



2023  
Annual  
Report

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# Chair's foreword

## The Rev Dr Stephen Wigley Chair, JACEI

I am pleased to introduce the 2023 report of the work of the Joint Advisory Committee on the Ethics of Investment (JACEI). I am very conscious that the challenging events of this last year, with the continuing impact of the war in Ukraine, the rise in fuel prices, high levels of inflation and for many people a 'cost of living' crisis, have presented both a challenge to investors and also highlighted the need for the kind of ethical scrutiny which JACEI provides.

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“It was particularly encouraging to join 71 other faith institutions in a joint disinvestment announcement from fossil fuels”

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Last year's report noted the rapid pace of change and adaptation by the Central Finance Board (CFB) to the Conference's decision to exit the oil and gas sector. It was particularly encouraging to join 71 other faith institutions in a joint disinvestment announcement from fossil fuels. I continue to be proud of the input of all the members of JACEI and the staff at the CFB that made this historic moment possible.

Last year JACEI also introduced a new policy format that sought to more clearly outline the expectations the Church has for investee company behaviour. The new policy format has already been applied to the mining sector, as detailed in the 2021 report. I am pleased to say that, as you will see in this year's report, the updated policy is helping the CFB to effectively address issues of workplace equality and climate action within the mining industry.

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“The updated policy is helping the CFB to effectively address issues of workplace equality and climate action within the mining industry”

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This year, JACEI is pleased to publish a policy on the banking sector in this new format. Banks provide essential financial services to global society and the Church relies on banks to facilitate many of its operations. At the same time JACEI is also acutely aware of the concerns which many rightly have about banks, particularly the sector approach to fossil fuel lending and participation in areas of conflict.

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“JACEI is also acutely aware of the concerns which many rightly have about banks, particularly the sector approach to fossil fuel lending”

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The role of JACEI is to assist the CFB in holding these ethical issues in tension when making investment decisions: on the one hand, that banks are essential; on the other that banks are potentially doing harm. With careful consideration given to the operational needs of the church and wider society, and with deep concern for people and planet, JACEI has formulated a policy on banking that will allow the CFB to act constructively and consistently in its engagement with the sector.

I am pleased to report that this policy is already in action, as I witnessed first-hand when participating in a high-level dialogue with Cardinal Vincent Nichols and two senior advisors for HSBC's Group Chair. Equipped by the updated policy, we were

able to discuss the bank's position on infringements to democratic rights in Hong Kong, its response to banking in Russia following the illegal invasion of Ukraine, and its commitment to no longer provide project finance for the development of new oil and gas fields.

Another key area of work over the last year has been the introduction by the CFB and its wholly-owned subsidiary Epworth Investment Management Ltd (Epworth) of a comprehensive theological framework which they call Pillars.

JACEI has always been concerned with the theological grounding of CFB policies. Historically, JACEI would seek to develop a theological basis for each policy individually. More recently, and with the guidance of JACEI, the CFB/Epworth has published 7 theological statements, each linked to a broad ethical category which allows the CFB/Epworth to effectively embed theology into engagement action.

For JACEI, these Pillars provide a comprehensive theological underpinning for all CFB policies and reminds us of our call to care for God's creation. (More details of the Pillars can be found on the CFB's website.) [www.epworthinvestment.co.uk/downloads/epworth-investment-pillars.pdf](http://www.epworthinvestment.co.uk/downloads/epworth-investment-pillars.pdf)

Finally, this Foreword is an opportunity to register my thanks and appreciation to my colleagues on JACEI and at the CFB for their hard work and commitment in recent years. This is my 6th and last year as Chair of JACEI and I have become ever more conscious of the importance of its work in seeking to ensure that the Church works with ecumenical and charity partners to use its money wisely and well in the service of the Kingdom.

I wish my successor every blessing in this important task and commend this report to the Conference.



# Conclusion

Based on the information available, the Committee judges that the CFB has managed the funds under its control in support of an ethical stance which is in accordance with the aims of the Methodist Church. This includes the holdings in its wholly owned subsidiary, Epworth Investment Management Ltd.

In arriving at this conclusion, the Committee scrutinised compliance with the CFB ethical policies through the:

- voting record of the CFB;
- ethically excluded lists of UK and global companies;
- ethics meeting minutes of the CFB;
- company engagement record of the CFB;
- independently verified review of the CFB UK portfolio carbon footprint;
- The CFB participation in the Church Investors Group (CIG);
- The CFB participation in the Institutional Investors Group on Climate Change (IIGCC); CDP (formerly the Carbon Disclosure Project); TPI (Transition Pathway Initiative); Climate Action 100+; the Principles of Responsible Investment (PRI); Access to Medicines Index (ATMI); Access to Nutrition Index (ATNI); Business Benchmark on Farm Animal Welfare (BBFAW); Farm Animal Investment Risk & Return (FAIRR); the Powering Past Coal Alliance; the Plastic Solutions Investor Alliance.

