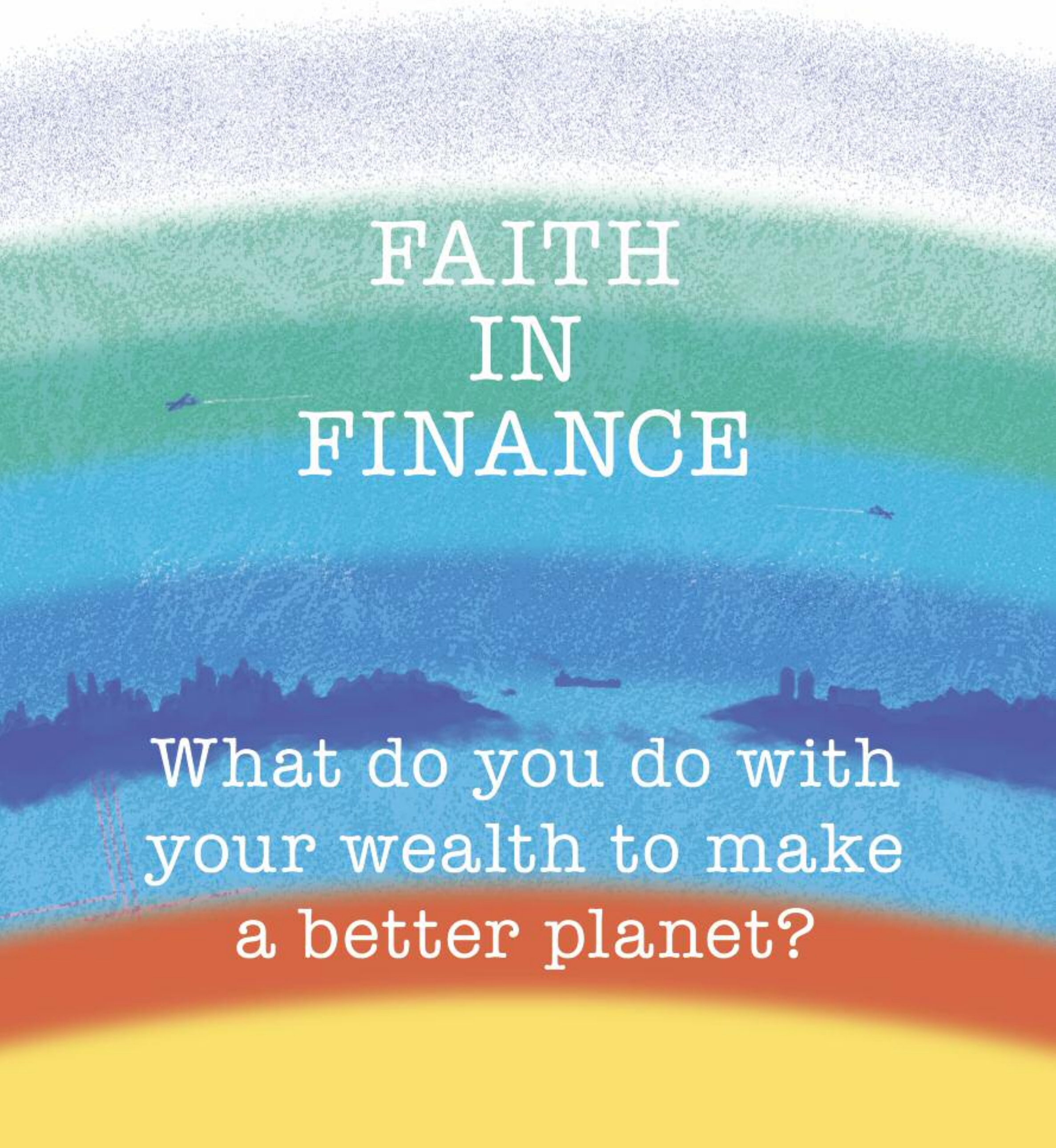
THE ZUG GUIDELINES to faith-consistent investing



FAITH IN FINANCE

What do you do with your wealth to make a better planet?

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THE ZUG GUIDELINES

for faith-consistent investment

FAITH IN FINANCE

"What do you do with wealth
to make a better planet?"

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INTRODUCTION

The story of the relationship between faith and finance is as old as the story of the world's faiths. The tension between guiding the faithful towards a more spiritual life in the midst of material temptation is one which has both guided and bedevilled the great faiths for millennia. The simple fact is that as the faiths grew, they became important providers of education, of health, of welfare and of compassion. They have needed to find, and store up, finance to support their sacred buildings, their clergy, their lay staff, their publications and their social care responsibilities.

The Wisdom and Business of Religions

In ARC we always talk about two aspects of the impact of the faiths that are relevant for environmental and development issues.

First there is the *Wisdom* of religions. Each faith has centuries of experience of working with peculiarities of human behaviour within the context of a greater vision of the meaning and significance of life. Faiths have built up vast store of wisdom, in many cases believed to be a gift from God or the gods, but often also through dealing with people and communities through times of deep distress, great joy and simple ordinariness.

Secondly, there is the *Business* of religions. The faiths own about 8% of the habitable land surface – about 5% of all commercial forests are owned by faiths. They run, manage or founded around half of all schools worldwide – 64% in Sub-Saharan Africa according to UNICEF. They have more TV and radio stations between them than the whole of the EU and produce more books, newspapers and journals than any other network. They also own an estimated 10% of the world's total financial investment. The Business of religion involves managing these assets and through the investments and ownership of businesses, raising the funds necessary to support their medical, educational, organisational and social care responsibilities.

If we (whether we think of ourselves as living within or outside religious structures) are to understand the social, environmental and sustainable development role the faiths can play, it is vital to consider both these aspects. Simply focusing on the wisdom without appreciating the business dimension is to produce a lopsided view. To only concentrate on the business without understanding the beliefs and values which motivate it, is to miss the point of why the faiths are potentially so vital to planning environmental and sustainable development around the world.

Core Values and the Guidelines

These Guidelines take you into what the faiths own (where that is possible to be detailed) and into what their priorities are for future investment in environmental and sustainable development. But they also all look at core values. Without understanding what motivates Buddhists based on the Buddha's teachings; what inspires Hindus from the sacred book Bhagavad-gita; why the Methodists of the UK find inspiration in their founder John Wesley – it is impossible to understand the values which will drive their positive investment programmes.

To put it simply. You need to know why in order to understand how.

This is why these Guidelines have been created.

The tension between faith beliefs and financial practice is, as mentioned earlier, an ancient conundrum. Many faiths have traditionally been quite clear about what they will not invest in. "Negative screening" has been happening for millennia. So for example, Islam, Daoism and Christianity have traditionally had a ban on usury. In all three cases, but in different ways and for a variety of reasons, this ban has sometimes slipped. But the reintroduction of Islamic Banking in the early 1970s marked a dramatic return of this core religious principle.

Many faiths have explicitly banned investment in armaments, alcohol, tobacco, gambling and anything to with crimes such as prostitution or illegal drugs. Some have also banned all investment in certain kinds of husbandry, be that the ban in Judaism and Islam on pig farming, or the ban in Hinduism and Buddhism on killing cattle – and in some cases in causing the death of any animal.

In recent years this negative screening has increased with new issues and aspects of investment coming on the scene. For example, many faiths are now engaged in the carbon disinvestment movement – removing their investments from fossil fuel industries. In October 2017 40 major Catholic funds publicly divested from fossil fuels to commemorate St Francis Day, the Catholic day of ecology. This kind of action is in response to awareness of the impact of burning fossil fuels on the climate and can be partly seen in the light of the United Nations' long-term programme on addressing climate change. Other religious fund managers have taken stances on issues to do with human rights or social justice – for example disinvesting from businesses invested in regimes which oppress a sector of the community such as the stance against apartheid in South Africa and the religions' support for the Civil Rights movement in the USA in 1950s and 1960s.

What are you for?

It is now fairly easy to find out what the faiths are against. This set of Guidelines takes us to another question: What are the faiths for? Or: What could or should the faiths be investing in to support the creation of an environmental and sustainable world? Or as the cover question on this book asks: *What do you do with your wealth to make a better planet?*

In 2015 ARC was asked by the United Nations to co-host a meeting of the world's major faiths with senior representatives of several sectors of the UN to discuss the forthcoming Sustainable Development Goals (SDGs) a set of 17 "Global Goals" which represent a collective vision and aspiration for what a world in the future could represent, and what we could all, collectively, work to make happen.

The meeting took place in Bristol, UK in September 2015 and 24 faith groups presented Commitments (known now as the Bristol Commitments) to action in support of various SDGs. At the event, many faith representatives observed how the SDGs were predicated on one economic model – essentially consumerist capitalism and the desirability of economic growth – and that there were alternatives that should be acknowledged and considered.

In studying these Commitments, the UN noticed that nine of them spoke of either having decided to move some aspects of their investments into environmental and sustainable development ventures or that they were planning to do so. This piqued the interest of both the United Nations Development programme (UNDP) and the Organisation for Economic Cooperation and Development (OECD). This is because if the SDGs have a chance of being implemented there has to be a huge values shift in the world of investment. If we are going to have a world with good health and well-being, with quality education, clean-water and sanitation, affordable and clean energy, where the goal of no poverty and all the other SDG goals will have come true, then investment and attention need to move now into supporting environmental and sustainable development products and initiatives. The faiths, with clear values, ought to be one of the very first communities to be able to respond to this.

A book titled Faith in Finance

In 2016 ARC was commissioned to research the potential for the faiths to become more pro-active as investors and the result was the launch of a booklet titled *Faith in Finance* at an international multi-faith meeting in Nanjing. This short book explored how and why faiths invest. It traced the rise of what is known as 'faith-consistent investment'; put this in the context of the SDGs; compiled core teachings on finance from seven faiths and ended by proposing an international meeting of the major faith investment groups to take forward the potential for faith-consistent investment. The Zug meeting (October 30-November1 2017) and these Zug Guidelines are the direct result of that research and that book.

When we invited the many faiths and faith investment advisory groups (including for example the US-based Interfaith Center for Corporate Responsibility and JLens, the main Jewish financial advisory group) to send us their guidelines for positive, pro-active investment in environmental and sustainable development, we were not sure what response we would get.

