

## Ethical Investment Policy

**Adopted by** The Uniting Church in Australia, Synod of Victoria and Tasmania on 21 September 2003

**Amended by** Standing Committee on 24 August 2005, 10 June 2009 and 15 August 2012

**Approved by** 2014 Synod Meeting, 22 September 2014

### 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 that which God has created; to support that which enhances life and to resist that which diminishes life.

Positively, the love commandment will motivate the Church, where possible, to invest its financial resources in areas which promote human welfare, dignity and respect, and the general good.

Negatively, this perspective will proscribe 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 neighbours' life; and it extends in time to those who come after 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 and positive screens together with a focus on appropriate economic returns, investment risks and sustainability. The Church will, where appropriate,

undertake a process of engagement with companies involved in unacceptable activities.

The Church, through UCA Funds Management, will participate as socially responsible investors by membership of relevant industry bodies.

### Positive screen

We seek to invest in companies which promote human welfare, dignity and respect, and the general good. Examples include companies which produce goods or services which enhance the health and welfare of individuals and communities, and companies which produce goods or services which preserve the environment. Each portfolio managed by UCA Funds Management will maintain at least 10 per cent exposure to positive companies.

### Negative screen

We 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 armaments, uranium, gambling, alcohol production, thermal coal, unconventional oil and gas, tobacco manufacturing and pornography.

Companies are also excluded where their practices are unacceptable in areas such as human rights, occupational health and safety, environmental management and wherever companies support oppressive regimes.

We recognise that there will be occasions when companies inadvertently breach some of the principles and where genuine efforts are made to rectify the breaches.

We will not prohibit investment in a company where a breach of the principles, in relation to its products or services, is immaterial; the breach may also be balanced by other positive actions. The materiality of the breach is determined by reference to its proportion of the company's activities, the proportion of the industry in which the excluded activity

operates, and/or whether the activity is clearly of an egregious nature regardless of this proportion.

We acknowledge that decisions may 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 in terms of the positive and negative screens. 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.