## RESOLUTION

The Conference receives the report of the Joint Advisory Committee on the Ethics of Investment for the year to 31 March 2023.

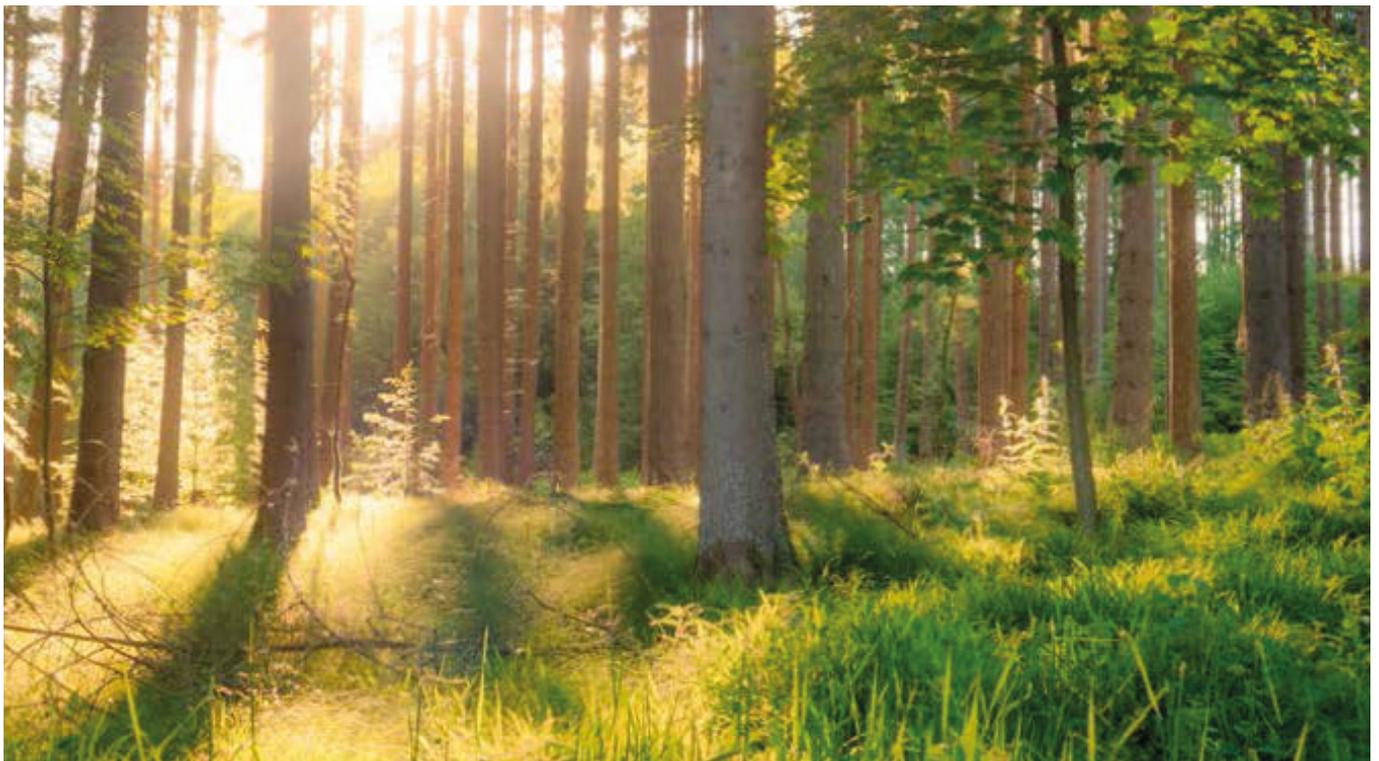
# Theological pillars

The CFB/Epworth has strengthened its theological grounding through the development of ethical pillars

These pillars underpin policies, keep the firm grounded in its theology, and allow the CFB/Epworth to better respond to existing and emerging issues. The ethical pillars are guided by God's call to care for people and planet, are informed by the Wesleyan tradition of equality, fairness, individual

responsibility, and societal care, and have been developed in conversation with the Methodist Church's work on A Justice-Seeking Church. The pillars are also linked to the United Nations Sustainable Development Goals (SDGs). CFB/Epworth supports the utilisation of the SDGs, but

feel that without a robust theological underpinning, they risk being misused by corporations or organisations attempting to appear ethical. By linking the theological pillars to the SDGs, the CFB/Epworth develops a common industry voice whilst better embedding theology into engagement action.