For some faith groups this was an area that they were already engaged in. For example the Council of the Evangelische Kirche in Deutschland (EKD) were able to send us the third edition of their Guideline for Ethically-Sustainable Investment in the German Protestant Church. Others had touched upon this issue only primarily in the context of negative screening, such as the SGPC Governing Council of the Sikhs of India. Yet others including the China Daoist Association (because it is still recovering from nearly being wiped out in the Cultural Revolution) and Shinto of Japan (for whom offering advice is not part of their tradition) had never thought about this for a variety of reasons. Several traditions, including the Buddhist Association of China, are interested in what is happening in Zug this year, and although they are not represented in this booklet, will be discussing their own Guidelines.

This is why, when you read the many Guidelines in this book, you will see they offer a huge variety of levels of engagement and understanding of their potential role in the 'impact' or ESG/SDG world. This reflects both cultural and religious diversity. And if this were not so then you would not be truly hearing the voices of the world's oldest and most successful sustainable communities because they are hugely diverse.

Inventing for Eternity

The wisdom and insights contained here come from communities who have steered their people through wars, ecological collapse, civil wars, famine, drought, plague, delight, terror, opportunities, hope and despair over millennia. As Gunnela Hahn of the Church of Sweden said at a preparatory meeting, the time perspective of the faiths represented here "is eternity". And, as they always are, those faiths that are in this movement are in it for the long haul.

At one point there was concern from some of our advisors that there was too much wisdom and not enough business. However these Guidelines are about why there are the values capable of driving a "value-driven" investment programme. These values do not appear from nowhere. They arise from the core beliefs and teachings of the faiths and this book opens up this fascinating and highly motivated world for outsiders.

We asked each group to write Guidelines not just for the faith's institutional investment programme but to also act as advice to, or a model for, individual believers. For example in our research we found there are some 70 Christian entrepreneur groups around the world helping wealthy Christians to invest in a faith-consistent way and many of the Christian Guidelines in this book will be useful to such groups. We also found that the Oxford Centre for Hindu Studies is the main advisory group on faith-consistent Hindu investment worldwide and offers this as much to families and individuals as it does to Hindu organisations.

It was also decided by our steering group (funded by WWF-UK) to ask each of our sponsors if they wished to write (or send us their existing statement of) a document about their own values. Most of them did and it was clear that for some this was also a journey beyond negative screening and into positive investment and that they too sometimes found it difficult to fully articulate what that would really look like. We are grateful to all those who did contribute. You can see summaries of their values document at the end of this book.

Post Zug: Faith-Consistent Investment

Zug was planned as a unique event bringing together eight faiths (and 30 traditions within them) as well as bringing together for the first time a number of faith investment advisory organisations: ICCR, Muslim Charities Forum, JLens, the Church of Sweden (representing Lutheran Churches of Scandinavia), the Oxford Centre for Hindu Studies and Globethics. Between them they have outreach to over 500 other faith investment groups. It is estimated that between them all they have access to some three trillion US dollars of investment money, a proportion of which could be committed to actively engaging in investing in environmental and sustainable development projects.

As a result, a platform for continuing this emerging partnership, not just between the faiths but also with the UN, development banks and the private sector, is being developed, to be based in Geneva. The Zug meeting was planned to be the launch of a new level of engagement and it could change the faith finance scene in a profound way, and with it, the kind of businesses that find finance.

This publication is just the start of a journey. We invite all those interested in faith-consistent investment – the faiths themselves; lay members of the faiths; the UN; philanthropies, the investment world and the wider environmental and development world, to work with these Guidelines to help ensure that the wealth and the wisdom of the faiths working with so many others interested in such investment, helps to make a better planet.

A big thank you to our generous sponsors who made this possible: Charles Stewart Mott Foundation; Earth Capital Partners; Hermes Investment Management; Linius Capital; The Pilkington Foundation; Rathbone Greenbank; Resilience Brokers; Sarasin and Partners; Tribe Impact Capital; Triodos Investment Management; WHEB; WWF–UK. Thanks also to R20; Globethics; Lassalle-Haus; Swiss Impact Investment Association (SIIA) and Geneva Agape.

Finally a special thanks to Klaus-Michael Christensen of SIIA and Robert Rubinstein of TBLI Group. It was their enthusiasm and support which encouraged us in ARC to undertake both writing Faith in Finance and planning the Zug event. Their wonderful, critical and discerning guidance has ensured both this publication and the emergence of faith-consistent investing as a potential player in the world of impact investment and ESG finance.

Martin Palmer
Secretary General
The Alliance of Religions and Conservation (ARC)
www.arcworld.org

October 2017

THE SUSTAINABLE DEVELOPMENT GOALS (SDGs)

FAITH GUIDELINES TO FAITH-CONSISTENT INVESTMENT

What follows are summaries of guidelines, and in some cases extracts of larger policy documents, by the faiths and by sponsors of the Zug meeting in October/November 2017.

Where there are full documents, they can be found and downloaded from www.arcworld.org/projects.asp?projectID=675

BUDDHIST:

SARVODAYA DEVELOPMENT FINANCE, SRI LANKA

The Sarvodaya Development Finance is a finance company specialising in microfinance to rural communities in Sri Lanka. It is the only such institution in Sri Lanka whose majority shares (80%) are held by a charitable institution – the Sarvodaya Shramadana Movement of Sri Lanka. The total asset base is Rs4.8 billion/US$32 million. (Loan portfolio Rs3.8 billion, Capital Rs1 billion).

The Sarvodaya Shramadana Movement of Sri Lanka in 1958 had a vision to create a "Society with no poverty and no affluence." It introduced a universal philosophy based on the Buddhist principle of the Middle Path, very much in line with today's concept of sustainable development. It tapped into the social capital of the day and guided communities towards sustainable development through models of self-help, advocating for consciousness, economic and power determinants of development and demanding that the benefits of development are equitable for everyone. Among many other initiatives which prioritise conflict resolution, environment and poverty alleviation, it started the Sarvodaya Institute of Higher Learning (introducing appropriate new technologies in agriculture and small/medium industries), initiated mother support groups in conflict-affected and nutritionally-lagging regions, preserves indigenous seeds and runs the Sarvodaya Women's Movement

It supports initiatives that improve the efficiency of firewood usage, provide vocational training to entrepreneurs, promote eco-tourism etc.

Current guiding principles of investment

1. Negative screening

No financial services (loans, deposits, enterprise guidance or advice) are provided to:

- Alcohol, tobacco & gambling related enterprises/projects
- Any enterprise, project or industry that will have harmful environmental or social impact (i.e. creating ethnic or religious disharmony, employing child labour)

2. Investments to be encouraged.

These include encouraging home-based industry, organic agriculture, food processing etc. All loan/service applications are initially vetted by trained finance officers at branch level in the districts and are thereafter approved by the Manager or, in the case of larger loans, by the Head Office Credit Manager/CEO or the Board. At all these stages it is checked that the policy is adhered to.

3. Remembering the Sigalovada Sutta

Sigala was a boy living in northern India during the time of the Buddha. His parents were devout, but he was only interested in material prosperity and told his parents he would have nothing to do with monks. As his dying wish, his father asked him to worship "the six quarters" (east, south, west, north, nadir and zenith) every morning after his morning bath, hoping that one day the Buddha would come across him and teach him something important. One day, as the father had hoped, the Buddha came across Sigala, and gave him a special teaching – which is the only one specifically directed to a layperson rather than a monk.

It includes advice that might be appropriate to many young people in any century - about choosing your companions carefully, not getting drunk, not sauntering around late at night or being lazy. But it also includes guidance about what to do with your money.

In terms of finances the Buddha guided the young Sigala to avoid gambling which, he pointed out, leads to the winner attracting hatred and the loser not only losing money grieving what he has lost.

Buddhists should guard the heedless and protect the wealth of the heedless. They should not rejoice in the misfortune of others, and should rejoice in the prosperity of others. They should give good counsel.

"The wise and virtuous shine like a blazing fire. He who acquires his wealth in harmless ways like to a bee that honey gathers, riches mount up for him like an ant hill's rapid growth."

In addition, the Buddha recommended every householder to divide his or her wealth in four ways. One part for their own wants, two parts for investment, and the last part for times of need.

The person "who is wise and virtuous, gentle and keen-witted, humble and amenable, such a person may attain honour. Who is energetic and not lazy, unshaken in misfortune, flawless in manner and intelligent, such a person may attain honour. Who is hospitable, and friendly, liberal and unselfish, a guide, an instructor, a leader, such a person may attain honour. Generosity, sweet speech, helpfulness to others, impartiality to all… These four winning ways make the world go round."

BUDDHIST

THE ENGLISH SANGHA TRUST LTD (AMARAVATI AND CITTAVIVEKA BUDDHIST MONASTERIES, UK)

The English Sangha Trust is a small Buddhist non-profit, with the object to support residences in the UK for Theravadan Buddhist monastics who follow the practice as established in the Forest Tradition of Ajahn Chah in Thailand.

The Trust is the steward of two monasteries with around 50 monks, nuns and novices. Since 1979, guiding principles have been to make the monasteries as sustainable as possible. A temple was built in the 1990s at Amaravati in Hertfordshire, using materials designed to last 1,000 years. From 2011, Amaravati has developed a 30- year plan to replace 22 high-maintenance energy-inefficient wooden structures with low- maintenance energy-efficient ones. Following the fabric-first principle, by investing in energy efficiency of the construction methods, based on the Passive House system, the buildings will use only 10% of the energy they have been using until now. As far as possible the electricity will be generated within the community. By setting such an example in our own house, we hope to set an example for our lay community and the wider local and national community.

The Trust keeps Reserves of £250,000 and currently has Development Funds of £700,000; of the latter, all is expected to be spent by June 2020. The funds are with a European ethical bank in short-term fixed interest instruments.

Negative Screening
The Trust restricts investment in the following in particular:

- Marketing or distribution of alcohol
- Involvement in medical or non-medical animal testing
- Breeding or rearing of animals for intensive meat, dairy, egg production, retailing products or entertainment, or any cruelty to animals in general
- Any involvement in arms supply or manufacture
- Any involvement in genetic modification
- Companies with poor environmental records or which harm the environment, including the production of fossil fuels
- Companies at risk of human rights abuses
- Any involvement in nuclear activities
- Involvement in gambling operations
- Involvement in production or distribution of pornographic or "adult" materials
- Any involvement in the manufacture or distribution of tobacco
- Companies involved in irresponsible marketing, finance or those that have operations which may raise sanctity of life issues.

