesses, enhancing the private sector's role in achieving the Sustainable Development Goals by integrating these goals into private sector strategies and operations. Companies must look beyond the narrow confines of their present operations and instead work strategically with the public sector to bring about systemic change, for example, in carbon markets, food and energy systems and skills development for tomorrow's workforce.

The CFB uses an independent analytics agency to monitor how investee companies report their contributions to the 17 SDGs. Companies in the global investment portfolio report strongly on Climate Action (Goal 13), Industry, Innovation and Infrastructure (Goal 9) and Gender Equality (Goal 5). Companies find it more difficult to report on impacts on Zero Hunger (Goal 2), Reduced Inequalities (Goal 10), and Peace, Justice and Strong Institutions (Goal 16).

In conjunction with JACEI, the CFB has developed seven thematic pillars[1] that underpin dialogue with companies. These pillars, or themes, encompass all of the goals referred to above including those around which companies find it more difficult to report. For example, in this report last year JACEI featured work around conflict and building peace, and this year the committee has welcomed the CFB's continued engagement on this theme, particularly with respect to Israel and Palestine.

Hindustan Unilever Ltd – Gender Rights, Reduced Inequalities, Decent Work and Economic Growth

Hindustan Unilever Ltd (HUL) has demonstrated how a company can empower rights and demonstrate inclusivity not only in its workforce but beyond. Proactive talent development programmes have ensured an increased representation of women across all levels of the organisation, with women in managerial positions increased from 18% in 2010 to 46% in 2023.

To reach out to India's huge rural population, managers spend one month in a rural location to develop a rural mindset. HUL has trained local women as rural sales agents to sell Unilever products door to door, giving them employment opportunities and increased independence. In India, the project has provided opportunities to 190,000 women in 18 states, while variations on it have been created in other countries, including Bangladesh and Pakistan.[2] In a survey of 213 women who were a part of Project Shakti, 91.7% said the extra money they earned helped them spend more on child education while 95.3% said they could now take independent financial decisions.

Anglo American – Life on Land, Infrastructure, Innovation and Industrialisation, Peace, Justice and Strong Institutions

The mining industry has been linked to environmental harm and inadequate consultation with Indigenous communities. Poor mining practices are particularly acute in Brazil and Indonesia, with threats to Indigenous lands and cultures. The CFB is working with a group of investors, and Nature Action 100, on an engagement project with Anglo American. The project assesses the company's nature-based targets and determines how effectively they are being managed and attained.

The CFB is focused on Anglo American's interaction with Indigenous and local communities affected by mining sites, ensuring that the company treats them with respect. During a meeting, Anglo American demonstrated its commitment to being at the forefront of social and environmental policy in the mining sector. We hope to see continued progress, and a further meeting has been arranged later in 2025 to review additional actions undertaken.

1 cfbmethodistchurch.org.uk/downloads/ethical-investment-pillars.pdf
2 hul.co.in/files/09a26757-6b1e-41ad-a08e-9f6e2b34aa57/hul-impact-assessment-project-shakti-fy-2022-23.pdf

From the Chair of the Joint Advisory Committee on the Ethics of Investment (JACEI)

This short report has featured two examples of work around the Sustainable Development Goals. JACEI has also advised the Central Finance Board (CFB) in a number of other areas during 2024/2025, particularly:

- **A greater focus on children,** following analysis by the CFB revealing that, while 70% of portfolio companies have child rights policies, a much lower percentage showed evidence of effective implementation.
- **Investment in BioGaia** given the company's strong work in public health, its crucial initiatives to fight against antibiotic resistance and efforts to address healthcare inequality in underprivileged nations.
- The continuation of work to **advocate for the real Living Wage** through engagement with Next plc.
- In response to the high environmental and ethical costs of gold mining, **moving investment in gold to responsibly-sourced (recycled) gold** held by the UK Royal Mint.

A Summary Report on the work of JACEI is contained in the Agenda of the Methodist Conference. The full Report is available at methodist.org.uk/JACEI and at cfbmethodistchurch.org.uk.

Other position papers and policy statements on ethical investment issues are available from the CFB on request.

We welcome comments and feedback on the work of JACEI, and I encourage you to contact us with any questions or concerns about ethical investment and the Church.

The Revd Rachel Parkinson
Chair, Joint Advisory Committee on the Ethics of Investment (JACEI)

The Methodist Church Joint Advisory Committee on the Ethics of Investment

The Joint Advisory Committee on the Ethics of Investment (JACEI) is composed of representatives appointed by the CFB and by the Methodist Council. JACEI meets four times a year to advise the CFB on the ethical aspects of its work and monitor its decisions from an ethical standpoint.

Joint Advisory Committee on the Ethics of Investment

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Central Finance Board of the Methodist Church

The Central Finance Board of the Methodist Church (CFB) is responsible for managing and investing Methodist assets. Its challenge is to make good financial returns, whilst acting in accordance with the aims of the Methodist Church. Its mission statement affirms that "we aim to construct investment portfolios which are consistent with the moral stance and teaching of the Christian faith [and] to be a Christian witness in the investment community".

Central Finance Board of the Methodist Church

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The Methodist Church

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