## THEOLOGICAL PILLARS



### EARTH & ECOSYSTEM

All creation belongs to God. We are to be good stewards and are to contribute to the renewal and flourishing of all creation.



### EQUALITY

All people are worthy of value and dignity as they are made in the image of God.



### HEALTH & WELLBEING

All people have the right to the essential elements that contribute to human flourishing: healthy food, clothing, secure housing, healthcare, education, and social programmes.



### LABOUR

All people have the right to employment at a living wage and in conditions that do not violate their human dignity or deny their opportunity to flourish.



### CONFLICT

All people and companies should work actively toward peace.



### FAIRNESS, RESPONSIBILITY & TRANSPARENCY

Companies are participants in society and share in the individual's obligation to justice and the common good. Seeking the common good involves honesty and truth, and may demand restitution, forgiveness, reconciliation and ultimately transformation.



### SOCIETY

All people should be enabled to thrive in flourishing communities and have the opportunity to enjoy life in its fullness. The poor and those who are excluded should be centred and prioritised.



# Earth & ecosystem

## CFB/EPWORTH PORTFOLIO CARBON INTENSITY

The CFB and Epworth are signatories to the Montréal Pledge, an initiative that encourages investors to measure, disclose and reduce the carbon footprint of their portfolios.

The Epworth UK Equity fund, and the other Epworth funds listed below report on their carbon footprint using independently verified data. As at the 31 December 2022, the Epworth UK fund had a carbon footprint of 19% below its benchmark of the All-Share Index. This was due to the carbon footprint (intensity) of

the benchmark improving markedly, stemming from higher oil and gas revenues in particular, belonging to companies which make up a large portion of the benchmark. This is explained by the carbon intensity measurement, emissions per unit of revenue, which decreases as revenues increase.

The Epworth Climate Stewardship Fund (see more below) has a mandate to have a carbon footprint substantially below (at least 15%) that of the FTSE All Share Index. As at the end of December 2022, the footprint of the fund was 70% less intensive than its benchmark.

The Epworth Global Equity fund reports in line with the Montréal Pledge also, and as at the end of December 2022, it was 70% less intensive than its benchmark of the FTSE All-World index.

The methodology for the CFB/Epworth's emissions intensity as shown in the tables below is aligned with reporting under the Taskforce for Climate Related Financial Disclosures (TCFD). This shows the improvements in emissions intensity in both the Epworth UK and Epworth Global Equity Funds, including generally positive movements relative to their benchmarks.




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The footprint of the fund was 70% less intensive than its benchmark

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**EPWORTH UK EQUITY FUND  
CARBON INTENSITY**

	Epworth UK Equity Fund (tCO <sub>2</sub> e/Mil USD revenue)	FTSE All Share Benchmark (tCO <sub>2</sub> e/Mil USD revenue)	% below benchmark
2019	127.4	131.0	-2.8%
2020	122.1	139.8	-13.0%
2021	88.9	140.2	-37.0%
2022	85.6	105.4	-19.0%

**EPWORTH GLOBAL EQUITY FUND  
CARBON INTENSITY**

	Epworth Global Equity Fund (tCO <sub>2</sub> e/Mil USD revenue)	FTSE All World Benchmark (tCO <sub>2</sub> e/Mil USD revenue)	% below benchmark
2020	64.8	162.6	-61%
2021	58.3	173.2	-66%
2022	52.3	175.8	-70%



### EXTRACTIVE INDUSTRIES

JACEI discusses issues as they relate to extractives industries regularly and noted several initiatives and meetings that have taken place over the year.

A key collaborative activity for the CFB is serving as co-leads for Climate Action 100+'s Anglo American Engagement. Anglo American is a large, multinational diversified mining company specialising in the production of platinum, diamonds, copper, nickel and iron ore.

As co-leads for Climate Action 100+ engagement with Anglo, JACEI noted the CFB's unique position to help influence better climate performance at the miner. The CFB have reported to

JACEI that Anglo has been open and constructive in the discussions they have had.

Actions Anglo American has taken in line with requests in Climate Action 100+ engagements include: a goal to reduce net emissions to zero in the long-term, publication of a detailed pathway of actions, publication of a scope 3 inventory, scenario analysis and improved governance and transparency on indirect lobbying. Most recently, again in line with CA100+ requests, the company included in its latest climate report of October 2021 a 1.5-degree scenario analysis, actions to support a just transition and a quantitative Scope 3 ambition.