What guides the guidelines?
The sangha encourages investments with positive attributes including those that bring about harmony especially those that allow that all people should have a chance to make an honest living. 'Right Livelihood' is one of eight aspects of the Buddhist path. This can be extrapolated into not exploiting those who work.

There are no specific instructions for stewards as to how they should look after the sangha's resources, however in his 1979 book A Constitution for Living Ajahn Payutto says that:

> 'Citizens who contribute to bringing about good administration, especially in a democracy, should know and abide by the following .... of which the highest is the supremacy of the Dhamma, (natural law) putting the prime importance on principles, truth, righteousness, virtue and reason, operating on the basis of what has been learned and verified against the facts.... On a general level it means acting out of respect for established principles, laws, rules and regulations'.

Ajahn Payutto also says that through abiding by certain principles, you can be said to know how to acquire and use wealth beneficially ('i.e. to be money wise'.)

- On the level of seeking and safeguarding wealth, he recommends that people: apply themselves to their duties and making an honest living; train to acquire skills and true knowledge; wisely scrutinise their undertakings and conduct their work for good results;1 know how to protect their honestly-gained wealth from risk; associate with good, honourable people; and keep track of income and expenditure, living within their means to be neither deprived nor extravagant and with income left over for saving.
- On the level of allotting wealth, he recommends that people know how to allot it into four portions according to the principles known as the four bhoga-vibhaga: one portion to be used for supporting oneself and one's dependents and for good causes; two portions to be used for investment; another portion to be put aside for future needs.
- On the level of using wealth, it should always be borne in mind that the acquisition, protection and possession of wealth are for the purpose of creating benefit for both oneself and others. "If wealth is not used to create benefit, its acquisition and possession are of no value or meaning."

The future

The Five Precepts in Theravada Buddhism restrict the taking of life and the use of alcohol. These would be guiding principles that steer toward use of renewable resources for energy (not polluting, not leaving a toxic legacy for the future, both of which cause sickness and disease; nor rapaciously consuming the planet's resources, which leaves it as a less sustainable place). The community at Amaravati is engaging with the worldwide sangha of monastics and lay people in the Ajahn Chah community, regarding the sustainability initiatives they are undertaking. We seek to broaden the understanding of 'investment' and create an encouraging, informed atmosphere around these issues. Whilst we have negative screens, we will also develop more positive screens, so our policy positively encourages investment in wholesome initiatives.

The original version of these guidelines was approved by the Board of Trustees on 22nd July 2017

CHRISTIAN

AMITY FOUNDATION INVESTMENT CONSULTATIVE COMMITTEE, CHINA

Amity Foundation is a Christian-initiated NGO established in Nanjing in 1985 with goals to contribute to China's reform and opening, to help Chinese society better understand Christianity and to contribute to social development, to world peace and the ecumenical sharing of resources. It has financial investment resources of around 200 million RMB (USD 30 million). Due diligence investigation is done according to the guidelines, providing reports to the Investment Consultative Committee.

Exclusions
Amity does not invest in companies involved in armaments, tobacco or any other intoxicant, gambling, high interest rate lending, and companies polluting, destroying or negatively affecting environment.

Positive investment
Amity currently invests in:

- social enterprise and companies with sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practice.
- Invests in renewable energy projects (bio gas, solar energy);
- Youth learning centres for people who live in urban slums.

In the future
There should be more investment in poverty eradication projects and initiatives such as education and access to clean water.

Future hopes and needs
More and more organizations and faith groups could have a platform to share and learn from each other. This platform could also provide a selection of suitable projects for organizations to choose to invest.

Due diligence research is very time consuming and costly, if there is a portfolio of pre-screened projects available, will be very convenient and helpful for all the faith group.

Principles and understandings that affect how Amity invests

On where we start:
According to the late Bishop KH Ting, spiritual leader and founder of Amity: "Our starting point is the Love of God or the God of Love: Behind all creation is Love. Love is the key to all mysteries of human existence. God's love moved God to create, to teach, to forgive, to save and to sanctify, so that more and more people may find the source of energy in this love. God's ultimate goal is to create a universe of love, a world of love in which a human community lives by the principle of voluntary mutual love."

Amity Foundation believes that Love is faith in action. It is through our practice that we will be known.

On creation:
Christians believe that God created the heaven and the earth and everything in it. Humans are not the masters of creation but only stewards of God's creation. Current forms of development have led to over-exploitation of the earth's resources and continuing destruction of the planet, its people and its ecology. As stewards of God's creation we have the responsibility to change this and move towards an ecologically sustainable economy and society. It is urgent and essential that we break away from industries that pollute and destroy the earth and invest in those that lead to the restoration of a green, sustainable planet. We should divest from industries and activities that contribute to conflict, violence and war.

On people:
Christians believe that human beings are created in God's image. Each and

every human being should be respected as such and there should be equality for all regardless of race, gender and culture. In a world in which the human is under constant threat, whether by powers and principalities or by the technological developments of our times, it is important for us to be reminded of this reality. God is also a relational God. Our relationship with God compels us to relate and care for all and make sure that no one is left behind.

On prosperity:
Prosperity is not about short-term economic growth. We need a new understanding of growth that enables everyone to grow and realize his or her God-given potentials in a holistic way and in community with others regardless of differences. Essentially, it means that there should be equal access to safe and clean water, food, education, healthcare and human security for all. Christians should acknowledge their share in the injustices in today's world and join an anti-poverty strategy that will bring an end to poverty and hunger.

The original version of this was created by the Amity Foundation Board Secretary in collaboration with the Amity Foundation Investment Consultative Committee

CHRISTIAN

BAPTIST LOTT CAREY BAPTIST FOREIGN MISSION SOCIETY

The Lott Carey Baptist Foreign Mission Society was started in 1897 by African-American Baptists who wanted more international Christian missions, especially to Africa. It was named after Rev. Lott Carey, who was born as a slave in Virginia in 1780, bought his freedom, and in 1821 led the first Baptist missionaries to Africa from the United States where they settled in Liberia. Today the Lott Carey Baptist Foreign Mission Society is a multicultural, ecumenical, global Christian missional community born of African-American Baptist heritage. It has a network of more than 2,500 churches exceeding one million members. It manages US$900,000, invested in a combination of stocks and bonds, in collaboration with an investment advisor. Around 60% of the portfolio could possibly be available for FCI products.

Principles
In our investment principles we are committed to stewardship of the earth: caring for the earth for the earth to care for humanity. In addition we are committed to ending predatory lending practices that exploit the poor, and to supporting innovations that help poor people to have constructive relationships with financial institutions.

We follow principles of community and neighbourliness as found in the Old Testament. American Bible scholar Walter Brueggemann has described the notion "that imagination is the capacity to image a world beyond what is obviously given… I think that's why people show up at church. They want to know whether there is any other world available than the one that we can see, which we can hardly bear." That "other world available" can refer, in Christianity, to life after death or beyond this life; but it can also relate to a good world that we can imagine into being in the future. It is this that financial investments, and faith, can join together to help come into being.

Screening

There is already negative screening to avoid investing in companies producing alcohol, gaming, arms manufacturing and distribution, and private companies that manage military or prison industrial complexes.

However investment guidelines are currently under construction for review and approval or amendment by the Board of Directors to include positive faith-consistent investment according to our community. Our inclination is towards investing in transformation and sustainable agricultural and technological solutions in the Two-Thirds world, with particular interest in Africa and the Caribbean.

In the Future

In order to direct financial investments to faith-consistent ends Lott Carey would like to create, and have access to, web-accessible written materials and podcasts etc that make the connection between biblical/theological principles, investment guidelines, and the implication of faithful investment strategies for creation and humanity.

The Board of Directors Investment Committee Task Force is currently creating guidelines from these principles for review and approval or amendment by the Board of Directors

CHRISTIAN

CHURCH OF SWEDEN

The Central Board of the Church of Sweden adopted its current financial policy in 2010. The most recent update is from 25 January 2017. In October 2017 almost 8 billion SEK (around US$935 million) are held in assets, as a buffer capital invested for the long-term interest of the Church, according to all ethical and sustainable requirements)

> "Financial assets are also to be managed in an ethically consistent manner, in accordance with the fundamental values of the Church."
>
> *(Church Order, Chapter 51, Section 2, Paragraph 2)*

Two moral principles guide investments

Two fundamental moral principles guide our work in managing assets in the Church of Sweden: the principle of human dignity and the concept of stewardship.

1. The principle of human dignity

The idea that all human beings are of equal value is a cornerstone in Christian ethics and democratic societies. The principle of human dignity leads to negative as well as positive obligations. The negative obligations set certain defined limits for our actions. Every human being shall be treated with respect, and may not be unduly exploited. Positive obligations, on the other hand, require active involvement in promoting the wellbeing of others. The positive obligations are related to demands for equitable distribution of resources and equality among people, and have their roots in the prophets of the Old Testament. With the principle of human dignity as a base, we are able to argue for various types of human rights.

2. The concept of stewardship

Stewardship is an important theme in the Bible and is highly relevant in asset management. In this concept, the assets at our disposal are to be regarded as gifts given to us by God, to be used in the service of all human beings. Humankind is a caretaker of God's gifts. This makes us responsible for the welfare of people as well as the rest of Creation. It means that we can use various natural resources to satisfy human needs while also caring for the natural world, because of its own intrinsic value and because of the needs of future generations.

As part of their commitment to stewardship of the natural world, the Church of Sweden pledged in 2016 to work to manage its environmental impacts, "leading to continual improvement"; to allow an environmental perspective to permeate everything it does; to follow environmental laws, regulations and requirements, and to be "a positive driving force through policy dialogue, purchasing and asset management to promote sustainable development."

In line with the UN's Principles for Responsible Investment the Church also pledged to capitalise on its ability to influence, work for transparency, report on our own work and ensure that these principles are adopted by more investors.

> "We want companies to actively contribute to sustainable development by adhering to the UN SDGs. Included in these 17 goals are also climate issues, clean water, aquatic and land animal life and protection of natural reserves."

What is it to be a responsible investor?