### BANKS

On December 14th 2022, HSBC announced it would no longer provide direct project financing to new oil and gas fields, making it the World's biggest bank to do so. The CFB/Epworth felt this sent a strong market signal that banks' appetite for financing new oil and gas is diminishing, as well as setting a new minimum standard for major European banks committed to net zero. HSBC's announcement was in direct response to engagement by ShareAction and investors, including the filing of two resolutions.

In the wake of HSBC's announcement to cease new fossil fuel project funding, the CFB/Epworth co-signed letters organised by ShareAction to Barclays and BNP Paribas, encouraging these banks to do the same and cease direct financing of new oil and gas fields.

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**HSBC announced it would no longer provide direct project financing to new oil and gas fields**

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## OTHER CLIMATE RELATED ENGAGEMENT

In our latest meeting with management, the CFB/Epworth were able to further discuss the efforts MJ Gleeson, a housebuilder they hold, is making to improve its environmental performance and reporting. Gleeson made fantastic improvements in recent years in this area in response to our regular engagement with the company.

The latest improvements it has made have included diversifying its brick suppliers and increasingly switching away from clay bricks in favour of concrete bricks, which have half the embedded carbon and

are more readily available. Concrete bricks are less in favour across the industry due to traditionally being heavier and harder to work with, but management have tested this at several sites and believe the differences are minimal these days.

MJ Gleeson is also increasingly using reconstituted bricks made from recycled materials where possible, which have good availability but have traditionally been more expensive than clay bricks; but the recent inflation in traditional brick prices has significantly closed this financial gap though.



## WASTE

The CFB/Epworth engaged with a conviction stock, Ten Entertainment on waste targets. Ten Entertainment is a listed bowling company with food facilities too.

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## Engagement on the topic expedited the company's focus

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CFB/Epworth met with the company and thanked the management for their response. JACEI was pleased to learn that the engagement on the topic expedited the company's focus on setting such targets. All packaging is recyclable and Ten Entertainment is trialling customer segmentation of waste.



# Fairness, responsibility & transparency

## VOTING AND CORPORATE GOVERNANCE

In 2022 CFB/Epworth continued to advance our expectations of companies with regard to ethnic and gender female representation at board level. CFB/Epworth votes against the re-election of Directors due to a lack of gender diversity were considered some of the most significant during the year.

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### CFB/Epworth votes against the re-election of Directors due to a lack of gender diversity

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Other significant votes against were related to remuneration policies.

In FY2022, the CFB/Epworth voted at 99% of the meetings it was eligible to vote at.

In 2021 the Epworth UK fund voted at 74 meetings, comprising 1365 resolutions. The CFB/Epworth continues to be rigorous in opposing excessive executive remuneration. During calendar year 2021, out of 69 UK remuneration reports and policies voted, the CFB/Epworth opposed 29, or 42%. Remuneration structures should incentivise the generation of sustainable, long-term, shareholder value.

The CFB/Epworth also opposed or voted to abstain on the re-election of 93 directors, accounting for 16% of votes. Negative votes may be applied to the nomination committee where the CFB/Epworth do not consider there is enough progress in efforts to increase the diversity of company boards and senior management in terms of both gender and ethnicity.

The Epworth Global Equity Fund for Charities voted at 229 meetings, which amounted to 3,350 resolutions. Remuneration accounted for the greatest quantity of against votes.

The CIG voting policy has different rules for different jurisdictions and therefore not all companies globally are voted the same way.

The Epworth Climate Stewardship Fund for Charities voted at 74 meetings, which amounted to 1,368 resolutions. Similarly to the Epworth UK and Global funds, remuneration accounted for the greatest amount of against votes, followed by director nominations.

The CFB/Epworth's quarterly voting summaries are reviewed at JACEI meetings. These summary reports are available on the CFB/Epworth website, with the full voting report available on request. Voting is carried out at all UK and global company meetings, in which the CFB/Epworth invests, in line with a collaborative CIG voting policy which JACEI reviews annually. The voting template is implemented by the CIG's service provider, ISS (Institutional Shareholder Services). The latest policy for voting can be found on the CFB & Epworth websites.



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## The World needs banks but it also needs banks to be better

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### BANKS

JACEI recognises the ongoing concerns within the church surrounding the banking sector. From local branch closures and investment in fossil fuels, to activities with nations in violation of international law, the sector is not without its problems.

JACEI also recognises, however, the absolute importance of participating in the sector as individuals, institutions and investors, and banks' essential role in fostering global markets. Plainly, the World needs banks but it also needs banks to be better.

Working alongside the CFB, JACEI has published a sector specific policy on

banks that seeks to better appraise their performance, hold them to account where necessary and improve their practices through company engagement.

Previously, banking activities have been covered in other CFB policy areas - climate change, human rights, etc. JACEI believes that a specific policy on banks is necessary to make transparent CFB's position and proposed activity with the sector. In recognising the essentiality of banking and that disinvestment from the sector is not a viable economic option, the policy also sets out clear expectations of banks to provide a firm basis for review, challenge and action.

Rev Julian Blakemore, a member of JACEI and expert on the banking sector, notes:

*“Banks have a crucial role to play in building a better society, including caring for the planet by helping to manage the transition to a net-zero world. We have seen some banks back-sliding from commitments made about not financing new fossil fuel projects. However, they are being held to account on this and other key issues by proactive investors like CFB/Epworth raising questions of ethics and social good. This new policy document will help to reinforce that process.”*



# Conflict

## HSBC

As mentioned in the 2022 JACEI Annual Report, the JACEI meeting in March 2022 took the stance that for both ethical and fiduciary reasons, Russian securities should not form any part of the CFB's investment portfolios.

The CFB/Epworth do not hold any Russian securities directly, and both organisations have eliminated small indirect exposure to Russian companies through holdings of emerging market-focused vehicles.

JACEI noted the CFB's steadfast resolve in supporting the Ukrainians through company engagement. In 2022, Rev Dr Andrew Harper wrote to HSBC asking the following:

*"Firstly, I was deeply troubled, as both a HSBC client and investor, to learn that the company's research professionals had described the war in Ukraine, in official materials, as anything less than an unjustified and unlawful war of aggression against a free democratic state.*

*"Given the importance of honesty and integrity to holding senior management functions in the financial services industry, I'd like to ask each of you to confirm that you, and HSBC more broadly, view Russia's activity in Ukraine as an unwarranted, unjustified, and unlawful war of aggression against a free democratic state.*

*"Secondly, on 28 February the UK Government declared that "working with allies, we will cripple Russia's economic development in both the short and long term. The UK and our allies are united and clear that nothing and no one is off the table." As a UK bank, will you support the UK Government's objective and the people of Ukraine by withdrawing all service provision to state-backed enterprises and companies in the Russian energy sector?"*

JACEI was heartened to learn that after a series of engagements, the CFB was invited for high level discussions with the head of the Catholic Church in England and Wales, Cardinal Vincent Nichols, and two of HSBC's senior advisors on human rights and policy.

At the meeting with HSBC, the Chair of JACEI was able to discuss issues surrounding Hong Kong, Palestine and Russia. Further discussion was had on the bank's approach to human rights and lending practices to the arms trade. JACEI will continue to monitor the progress of CFB's engagement with the bank.





# Labour




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## Tesla's relatively young age was not an excuse for its social and governance problems

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### WORKERS' RIGHTS

JACEI continues to be concerned for the rights of workers. The tech industry in particular presents unique challenges upholding labour rights and good working standards. JACEI is pleased to report the CFB has been able to comment on Tesla's corporate attitude toward labour in an effort to draw attention to the substandard approach within the sector. The CFB's Chief Responsibility Officer, Rev Dr Andrew Harper was quoted in the industry paper, CityWire, saying:

*"Tesla's relatively young age was not an excuse for its social and governance problems.*

*"They do need to mature as a company, but I wouldn't say that's an excuse for where they sit now. They've proven that they can hire experts at a very rapid rate to meet challenges within their technology side, so why aren't they able to hire experts with their governance and social side to help them overcome that? Where they're placing their priorities is telling.*

*"Tesla is at an 'inflection point' where it needs to address issues raised by shareholders. Tesla can*

*continue innovating and developing technology but it can't continue doing so at the expense of its corporate culture.*

*"These are things that Tesla should have been looking at as it was growing rapidly and entering more into the public eye. These issues are now more pressing than ever.*

*"Elon Musk wants Tesla to be at the centre of sustainability and whatever the future might look like. But unless their value chain is sustainable and the people and assets around Tesla are sustainable, that's not going to happen."*



# Equality

## INTERNATIONAL WOMEN IN MINING

The International Women in Mining (IWIM) is a leading global not-for-profit organisation pursuing gender equality and promoting women's voices, access to opportunities and leadership in mining.

Following the CFB's successful engagement with Rio Tinto on workplace violence and culture, the

CFB sought a collaborative partner to examine other mining companies.