- Select asset managers who have the competence to integrate ESG in analyses and investment decisions.
- Focus on responsible corporations and refrain from investing in sectors that are problematic in regard to the Church's fundamental values.
- Make use of our opportunities as asset owners to influence individual corporations, sectors and the financial market in general. We can do this

independently or in conjunction with others. Beyond ongoing asset management this influence can be expressed by making our position clear and influencing public opinion; engaging with corporations and representatives from the financial sector etc; developing new investment products in conjunction with asset managers; supporting and being engaged in different initiatives in Sweden and internationally.

Investments are in responsible corporations that contribute to solutions

Asset managers for the Church of Sweden's assets are expected to select companies based upon benefits to society in which the SDGs provide direction. What this means is that companies shall contribute, through their goods and services, to sustainable development or work systematically and goal oriented with issues that concern the environment, human rights and the alleviation of poverty where these issue touch upon their business activities. It also concerns issues that deal with corporate governance, e.g. corruption, remuneration systems and transparency. Focus is on companies that:

- Integrate sustainability into their business models and strategies.
- Report on and follow-up their sustainability work based upon, for example, their codes of conduct and other guidelines and commitments.
- Adhere to international regulations designed to protect human beings and the environment and also take action to correct faults and shortcomings. Companies should utilise their abilities to influence throughout their entire values chains.
- Make positive contributions economically, environmentally and socially to affected communities. Limit their negative effects on the environment and act with consideration for the current and coming generations by, for example, using the best available technology and reducing their use of natural resources while at the same time protecting them.
- See new business opportunities by contributing to a reduced use of natural resources in a world where these resources are diminishing.

Climate adjustment to the portfolio

The Church of Sweden perceives climate change as a serious threat to Creation. In 2009 the church divested from companies that extract fossil energy sources. The Church of Sweden actively looks for companies that offer sustainable "climate smart" goods and services. It has entered in a few climate impact funds that reduce emissions in various ways (energy efficiency, renewable energy, forestry protection).

Less focus on benchmarking

Succeeding in the first case mentioned above requires that the asset manager find companies that have processes and products that contribute to the conversion to a low-carbon economy. It is sometimes difficult, while actively managing funds, to achieve a low Tracking Error (the standard deviation between the yield of the fund and the yield of the benchmark) in indices such as MSCI World or DJSI. This is due to the fact that the large oil companies and other fossil-fuel extraction companies make up a significant portion of these indices.

CHRISTIAN:

EKD: GUIDELINE FOR ETHICALLY-SUSTAINABLE INVESTMENT IN THE GERMAN PROTESTANT CHURCH

The Evangelical Church in Germany (EKD) – Evangelische Kirche in Deutschland – is the umbrella organisation of 20 Lutheran, Reformed and United regional Churches in Germany. German Protestant church structures are based on federal principles at all levels. The EKD has 23 million members, representing nearly 28% of Christians in the population.

People entrust their money to the Church to facilitate the work it carries out. The Protestant Church thus considers its management of church funds as a responsibility before God and the people. This applies to all financial transactions of the Church, and in particular to financial investments. Commissioned by the Council of the Evangelical Church in Germany (EKD), the Working Group of Church Investors in the German Protestant Church (AKI) have developed a 56-page Guideline for Ethically-Sustainable Investment in the German Protestant Church, designed for church and institutional investors, and also to help private users. In 2016 the AKI issued a third edition, in which positive criteria for government bonds and derivatives were added to existing sections on positive criteria for companies, countries, microfinance, real estate, commodity, agricultural investments, and notes on active shareholder engagement. In 2017 it added chapters on Climage strategies and Green bonds.

The Christian basis for choosing investments
Martin Luther reminds us in his Small Catechism of 1529 to love and trust in

God and to do good according to his commandments. In his explanation of the seventh commandment, Luther elaborates: "We should fear and love God that we may not take our neighbour's money or property, nor get them by false ware or dealing, but help him to improve and protect his property and business [that his means are preserved and his condition is improved]."

In the Leuenberg Agreement of 1973, agreed by members of the Community of Protestant Churches in Europe it specifically says: "They [the Christians] know that God's will, as demand and gift, embraces the whole world. They stand up for justice and peace on earth between individuals and nations. In consequence, they must join with other people in seeking appropriate rational criteria and play their part in applying these criteria."

In line with this agreement, church activities in the field of investments should accord with God's Commandments and the Church's Mission, not contradict them. The Church's Mission consists in the proclamation of the gospel, socially responsible actions (in terms of Diaconia), and in the commitment to peace, justice, and the assumption of responsibility for the integrity of creation for this world. Being a Protestant Christian also entails the freedom of conscious choice in view of one's own responsibility before God and man.

Investment objectives may be complementary, neutral, or may compete with each other. When investment objectives are complementary, the measures to attain one objective can also benefit the pursuit of other objectives. When the measures to obtain one objective have a negative impact on the pursuit of another, these objectives are then mutually competitive. The task of the investors is to optimize their investments while pursuing multiple goals.

Avoid—Promote—Design are attributes that have been used to establish several instruments for financial markets which help to guide investors in making ethically sustainable investments. They are:

- The laying down of exclusion criteria.
- The inclusion of positive criteria.
- Ethically sustainable themed and direct investments.
- Active engagement (business dialogue and/or exercise of voting rights).
- Membership in initiatives that correspond to the intentions of this guideline.

Negative screening

Excluded are the following types of companies: those involved in the development or manufacture of armaments; producing liquors (minimum alcohol content 15%); manufacturing tobacco products; conducting controversial forms of gambling; manufacturing products that violate human dignity with denigrating and degrading portrayals of persons; producing genetically modified crops; producing coal or oil from oil sands. Also, excluded due to their controversial business practices are companies, who themselves or whose suppliers systematically violate human rights, especially companies responsible for removing previous users from their land, and companies tolerating inhumane labour conditions and child labour.

The guidelines acknowledge that companies listed on the stock exchange are usually broadly diversified. This implies that within a company there may indeed exist individual business divisions, which an investor rejects for certain reasons. As long as the share of this business division in the total company turnover does not amount to more than ten per cent maximum, exclusion should be discouraged for the sake of proportionality. In such a case, a direct business dialogue would be preferable to exclusion. However, companies involved in banned weapons should be excluded from investments regardless of the attributable share of turnover.

In addition the guidelines exclude purchasing government bonds in countries: whose level of peacefulness ranks "very low" according to the Global Peace Index produced by the Institute for Economics and Peace; practicing the death penalty; classified as "not free" (as identified by Freedom House); perceived as highly corrupt (rating below 40 in the Transparency International CPI rating; whose climate performance ranks in the "very poor" category of Germanwatch's Climate Change Performance Index.

Positive criteria

Socially compatible criteria include a preference for companies:

- that assume shared responsibility for the labour conditions in subsidiaries and suppliers worldwide, or have issued anti-discrimination programmes.
- promoting further training for its entire staff.
- with directives on the employees' right to assemble, on reasonable working hours, or in favour of minimum wages.

Ecological criteria include a preference for companies:

- campaigning for the reduction of pollutant emissions as well as a decreased consumption of commodities, water, and energy.
- that develop and promote regenerative energy sources.
- that have environmental policies

Intergenerational justice include a preference for companies:

- that actively promote measures for infrastructural development and the construction of schools or expansion of water and power supply systems.
- developing products with a sustainable life cycle, e.g. by using sustainably produced commodities, or organically degradable ingredients
- that guarantee health care within a community/society, or engage in research on thus far neglected diseases.
- whose activities cause minimal impact on climate change.

Green Bonds and Climate strategies (added 2017)

The *Climate Strategies* document compiled by and adopted by AKI in 2017 included the requirement for fund managers to take into account a variety of dimensional decisions on the climate impact of their investment, with guidelines for doing this. It stated that "Climate protection is a cross-sectional task that must be addressed not only by church investors but by churches in general. Thus a climate strategy for financial investments of the Church should be embedded in comprehensive catalogues of measures, and communicated as part of a climate protection concept that encompasses all life areas of the Church." The full document can be downloaded from the ARC website.

With Green Bonds (or social bonds), two requirements for sustainable investment can be met simultaneously, which until now could only be implemented by using a variety of instruments. Most Green Bonds have a risk/reward ratio that is largely identical with conventional bonds, and proceeds of the issue are invested into projects meeting specific ecological or social criteria.

Regardless how well documented Green Bonds are, sustainable investors are still confronted with the essential question whether those bonds should be purchased from issuers who have not made it on their individual list of sustainable responsible companies. Should one, for instance, purchase a Green Bond from a nuclear power plant whose operator credibly claims to use its proceeds exclusively for regenerative energies?

Rating the sustainability of Green Bonds is more complex than rating other bonds, given that both the issuer as well as the specifically bond-funded project must be assessed. The following possibilities are the outcome of this for investors with ethically-sustainable goals:

1. They go by the issuer's sustainability assessment only and buy bonds from issuers who meet their criteria regardless whether these are Green or conventional bonds.

2. They go by the issuer's sustainability assessment and the project funded by the bonds. That is, they only buy bonds from issuers who meet their criteria. If such an issuer provides Green or Social Bonds these are given preference.

3. They only go by the sustainability assessment of bonds-funded projects. That allows purchasing Green Bonds from issuers, who do not meet the criteria of the investors and whose conventional bonds would be usually avoided. In this case, however, further regulations should be introduced and observed.

Investors also need to ask which categories of projects are covered by the investor's sustainability criteria and what information on the projects being funded is expected.

CHRISTIAN:

EVANGELICAL REFORMED CHURCH OF THE CANTON OF ZURICH

The Evangelical Reformed Church is a member of the Federation of Swiss Protestant Churches. It traces its roots back to the Reformation, which came to Zurich in 1519 when Ulrich Zwingli became Leutpriester at the Grossmunster in Zurich. It has around 440,000 members with around 170 parishes and 450 clergy.

Investment activity is not one of the core tasks of the Church. However, financial funds that are held will be managed responsibly by the Church Council which strives for a sustainable investment policy. Of the CHF 7.4m (US$7.5m) held in 2017, the target is for 30% to be in shares and funds; 60% in bonds and 10% in the money market.

There is currently no specific set of guidelines on faith-consistent investment adopted formally by the Reformed Church. And up until now there is no positive screening

Positive Screening

For the Church, ethically sustainable, socially and ecologically responsible investment behaviour is an important task. There is an active preference for investing in companies characterised by sustainable entrepreneurial value creation.