JACEI is delighted to learn that the CFB has begun to work with IWIM and the Development Partner Institute to form a coalition of investors seeking to improve safety and wellbeing standards for women in the mining sector.

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The CFB is joining a coalition of investors seeking to improve safety and wellbeing standards for women in the mining sector

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# Health & wellbeing

## PHARMACEUTICALS

The Access to Medicine Foundation (ATMF) ranks pharmaceutical companies on their access plans and equitable pricing strategies to encourage the provision of essential healthcare products to approximately 80% of the population that live in low- and middle-income countries.

JACEI noted the CFB participated in an event where ATMF presented on the latest iteration of the Index.

This event gave opportunity for the CFB to meet with and query the approach of GlaxoSmithKline (GSK) and AstraZeneca (AZN). GSK has long been the highest scorer in the index; however, AZN has moved up from 7th place two years ago to sit 3rd within the index. Both GSK and AZN are targeting positive impacts on the lives of those in low- and middle-income countries.

GSK launched a new initiative last year called the Global Health Initiative, which aims to positively impact 1.3bn people in the next 10 years. AZN is committed to reaching 50m people through its Healthy Heart Africa (HHA), Healthy Lung, and Young Health Programme by 2025, which they are on track to achieve.




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This event gave opportunity for the CFB to meet with and query the approach of GlaxoSmithKline and AstraZeneca

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# Society

## NESTLÉ

The CFB/Epworth and representatives of the Joint Public Issues Team (JPIT) met with representatives from Nestlé to discuss a range of ethical issues. This built on the engagement started years ago regarding Breast Milk Substitutes and has now broadened out to

include nutrition and health, as well as other topics such as the climate emergency and modern slavery.

The company's 2021 Modern Slavery and Human Trafficking report was very insightful to the work it has been undertaking across the

world, including in the UK. The CFB/Epworth were able to discuss the factors that affect supply chains in the UK as they relate to Nestlé and hear about the processes they have in place to find, fix, and prevent modern slavery.



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The CFB/  
Epworth were  
able to discuss  
the factors that  
affect supply  
chains in the UK

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# External accreditation

## THE UK STEWARDSHIP CODE

The Financial Reporting Council's UK Stewardship Code sets high stewardship standards for those investing money on behalf of UK savers and pensioners and those that support them. The principles of informed engagement with companies set out within the Code lie at the heart of the CFB/Epworth's investment approach. The Stewardship Code provides a valuable, additional context for enhancing the responsibility of shareholder ownership.

After a successful submission in 2021, the team submitted the 2022 renewal ahead of the early submission deadline. The latest Stewardship Code report reflects the suggestions made by the FRC on our previous submission, as well as integrating case studies into every reported principle. JACEI was delighted the CFB/Epworth received approval of their latest report.

## PRINCIPLES OF RESPONSIBLE INVESTMENT (PRI)

The PRI is the largest global signatory organisation promoting responsible investment, with over 5,000 asset owner, asset manager, and service provider signatories in 2022, representing over US\$120 trillion of assets under management. PRI facilitates the opportunity to collaborate with like-minded global investors and to participate in expert-led events on material issues, including the climate emergency.

Last year, the PRI reporting system underwent an overhaul, with changes to both the data collection process and the scoring system. Due to this, the most recent scores are from data collected in February 2021 which were published in November 2022. Given the new scoring system, these scores are not comparable to previous years. The CFB/Epworth were pleased overall with the assessment scores under the new system, scoring mostly 4/5 stars across all modules.

Due to the significant change in the reporting process, however, the CFB views PRI as an incompatible metric for reporting on the faith-led activities of the CFB. As such, the CFB has withdrawn as signatories of PRI.

# Collaboration

## THE CHURCH INVESTORS GROUP (CIG)

The CFB closely collaborates with the ecumenical CIG, which works to promote ethical investment for the public benefit:

- by encouraging the formulation of investment policies based on Christian ethical principles and to assist each other in putting such policies into practice;
- by encouraging responsible business practices through engagement with company managements;
- by sharing information and views on ethical matters related to investment.

JACEI welcomes and commends the continued strengthening of the ecumenical work through CIG. CIG represents many mainstream Church denomination and organisations, with 60 members representing combined assets of over £21bn. Its membership is drawn in the main from the UK and Irish churches but is also increasingly international with a network of supporting international partners. CIG supports its members by hosting two meetings a year (including an international conference) and by leading strategic engagements on carbon, modern slavery and tax.