It is important in investment, as for many aspects of Church activity, that the needs of the present generations are satisfied, but that future generations are remembered, and given the opportunity to meet their needs.

Although it does not currently have an FCI policy the Church would find it helpful to learn from positive examples from other churches of religions.

Negative screening
The Church will not invest in companies that:

- Violate social and environmental standards
- Manufacture or trade armaments
- Systematically violate human rights systematically
- Exploit resources irresponsibly

The negative screening is currently done by the bank with which the Church funds are invested.

This paper was written by Stefan Grotefeld, head of the Lebenswelten department of the Reformed Church of Zurich

CHRISTIAN

MERCY INVESTMENT SERVICES

Mercy Investment Services is the combined investment program of the Sisters of Mercy of the Americas (USA, Central and South America, Philippines, Jamaica and Guam) and 45 of their sponsored ministries. Mercy Investment Services does not disclose assets under management; however, its investment program includes a global equity pool, three fixed income pools and three alternative investment pools. In addition, as part of its asset allocation, 2% of funds are invested in its impact investing program, Mercy Partnership Fund, which supports underserved communities globally and expects a less than market-rate return.

Exclusions from investment

Mercy Investment Services excludes the producers of the following products based on specific revenue thresholds:

- Abortifacient drugs or devices;
- Nuclear, chemical, biological weapons and firearms;
- Tobacco;
- Thermal coal and oil sands;
- Embryonic stem cell research;
- Pornography;
- Derivative investments in food commodities.

Positive screens

Mercy Investment Services also has established a set of positive screens that managers incorporate into investment selection:

- Advancement of women and underrepresented populations;
- Board diversity;
- Just employment practices and vendor standards;
- Effective environmental policies to promote sustainability of life, especially water;
- Protection of human rights;
- Promotion of non-violence.

Impact Investing
For more than 20 years, the Sisters of Mercy have focused a portion of their investments in global community investments, which expect a less than market-rate return, in affordable housing, community facilities, environment/energy, global health, job creation, small business/co-op growth, sustainable agriculture, and women. Mercy Partnership Fund currently has 57 investments in 30 countries.

In addition, Mercy Investment Services currently holds approximately 2% of its portfolio in its market-rate alternative fund, which invests in projects in various social and environmental impact areas. In just the fourth year of this fund, the market rate allocation is expected to grow to approximately 4% of the total portfolio in the next several years. This allocation includes the Environmental Solutions Fund, which has funded global projects for expanding renewable energy, energy and water efficiency, sustainable agriculture, green buildings, and materials recycling.

Finally, Mercy Investment Services views its total portfolio as activated toward impact, and engages 145 companies owned in its global equity pool on a broad range of environmental, social and governance issues, including the SDGs. Focus areas of engagement include: human rights, human trafficking, access to affordable health care globally, environmental sustainability (climate change/water) and responsible governance practices such as lobbying and political expenditures and board diversity.

The principles behind the investment strategy
As a Roman Catholic organization, Mercy Investment Services is guided by the teachings of the Roman Catholic Church, including writings such as Laudato Si and its call for ecological conversion and to assist those persons in poverty with access to basic resources, clean energy supply, etc.

Mercy Investment Services is also guided by the Direction Statement and Critical Concerns of the Sisters of Mercy: inspired by the life of Jesus and by their founder, Catherine McAuley, the Sisters of Mercy envision a just world for people who are poor, sick and uneducated. The Sisters of Mercy are women of faith who commit their lives to God and their resources to serve, advocate and pray for those in need around the world. They focus their efforts on Critical Concerns, which the Sisters recently reaffirmed in the following statement:

Grateful for the many people of all nations and races and religions who continue to seek justice and to love their neighbours, we choose to recommit ourselves to:

- grow in the practices of nonviolence and peace-making;
- honour our own internationality and the dignity and worth of all persons;
- seek interracial understanding and equality;
- care for Earth, attending to the issues of climate change, the human right to clean water, and the dangers of extractive industries;
- always respecting the dignity of each person;
- serve and advocate with and for persons who are impoverished or marginalized;
- accompany immigrants, refugees and victims of human trafficking in their quest for safety, freedom, and a better life; and
- defend the lives, dignity, and equality of women.

The Future

Mercy Partnership Fund recently refined its impact focus areas to invest in organizations, funds and projects that align with one or more of its impact objectives and anticipates increasing its investments globally:

- Reduce economic poverty for individuals and their communities, within the USA and globally, especially those underserved by traditional sources of capital
- Support economic, health, and educational opportunities for women, children, immigrants, refugees, and people of colour
- Protect the environment to ensure current and future generations globally have access to:
    - *Clean water and sanitation*
    - *Affordable and clean energy*
    - *Sustainable agriculture and food systems*
    - *Sustainable fisheries and aquaculture*

Mercy Investment Services has developed impact measurement systems for Mercy Partnership Fund and its shareholder advocacy program that will track their impact effectiveness based, in part, on alignment with applicable SDGs.

Mercy Investment Services is also committed to identifying additional projects in the Environmental Solutions Fund and the market rate alternatives pool impact fund to meet its social and environmental impact criteria that align with applicable SDGs.

CHRISTIAN

METHODIST CHURCH IN BRITAIN AND THE WESLEY GROUP

There are some 1,600 active Methodist ministers in the UK, 4,552 places of worship and around 195,000 members. Around £1billion of Methodist money is invested in stocks, shares, bonds and other schemes. This money comes from individual churches and circuits, as well as national funds. All the money is invested in line with ethical principles. As at 31 August 2016, the Methodist Church held fixed asset investments with a market value of £164 million (US$216m). Methodists have their own investment agency, the Central Finance Board (CFB), which has the job to manage the funds and get good returns on their investments whilst making sure that the investments are in line with the moral and ethical teaching of the Church - such as not investing in companies that profit from alcohol, gambling, pornography or the arms trade.

From its base in the City of London, the CFB is a Christian witness in the investment community. By acting as shareholders of major companies, including some listed on the FTSE-100, it can influence decisions and vote in shareholder meetings. This provides Methodists with a powerful voice at the heart of economic life in one of the world's most important financial centres.

This document has been prepared in collaboration with The Wesley Group (MIC Ltd), which has financial assets of around £50 million (US$65m). The Wesley group manages the Wesley Euston Hotel and Conference Centre, "the first ethical hotel in London", and in 2012 became the only London hotel to earn the Social Enterprise Mark. It picks Fair Trade suppliers, is registered to the City of London Climate Pledge, observes ISO 14001 standards, has improved water efficiency, has waste segregation programmes, sources most of its food locally, uses only free range eggs and meat (as minimum standards) and only uses ingredients from sustainable suppliers. "We don't just take our suppliers' word for it. Instead, we background check every vendor and personally visit the farms."

Principles of Investment

John Wesley, the cofounder of Methodism was born in 1703, the 13th of 18 children (of whom nine survived). They struggled for money and Wesley once saw his father, an Anglican priest, arrested and taken gaol for his debts. As he grew up Wesley thought a great deal about money and what it meant. He came to believe that when income increased, what should increase was not your standard of living but your standard of giving. He gave a sermon titled "Use of Money", in which he said: "The love of money," we know, "is the root of all evil;" but not the thing itself. The fault does not lie in the money, but in them that use it. It may be used ill; And what may not? But it may likewise be used well." In that sermon there were three rules about money.

1. "Gain all you can…"

But what we "ought not do is gain money at the expense of life, nor (which is in effect the same thing) at the expense of our health." He said that no idea of making a profit should induce us to enter into any employment which impairs our constitution, giving as an example those employments "which imply the dealing much with arsenic, or other equally hurtful minerals, or the breathing of an air tainted with steams of melting lead, which must at length destroy the firmest constitution". He thus prohibited gaining money through industries that pollute the environment or endanger workers. He also prohibited pawn-broking, selling goods below the market price ("we cannot study to ruin our neighbour's trade, in order to advance our own"), selling anything which impairs health, in particular spirituous liquor

2. "Save all you can"

When people spend money on things they do not really need, they begin to want more things they do not need. Instead of satisfying their desires, they only increase them: "Nothing can be more certain than this. Daily experience shows that the more they are indulged, they increase the more." He especially warned against buying too much for children. People who would never waste money on themselves might be more indulgent with their children. "Why should you purchase for them more pride or lust, more vanity or foolish and hurtful desires?"

3. "Give all you can"

Tithe your money and then give more. And invest well what you keep. "Nor, indeed, can a man properly be said to save anything, if he only lays it up. You may as well throw your money into the sea, as bury it in the earth. And you may as well bury it in the earth, as in your chest, or in the bank of England. Not to use, is effectually to throw it away."

In 2000 Methodists adopted the Methodist Environmental policy, which affirming challenging all Methodists "to care for the earth by following sustainable practice and taking into account global and local environmental considerations for present and future generations: in the conservation and use of resources in the Church and at home; in helping to develop more sustainable lifestyles; in active involvement in Local Agenda 21 and other community initiatives; in concerns for action on global environmental initiatives."

Negative screening

Methodist organisations, including MIC, do not conduct business with, or invest in, companies that are wholly or mainly involved in alcohol, gambling, high interest lending, tobacco or pornography.

Positive screening

During 2015/2016 the Joint Advisory Committee on the Ethics of Investment (JACEI) advised the Methodist CFB on a wide range of ethical issues including: organising a fossil fuel roundtable meeting; assessing oil and gas companies against the Climate change: Implications for different fuels' policy leading to divestment from three companies and listing of a further six for exclusion from investment; leading an investor coalition in co-filing a shareholder resolution at the Anglo American AGM on carbon disclosure and transparency on policy positions in relation to climate change; meeting with mining companies to discuss community relations and environmental issues; engaging with Dignity, the largest UK provider of funerals asking them to support the Fair Funerals Pledge. Recently the CFB has been working with the

Carbon Disclosure Project and is a founding partner of the Transition Pathway Initiative that assesses companies' expected future performance on carbon emissions.

Case study: The Living Wage

In 2011 the Methodist Church was the first UK church denomination to pay the Living Wage. That same year the Central Finance Board began a programme of engagement with UK companies on the subject. The Living Wage is based on the cost of living in the UK. In contrast the new compulsory minimum wage for staff aged over 25, which the government has confusingly called the National Living Wage, relates to labour market conditions rather than a family's need and is calculated on the basis of what the market might be able to bear without significant disruption. Over the past five years the CFB's engagement with companies has had considerable success. Of 19 companies originally targeted, 12 (including Lloyds, HSBC and Pearson) have either become Living Wage employers or have moved significantly towards adoption.

The Wesley Hotels section was compiled by trustees Stuart Burgess and John Nyota. The wider Methodist Church in Great Britain details were taken from the Methodist Church Consolidated Financial Statements September 2015–August 2016 and www.cfbmethodistchurch.org.uk/ethics/ and www.methodist.org.uk

CHRISTIAN

MISSIONS OF THE SOCIETY OF JESUS FUND

The Missions of the Society of Jesus Fund (General Curia of the Society of Jesus) manages a nine figure fund. This is primarily made up of actively managed funds and is currently 65% equity, 18% Fixed; 15% Alternative; 2% Cash. A minimum of 10% of assets is dedicated to positive impact funds which seek to aid the poor or improve the environment. Currently investments are screened by an investment consultant who is constantly looking for funds that have a positive screen and which meet investment history standards.

The principles behind the investment
The funds are managed with an ethos inspired by Laudato Si', the Papal Encyclical of 2015, in which Pope Francis urged us to be positive in approach to the world, supporting efforts that help.

Catholic Social Teaching also asks us to not participate in certain areas. Given our structure of actively managed funds it is difficult to use a negative screen. However in choosing between two funds, how a fund approaches social issues regarding life would have an effect on our decision.

The future
Positive "impact" could be easily watered down, therefore the need to have some strict criteria that assure that the positive impact is indeed focused on improving a negative situation in the environment or the state of the poor. Secondly there is a need to be able to evaluate whether indeed there was a positive impact.

Current investment guidelines could be adapted in future to establish widely accepted benchmarks to determine if a fund (a) qualifies as an impact fund, and (b) to what degree it has accomplished a positive impact as intended.

The investment industry needs to know that there is a "market" for these types of investment funds. To have a sense of what amount of monies might be available for such funds could encourage investment managers to create funds and metrics to attract investors seeking to make positive contributions through their investments.

Flexibility is key. Having a one-size-fits-all approach will not work. Giving steps and various strategies to investors will increase the involvement. It also has to incorporate models as simple as local investing in areas where investment skills are very basic, and as complicated for investors with highly trained staffs and consultants.

Convincing people of the importance of doing this, and how it is within their fiduciary responsibility is always the ongoing challenge.

These details were compiled by J Thomas McClain SJ on behalf of the Missions of the Society of Jesus Fund. They reflect the contents of the Investment Policy which has been reviewed by the Investment Committee and the General Treasurer.

CHRISTIAN

OIKOCREDIT

The Oikocredit Ecumenical Development Cooperative Society (EDCS) was founded in 1975 by the World Council of Churches. It was initially led by activist young priests looking to pioneer a financial instrument which would deliver a blend of positive social and financial returns for churches, while giving the poorest segments of the population the financial investment to lift themselves out of poverty. It has total assets of Euros 1.2bn (US$1.4bn) and has over 800 social enterprise partners in 70 countries.

Oikocredit is both a co-operative and social investor, and provides an investment opportunity for the public — both individuals and organisations. Investment is by way of depository receipts in the Oikocredit International Share Foundation (OISF) and can be in GBP, Euros, Swiss Francs and other currencies. An annual gross dividend of up to 2% has been paid every year since 1995. Investors have always had their capital repaid. The minimum investment is £150 or €200. There is no maximum investment, no required notice period for withdrawals, and no annual management charges. Investments can be made as lump sums or instalments. Terms and conditions apply. Investments are not covered by a Financial Compensation Scheme and are potentially illiquid. Although depository receipts have similar characteristics to ordinary shares, they do not come with voting rights, thereby protecting the triple bottom line mission of Oikocredit and ensuring a sustainable balance between financial, social & environmental returns.

Over 80% of investors' capital reaches the field within 3 months, with a further 15% held statutorily on reserve for liquidity.

Oikocredit is supported by many churches and faith-based organisations; many are member-shareholders of the Oikocredit co-operative.

Current investment activities

Oikocredit's current investment activities focus on three key areas:

1) Inclusive Finance (€ 815m): Oikocredit provides loans, equity and other support to inclusive finance enterprises, including microfinance institutions, co-operatives; non-banking financial institutions; banks offering diverse financial products; small-to-medium-sized enterprises (SMEs), and wholesale funds. These inclusive finance partners work with the most financially-excluded individuals and groups to help them borrow and save responsibly. Women and rural communities are a particular emphasis.

2) Agriculture (€157m): As one of Oikocredit's strategic growth sectors, we support small-holder farmers by providing financial and technical assistance to agricultural co-operatives, fair trade producers, suppliers and distributors. We place particular emphasis on ensuring that they can secure fairer, more robust positions in the value chain and build greater resilience in the face of climate change.

3) Renewable Energy (€40 million): investing in ventures that provide affordable, renewable energy to underserved regions in a way that is economically, socially and foremost environmentally sustainable.

Screening

During the screening process for potential partners, we use environmental, social and governance (ESG) scorecards – one for financial intermediaries, another for production and services enterprises – to assess potential partners.

Selection criteria also include a clear focus on the outcomes for low-income communities, commitment to social development and environmental sustainability, ability to create jobs and incomes, good governance, effective management and gender inclusion.

We agree strict Client Protection Principles (CPP) with our partners and will withdraw from an investment if a partner is not placing clients at the centre of what they do, or is charging excessive interest rates.

Principles
Oikocredit is guided by the principle of empowering disadvantaged people in low-income countries. We seek to create a global, just society in which resources are shared sustainably, and all people are empowered with the choices they need to create a life of dignity. We therefore challenge all to invest responsibly and provide financial services and support organizations with capacity-building to improve the quality of life of low-income people or communities in a sustainable way.

Our mission and associated social performance measurements align with many of the SDGs – particularly 1 (no poverty), 2(no hunger), 5 (gender equality), 7 (affordable energy) and 8 (decent work and economic growth).

Negative screening
Oikocredit never finances organisations (or holds money in term investment funds) that are involved in activities such as child labour, arms production, explosive, or dangerous materials and fossil fuels. We furthermore use rigorous criteria to select and monitor the financial, social and environmental focus of our partners. Our social enterprise partners must be:

- Experts in inclusive finance, agriculture and renewable energy projects that will create income and jobs for financially-excluded groups - particularly women and rural communities.
- At mid-stage growth, revenue-generating, financially sustainable (or can soon become so) and have suitable governance in place.
- Demonstrating a clear need for foreign investment and are looking for equity or debt funding of between €2m and €15m+.
- Focusing on activities that promote fair trade principles and adhere to strict client protection principles.
- Appointing women to influential management and/or implementational roles.
- Placing responsible social and environmental impact at the heart of what they do, including adequate measuring and reporting of impact metrics.

While Oikocredit's ecumenical values and mission guide the co-operative culture and activities, we do not use our faith to filter out investments. We invest in partners across 70 countries across Latin America, Africa, Asia and central & eastern Europe. Diversity is central to our activities, while our mission remains centred around poverty alleviation and other goals, irrespective of faith.

The Future

The notion of socially responsible investing is still young, although gathering increased interest from churches, governments and private individuals as an additional way to help overcome some of the biggest world challenges alongside donations and grant funding. There is some way to go in building awareness for the social investing sector, Oikocredit, and educating the public on the role that it plays in improving peoples' lives and the planet in low-income and developing countries.

This document was compiled by Monica Middleton, National Director, Oikocredit UK & Ireland

CHRISTIAN

OBLATE INTERNATIONAL PASTORAL INVESTMENT TRUST

The Missionary Oblates of Mary Immaculate are a Roman Catholic congregation of priests and brothers founded after the French Revolution by St. Eugene De Mazenod to work among the poor. Today there are nearly 4,000 missionaries working in more than 60 countries and in the USA there are more than 300 priests and brothers. They care for the spiritual needs of people at shrines and retreat houses. They care for the material needs of the poor at hospitals, soup kitchens and other social service programs. For the year ended June 30, 2015 they had US$4.9 million in unrestricted net assets. At the present moment 32% of the fund is in private market and one-third of that amount fits into our working impact investing definition.

The Oblate International Pastoral Investment (OIP) Trust www.oiptrust.org was established by the Missionary Oblates in 1992 and it's investment philosophy is rooted in the Catholic faith tradition and strives to be consistent with that faith tradition.

It retains Sustainalytics, a provider of ESG research and ratings, to use the guidelines to screen over 10,000 companies that are constituents of the recognized market indices, which include developed, emerging and frontier markets. The guidelines serve as a basis for discussion with the general partners of alternative (e.g. private equity, venture capital, mezzanine debt) investments that are pooled.

The OIP actively votes its proxies and engages corporations, many times in collaboration with other faith-based investors through its membership in the Interfaith Center on Corporate Responsibility www.iccr.org . It participates in public policy debates and advocacy as they affect the rights and long-term interest of shareholders and their investment philosophy.

Negative Screening Criteria
Based on its faith-based principles and commitment to active ownership of shares the OIP does not invest in mutual funds, ETFs, or other investment products that would preclude the effective application of the guidelines.

1. Assault Weapons/Handguns
Companies that derive any of their revenue from the production or retail sale of assault weapons and/or the components of such weapons with the intent directly or indirectly for sale and/or distribution to the general public. In addition we avoid companies that have made lobbying contributions over the most recent fiscal year in opposition to legislation with the proposed intent of strengthening current regulations concerning the retail sale and distribution of firearms, including handguns.

2. Business Ethics
Companies involved in major controversies related to unethical business practices or identified as Non-Compliant or Watch List by the Global Compact Compliance Service.

3. Climate Change/Global Warming
Companies in developed markets that derive 50% or more of their annual revenues from the extraction of thermal coal; electric utilities companies that derive 50% or more of their overall owned capacity fuel mix from coal unless 20% or more of that capacity is from renewable sources. In developing markets: companies that derive 50% or more of their annual revenues from the extraction of thermal coal, unless their overall ESG performance rank is within the top quartile of their peer group; electric utilities companies that derive 75% or more of their overall owned capacity fuel mix from coal, unless their ESG performance rank is in the top quartile or they derive 10% or more of their overall owned capacity fuel mix from renewable sources. Also companies with 25% or more of their weighted reserves and/or production assets in the Oil Sands or with a stranded asset

risk (determined by the company's exposure to, and management of, carbon risk) in the lowest 50% of their peer group, unless their management of such risk is in the top quartile.