## OTHER

The CFB/Epworth are also signatories to:

- Institutional Investors Group on Climate Change (IIGCC);
- CDP (formerly the Carbon Disclosure Project);
- TPI (Transition Pathway Initiative);
- Climate Action 100+;
- Access to Medicines Index (ATMI);
- Access to Nutrition Index (ATNI);
- Business Benchmark on Farm Animal Welfare (BBFAW);
- Farm Animal Investment Risk & Return (FAIRR);
- the Powering Past Coal Alliance;
- the Plastic Solutions Investor Alliance.

The CFB/Epworth use the specialist services of:

- ClarityAI ESG Research
- ISS (Proxy voting)

JACEI commends and welcomes the valuable input on a variety of subjects made by the Methodist Connexional Team through the attendance of the Joint Public Issues Team (JPIT) members at every JACEI meeting.

- [www.jointpublicissues.org.uk](http://www.jointpublicissues.org.uk)

# Communication

The CFB/Epworth's Policy Statements are published on each website.

- [www.epworthinvestment.co.uk](http://www.epworthinvestment.co.uk)
- [www.cfbmethodistchurch.org.uk](http://www.cfbmethodistchurch.org.uk)

The CFB/Epworth's quarterly responsible investment reports, and summaries of UK and global voting reports are also published online.

# Governance: Role, Function and Membership of the Committee

The Joint Advisory Committee on the Ethics of Investment (JACEI) was established in 1983 by a Resolution of the Methodist Conference to provide a mechanism for the Methodist Church to tackle ethical dilemmas associated with investment and to report annually to the Conference.

## TERMS OF REFERENCE

The Joint Advisory Committee of the Ethics of Investment shall have a Chair appointed by the Methodist Council who should be able to represent Methodism at a senior ecumenical level. This position has to date always been filled by a District Chair

The Committee shall have five members appointed by the Central Finance Board of the Methodist Church (CFB) and five members appointed by the Methodist Council. The function of the Committee shall be:

- To advise the CFB of ethical considerations relating to investment, it being accepted that the CFB legally has responsibility for making the final decision on the purchase or disposal of any investment;
- To act as an advocate, where appropriate, in respect of any ethical policy of the CFB, any investment decision taken on ethical grounds, and any other advice the Committee may provide on ethical matters relating to investment;
- To report to the Methodist Conference on the workings of the Committee and in particular to comment on the performance of the CFB in managing the funds under its control according to an ethical stance which is in accordance with the aims of the Methodist Church;
- JACEI may comprise both executive and non-executive members, with the expectation that the CFB and Methodist Council may each nominate one executive officer to be a Member of JACEI;
- Each non-executive member appointed by either the CFB or by Methodist Council shall be eligible to stand for membership for up to two successive terms of three years, up to a maximum of six years in total;
- Members, on the completion of each three year term, may stand down, be asked to stand down, or be asked to give their assent to continue to serve up to the normal maximum of six years. Their re-appointment shall be recorded in the Minutes; executive members of JACEI representing the CFB and Methodist Council shall have no upper limit to their terms;
- The Committee, may agree to a non-executive member, including the Chair, serving for an additional period of up to three years at the completion of any six year term, to facilitate continuity of the Committee's business;

- A Minute shall be taken of any meeting of the Committee, approved by JACEI members, and signed as a true and fair record of proceedings by the Chair;
- The Committee shall appoint a Secretary to act on its behalf.

### STANDING ORDER

The following Standing Order relating to JACEI was approved by Methodist Conference (2019).

(1) There shall be a Joint Advisory Committee on the Ethics of Investment, appointed annually in accordance with clause (2) below.

(2) The committee shall consist of eleven persons and shall comprise:-

(i) a chair appointed by the Methodist Council;

(ii) five other persons appointed by the Methodist Council;

(iii) five persons appointed by the Central Finance Board;

(3) The committee shall meet as frequently as need be, but in any event at least once a year.

(4) The committee shall be responsible for advising the Central Finance Board on ethical aspects of investments, and proposed investments, and shall report annually to Conference.

### RESPONSIBLE INVESTMENT REPORTING REQUIREMENTS

The Task Force on Climate related Financial Disclosures was established by the Financial Stability Board to develop recommendations for more effective climate-related disclosures that could enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financials systems exposures to climate-related risks.

In November 2020, the UK government announced that it will be mandatory to report in line with TCDF recommendations across the UK economy by 2025, with some sectors required to report as soon as 2021.