4. Employees
Companies involved in major controversies over discrimination, labour rights and/or working conditions.

5. Adult entertainment
Companies involved in adult entertainment

6. Environment
Companies involved in major controversies or incidents related to the environmental impact of their operations , contractors, supply chain, products or services. Businesses should support a precautionary approach to environmental challenges; they should undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

7. Human Rights
Companies identified as complicit in human rights violations. OIP pays special attention to jurisdictions where there is a high likelihood that companies may be complicit in human rights violations i.e. Central African Republic; Equatorial Guinea; Eritrea; North Korea; Saudi Arabia; Uzbekistan.

8. Life Ethics
Companies that own and/or operate one or more acute care hospitals or surgical centres that provide abortion services; that manufacture abortifacients; that derive 25% or more of their revenues from the manufacture contraceptives (except condoms). The OIP supports research that utilizes adult or somatic stem cells, but will not invest in companies involved in the use of embryonic stem cells or tissue derived from human embryos or foetuses.

9. Military Weapons
Companies that derive any revenues from the production of weapons of mass destruction or indiscriminate targeting, or components of such weapons. Also

that derive 50% or more of annual revenues from conventional weapons, weapons systems, weapons components, weapons services.

10. Relationships with Local Indigenous Communities
Companies involved in major controversies over their relationship with or impact on local indigenous communities. Compliance with the principles of Free, Prior and Informed Consent.

11. Tobacco
Companies that manufacture tobacco products; derive 10% or more of revenues from the supply of tobacco-related products including pipes, rolling papers, acetate tow or specialized packaging materials; derive 10% or more of revenues from the distribution and/or retail sale of tobacco products.

Positive Screening – Impact Investing Vision and Strategies
OIP has been engaged in the Impact Investing conversation and project from the inception of the discussion. In the Investment Guidelines Document crafted and published by the US Conference of Catholic Bishops in 1986 the principles of Do No Harm and Avoid evil were paramount but the guidelines also encouraged investment committees to adopt positive strategies to promote the common good. The Global Impact Investing Network (GIIN) launched in 2009 provided an initial framework, guiding principles and set of categories to increase the scale and effectiveness of impact investing. The strategies target a range of returns from below market to market rate.

The OIP has been supportive of these initiatives, especially through microfinance, low interest loan funds and targeted social impact funds. Investing in Private Equity (Market) funds and in Debt (private market) funds have been important vehicles. The OIP has followed the SDGs with great interest through our UN partner VIVAT and many of the themes and objectives resonate with our vision and mission. The OIP has worked from a broad set of categories including:

- sustainable agriculture,
- access to capital,
- access to medicines and invention of new medicine to address specific diseases,
- clean energy,

- infrastructure
- education

At the same time, the founding mission of the OIP and the religious charisms of our participants have informed this conversation. In addition, we have privileged geographies where our participants may have boots on the ground while recognising the risks and forecasts that some regions and market sectors display.

The original version of this paper was submitted by Father Seamus Finn of OIP

CHRISTIAN

PRESBYTERIAN CHURCH USA

The Presbyterian Church USA has around 1.5 million active members and some 20,000 ordained ministers in nearly 10,000 congregations. It is the largest Presbyterian denomination in the USA. Presbyterianism is a form of Protestant Church government in which the Church is administered locally by a minister, with a group of elected elders of equal rank. The Presbyterian Church USA has ordained women as elders since 1930 and as ministers since 1956. It was formerly known as the United Presbyterian Church in the USA. The Board of Pensions and the Foundation of the Presbyterian Church USA manage a combined total of some US$11 billion in assets under management. Both agencies are universal investors.

Investment background

In 1971 the 183rd General Assembly of the United Presbyterian Church USA adopted Investment Policy Guidelines which, affirming "the concept of using investments as tools for mission", were designed to "provide handles for the practical implementation of the concept."

Today the Presbyterian Church USA has detailed investment guidelines for itself and for congregation members, covering available in a dedicated section on its website pilp.pcusa.org. It has a team dedicated to loans and investments.

Through its Committee on Mission Responsibility Through Investment, the church issues an annual Divestment/Proscription List based on the policies of the General Assembly. The 2017 document contains a list of 50 named corporations that are out of compliance with the church's policies. These include: companies involved in military-related weapons production, tobacco, human rights violations or companies operating prisons for profit, a controversial policy of contracting third parties to run institutions, which can lead to poor conditions for prisoners, reduced safety, and poor rates of reoffending.

The prison industry in the USA made profits of some $5 billion in 2011 leading many banks to invest in them. However in the past five years many US faith institutions, universities and others have voted to divest from the private prison industry.

Theological underpinning

Much of the theological underpinning for the guidelines comes from the Presbyterian Confession of 1967:
www.presbyterianmission.org/resource/inclusive-language-version-confession-1967/

"God has created the beauty and vastness, sublimity and awfulness, order and disorder, the world reflects to the eye of faith the majesty and mystery of its Creator." (9.16)

"The members of the church are emissaries of peace and seek the cooperation with powers and authorities in politics, culture, and economics. But they have to fight against pretensions and injustices when these same will finally prevail." (9.25)

"His service to men and women commits the church to work for every form of human well-being." (9.32)

"God's redeeming work in Jesus Christ embraces the: social and cultural, economic and political, scientific and technological, individual and corporate." (9.53)

Positive and Negative principles

As well as principles on tobacco, alcohol, gambling and military-related and weapons production the 2017 proscription/divestment list for MRTI includes guiding principles on human rights and publicly traded for-profit prison companies and there is a proposal that will go to the 2018 General Assembly for the church to affirm and adopt an instrument to help measure progress with companies especially in the oil and gas industry.

Palestine and Israel investment guidelines

The Presbyterian Foundation has also adopted a program focused on positive investment in Palestine, called Transformational Investment. It recognizes Israel's right to exist as a sovereign state within secure, internationally recognized borders, as well as Palestinians' right to self-determination, including the right to establish a neighbouring, independent, sovereign state and is led by "the desire of all to establish a just and durable peace to which the end of occupation is essential."

The aim is to "make a difference in the lives of those most vulnerable, preserve an effective witness to peace in the entire region, be invested in the West Bank around issues of job creation and economic development, minimize Palestinian dependence on Israel or others, offer transparency of use and impact, and provide direct engagement with those who ultimately benefit".

The programme requires companies to confine "business activity solely to peaceful pursuits, and refrain from allowing their products or services to support or facilitate violent acts by Israelis or Palestinians against innocent civilians, construction and maintenance of settlements or Israeli-only roads in East Jerusalem and the West Bank, the Israeli military occupation of Palestinian territory, and construction of the Separation Barrier as it extends beyond the 1976 "Green Line" into Palestinian territories."

Environment investment guidelines "Caring for God's Creation"

The Board of Pensions has committed $100 million to climate change solutions. In collaboration with the Presbyterian Investment and Loan Program, a portion of the Church Loan Funds (for which the Foundation is the fiduciary) have been made available for loans that help PC(USA) congregations and ministries implement renewable energy or carbon reduction solutions. The goal is to provide loans to congregations to renovate their buildings using energy-efficient products in order to conserve energy, thus saving on costs and reducing carbon emissions.

The Foundation's subsidiary, New Covenant Trust Company, is providing fossil free managed strategies to congregations and other clients that desire a customized approach.

Creative Investments
The Creative Investment Programme was set up to invest funds on six continents for the promotion through investment of social concerns expressed by the General Assembly. Up to 10% of endowment funds held by the PCUSA are made available for creative investments. After an investment has been identified as creative, there are eight additional criteria for choosing it.

The future
Faith-based investors should codify:

- How can we expand the field of impact investment to further the [faith's] mission and ministry?
- How can we seek out companies that are doing good and encourage the growth of their efforts through investment?
- How can we encourage other companies to follow the models set by these "positive" investments?
- How will we quantify the impact that results from the investment and engagement work that we do?

For instance, FCI investors can include flexibility in their investment policies to provide for impact investments that may carry more risk or promise lower financial return than traditional investments, but which also offer a social return that furthers the church's mission (e.g. PCUSA permits up to 10% of its unrestricted portfolio to be invested in these ways.)

Because impact investments are often not tied to traditional markets, some impact investors use that segment of their portfolio as a hedge against downturns in traditional stocks and bonds.

Recommendations and lessons learned from creating guidelines
Faith groups that implement impact investment and positive screens will benefit from establishing goals and criteria for the investments up front. (e.g.

the Presbyterian Foundation's criteria for Transformational Investment in Israel-Palestine above).

The guidelines were compiled by Rob Fohr, Presbyterian Mission Agency of the Presbyterian Church USA, Katie Carter, Presbyterian Mission Agency, Presbyterian Church USA and Rob Bullock, Foundation of the Presbyterian Church USA, under the auspices of the Presbyterian Church USA's Committee on Mission Responsibility Through Investment (MRTI) and the Office of Faith-Based Investing and Corporate Engagement, Presbyterian Mission Agency, Presbyterian Church USA. Most have been reviewed or outlined by the General Assembly of the Presbyterian Church USA as well as the boards of directors of the Board of Pensions of the Presbyterian Church USA and the Foundation of the Presbyterian Church USA. Some have been reviewed by the board of the Foundation of the Presbyterian Church USA in concert with the General Assembly of the Presbyterian Church USA.

CHRISTIAN

QUAKERS IN BRITAIN

The Britain Yearly Meeting of the Religious Society of Friends (BYM) which is the centrally managed part of Quakers in Britain) has about £10 million (US$13 million) in directly-owned property and about £24 million (US$31 million) in financial assets, principally held in UK-listed equities. Other Quaker charities in Britain, including area Quaker meetings, schools, care homes, study and retreat centres, manage their own assets, but on broadly similar principles as those set out below.

Investment Policy
BYM invests ethically, consistent wi¬th its Quaker witness and true to its Quaker Testimonies. The 2014 Investment Policy for BYM includes five main principles which are the products of Quaker spiritual leadings:

- Truth and integrity
- Justice, equality and community
- Simplicity
- Peace
- The Earth and the environment

The Policy (which will be updated at the end of 2017) is used by BYM's investment managers to selecting stocks positively, and subject to the specific exclusion of tobacco, alcohol, gambling, prostitution and pornography, munitions and fossil fuel extraction.