The CFB is investment manager, through its subsidiary Epworth Investment Management Ltd., to large pension funds that use the JACEI Conference Report as part of their assessment of compliance with their ethical and responsible investment policies. The report should therefore enable trustee bodies to assess clearly whether the CFB, and its subsidiary, Epworth Investment Management Limited, have operated in a way consistent with the aims of the Methodist Church.

### JACEI PROCEDURES

The Committee has agreed it should:

- Hold at least four meetings a year;
- Have its own identity with a postal and electronic address located within the Connexional Team at Methodist Church House;
- Advise the CFB and its subsidiary Epworth Investment Management Ltd. in relation to Methodist Church policy in respect of ethical and responsible investment;
- Examine all aspects of a company's operations rather than focus on one particular issue;
- To act as an advocate, where appropriate, in respect of any ethical policy of the CFB, any investment decision taken on ethical grounds, and any other advice the Committee may provide on ethical matters relating to investment;
- Seek ways to make the advice provided by the Committee available to the wider Methodist Church.

### OBSERVERS

Observers, particularly those representing other church denominations and/or organisations may attend meetings of JACEI at the invitation and agreement of the Chair and Committee.

The Methodist Church in Ireland has permanent observer status to attend meetings of JACEI.

Observers may be invited to speak and participate in discussion, but may not vote.

### QUORUM

For the purpose of conducting meetings of JACEI, a quorum shall be deemed as being four members including the Chair. At least three members of any quorum including the chair should be non-executive representatives.

### CONDUCT OF BUSINESS

JACEI business may be conducted electronically before, between and following meetings. Any decisions arising from remote and electronic communication shall be noted by the Secretary and made available to all members.

### JACEI AGENDAS

JACEI receives at each meeting:

- the work-plan
- one or two major items for debate, usually Position Papers and Policy Statements either previously agreed by the Committee or requested by the CFB;
- other significant matters for discussion (including the climate emergency and extractives industries as standing items);
- CFB engagement, including company notes and briefings;
- a CFB ethical performance review including voting summary reports, ethical exclusions and a note of any disinvestment on ethical grounds;
- a note of any significant collaborative engagement work.

The Committee confirms it:

- held four meetings; in 2021/22 four meetings took place in June 2021, September 2021, December 2021, and March 2022;
- has its own identity with an address located at Methodist Church House;
- advised the CFB in relation to current Methodist Church policy;
- examined all aspects of a company's operations rather than simply focus on one particular issue;
- took responsibility, where appropriate, for making public any ethical policy of the CFB and in particular any investment decision taken on ethical grounds, and;
- sought ways to make the advice provided by the Committee available to the wider Methodist Church.

The Committee receives and reviews the CFB workplan at every meeting, which sets medium-term policy priorities.

# Committee membership

## CHAIR

- The Rev Dr Stephen Wigley

He assumed the role of Chair on 1 July 2016.

The JACEI Chair is independent, usually nominated from among the membership of the District Chairs, and appointed by Methodist Council.

## METHODIST COUNCIL APPOINTED MEMBERS

- Rev Dr Sheryl Anderson
- Rev Dr Vincent Jambawo
- Ms Rachel Lampard
- Mr Jonathan Cape
- Rev Dr Mike Long

## CENTRAL FINANCE BOARD APPOINTED MEMBERS

- Ms Morwenna Williams
- Mr Bala Gnanapragasam
- Rev Anne Ellis
- Rev Julian Blakemore
- Rev Dr Andrew Harper

## OTHERS IN ATTENDANCE

- Mr David Palmer (CFB)
- Mr Miles Askew (CFB)
- Ms Roz Amos (CFB)
- Mr Steve Hucklesby (Joint Public Issues Team)
- Mrs Sophie Forrest (JACEI Secretary)
- Mr David Hopley (Trustees of the Methodist Church in Ireland representative\*)
- Mr Richard Nunn (board member and past Chair of the United Reformed Church Ministers' Pension Trust Ltd)

\* Trustees of the Methodist Church in Ireland has Permanent Observer status.

The Committee has a reciprocal arrangement with the Church of England Ethical Investment Advisory Group (EIAG) whereby representatives of JACEI and the EIAG attend as observers of each other's meetings and exchange Minutes.



# Contact

Enquiries about the Committee's work are encouraged

## CONTACT JACEI

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## CONTACT THE CFB

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THE CFB/EPWORTH'S POLICY STATEMENTS ARE  
PUBLISHED ON EACH WEBSITE

[CFBMETHODISTCHURCH.ORG.UK](http://CFBMETHODISTCHURCH.ORG.UK)  
[EPWORTHINVESTMENT.CO.UK](http://EPWORTHINVESTMENT.CO.UK)