Principles behind investment decisions
Quakers believe that a simple lifestyle, freely chosen, is a source of strength and no person's place in the world should be defined by material possessions.

Stories and teachings relating to investments and other activities are collected in our Book of Discipline called Quaker Faith and Practice which is updated about every 30 years and available online here: qfp.quaker.org.uk/

The chapter from 1994 on sustainability called Unity of Creation opens with a 1772 quotation from John Woolman, who was far ahead of his time when he said: "to impoverish the Earth now to support outward greatness appears to be an injury to the succeeding age."

British Quakers' growing concerns in recent years about the environment, inequality, arms trading, refugees, housing etc. have been recorded in minutes from annual meetings and influence subsequent Quaker activities. Minute 36 of Yearly Meeting 2011 committed us to become a low carbon sustainable community. Following that, BYM trustees decided on divestment from fossil fuel extractive companies. Minute 23 in 2012 shone light on failings in the UK economic system and Minute 36 in 2015 on inequality.

"We do not own the world, and its riches are not ours to dispose of at will. Show a loving consideration for all creatures, and seek to maintain the beauty and variety of the world. Work to ensure that our increasing power over nature is used responsibly, with reverence for life. Rejoice in the splendour of God's continuing creation." *Advices and Queries 42 from Quaker Faith and Practice, 1994 revision*

Environmental and sustainable features are embedded in the way BYM manages the properties it directly owns and runs. Friends House in London has been refurbished to very high energy efficiency standards; has won awards for the organic and local food it serves to visitors and staff; keeps bees and solar water heaters on the roof; and provides meeting space for many leading social and environmental campaigns.

BYM owns small areas of farmland and woodland in England but delegates the management to others. It does not invest in real estate or private equity asset classes.

The limits on areas of investment tend to be practical rather than based on principle. QFP does not intend to invest directly in non-listed private businesses which it does not fully own. It has neither the expertise nor resource to do so. QFP encourages its fund managers to seek out positive investments, but only where the scale and risk level make investment sense. They have holdings in renewable energy and environmental markets funds.

The returns from these investments are used to fund BYM central work in all the areas of the 5 principles above, including supporting the Divest-Invest movement, Operation Noah, Ecumenical Council for Corporate Responsibility, Campaign against the Arms Trade and other non-Quaker NGOs which work to influence corporations and investors to act more responsibly and sustainably.

BYM is also a member of the Church Investors Group, which, with far greater investment power, has been very active in engaging with oil, gas and mining companies to plan for a future in which CO2 emissions are severely constrained to meet the Paris COP targets. Recently QFP has undertaken engagement with portfolio companies directly for the first time, on corporate tax avoidance.

QFP will be interested to learn from others at the Zug event. It can also share the challenges and dilemmas of responsible investing with other Quaker asset owners in Britain and elsewhere.

Challenges
There are always tensions between the need for funds for Quaker work and the cost of making investment more complex or risky. There also needs to be a balance between the time devoted to investment as opposed to the time devoted to other Quaker work. There is a lack of suitable investment products, although we have asked our fund managers to keeping looking for more opportunities. The principal risks faced by BYM are short-term price volatility at a time of disinvestment, a permanent reduction in the capital value of investments, liquidity, inflation, deflation, interest rate volatility and exchange rate movements. Other risks include counterparty risk and environmental, social and governance risk. Trustees regard BYM as a medium-risk, long-term investor.

This paper was prepared by Susan Seymour, a Quaker who gives service on a national committee. The Investment Policy from which it is drawn was approved by the Britain Yearly Meeting of the Religious Society of Friends (BYM) Trustees in 2014. This policy is currently under review by the Trustees' Finance and Property Committee and will be updated later in 2017.

CHRISTIAN

UNITARIAN UNIVERSALIST ASSOCIATION

The Unitarian Universalist Association has funds of $552 million including an endowment of $182 million, a retirement plan fund of $337 million and outside trusts of $33 million. It invests 1% in community investments and will allocate up to 10% of the portfolio to private capital investments. Currently it is invested in two impact investments with commitments of $5 million.

Exclusions include tobacco and weapons. UUA avoids investing in companies in the lowest 5% on an Environmental, social and governance (ESG) analysis, and companies with serious controversies, as identified by Sustainalytics.

UUA favours companies with good ESG performance based on a semi-annual analysis from Sustainalytics.

How UUA invests
We contract with Sustainalytics to do an ESG analysis of the 1,000 largest US companies. We exclude the bottom 5% of scores and also exclude companies with serious ESG controversies. This comes to about 18% of the index by market cap. In our index strategy, we weight the portfolio towards the higher ESG scoring companies.

The above guides our direct investment in securities covering about 25% of the portfolio. In addition, when searching for outside managers, we seek those who incorporate ESG principles into their strategies and practice. Currently about 82% of the portfolio incorporates ESG.

The UUA is guided by our seven principles and by resolutions passed by our General Assembly. This is an annual assembly of delegates representing our congregations. They pass resolutions that guide the association. Those with the highest level of authority are called Statements of Conscience. In recent years the General Assembly has passed Statements of Conscience on climate change, ethical eating, and wealth inequality.

We are currently seeking investment opportunities in climate change solutions and access to energy.

In the future
We could be more explicit about criteria for impact investing and deciding what areas or themes have the highest priority. We could ask ourselves what is our risk tolerance for these investments and is it different from the rest of the portfolio? More specific guidelines would be helpful.

Sharing specific opportunities with other faith-based investors would be helpful. Perhaps new funds could be created for collaboration.

The full version of these responses has been approved by the UUA Investment Committee and UUA Socially Responsible Investing Committee.

CHRISTIAN

UNITED CHURCH OF CHRIST

The United Church of Christ (UCC) consists of approximately 5,000 churches primarily in the USA. There are nearly 1 million members. Its funds of more than US$4bn are managed by several discrete financial entities. While each articulates its own unique investment principles, all share a strong allegiance to the mission and values of the United Church of Christ. The UCC was a founding member of the Interfaith Center on Corporate Responsibility (ICCR).

The Pension Boards-UCC Inc manages health plans and retirement assets for nearly 24,000 clergy and lay leaders with around US$3.3 billion under management. United Church Funds (UCF) invests around $800M on behalf of UCC churches and institutions. There is a $59 million Church Building and Loan Fund, a $90 million UCC Cornerstone Fund (offering investments and competitively-priced loans to meet the needs of UCC churches) and a property and liability insurance program for more than 4,000 churches insuring more than $14 billion in property value.

Investing Principles

The UCC's purpose is to love God with all our heart, mind, soul and strength and our neighbour as ourselves. Our mission is that United in Spirit, and inspired by God's grace, we welcome all, love all and seek justice for all. Core Values are: extravagant welcome, continuing testament and changing lives.

In 1969 the UCC first issued responsible investing suggestions through its national assembly, the General Synod. It indicated that responsible investing is an appropriate method for a church-related institution to marry mission with assets.

"UCF will encourage our investment managers to use ESG key performance indicators when making investment decisions, as UCF believes that corporations with strong environmental, social and governance (ESG) policies and practices will outperform financially in the long-term."

Ministries of the United Church of Christ have used these principles not only to remove certain types of investments from our portfolios, but also as calls to action, including shareholder action on environmental, social and governance (ESG) issues. In these ways we promote diversity, gender balance, safe workspaces, community respect and resource protection.

Not every financial ministry of the UCC has interpreted the resolutions of the General Synod to include the same exclusionary or positive screening procedures. United Church Funds is in the process of updating its exclusionary screens to focus more on the environmental and social impacts of its invested corporations rather than traditional "sin stock" avoidances.

Investing into the Future

In 2015, the United Church of Christ's General Synod voted to affirm Socially Responsible Investing, which was defined as including but not limited to:

- Proactive investment in socially beneficial endeavours, behaviours and opportunities
- Dialogues with corporate leadership in pursuit of ESG changes
- Shareholder resolutions that call for better practices and more complete disclosures
- Exclusionary screens which seek to limit or avoid investment in certain industries on ethical or performance bases
- Divestment as a last resort, when other means of engagement and witness have failed over time to achieve the desired goal(s)

International calls for multilateral action, including the Paris Climate Accord and the SDGs, inform ongoing efforts among various parties of the UCC. Through our socially responsible investing programs, certain financial ministries are actively seeking alignment of invested companies with environmental and social goals through the shareholder engagement process. The UCC internally works cooperatively with the finance and relief and development departments in a way that facilitates mutual learning. Best Practices and standards from the areas of church-based relief and development include the Guidelines for One Great Hour of Sharing Offering, Special Funds and Endowment, Global Ministries (UCC/Disciples) Strategic Plan, and ecumenically produced ACT Alliance Quality and Accountability Framework with multiple policies included in International Mandatory Standards and Cross-Cutting Sectoral Policy Guidelines.

For example, the Wider Church Ministries of the United Church of Christ (a Covenanted Ministry) includes within its funding criteria and guidelines the alignment to "address at least one of the 17 United Nations' Sustainable Development Goals (2015-2030)."

Translating Limiting Investments into Positive Investments

Within the UCC there is no single set of prohibitions regarding investment. However, our various settings have adopted policies of non-investment in industries and practices that are antithetical to the understandings of the UCC. There have been calls for boycott and divestment on issues of human rights, environment, the military industrial complex, labour rights, and international conflict. These have led to intense study of ways that investment into positive ventures can be made.

UCF and the Pension Boards-UCC, Inc. have allocated approximately $20M to green bonds. UCF has invested in a municipal bond fund that tracks the social impacts of their bonds and quantifies the good it does for US communities. Various settings of the church have actively searched for international opportunities to promote peace in the Middle East.

Among the UCC financial ministries, the Church Building and Loan Fund is unique in its total commitment to an impact investing approach. In 2013 it set an ambitious goal that by 2020, all investments must have a stated ministry, mission and/or social justice and/or environmental return objective in conjunction with a financial return objective.

Through impact investments, the Fund seek to achieve the holistic notion of a 'blended' return, i.e. a combination of ministry, mission, social justice, environmental and financial returns. Impact investments may be market rate ("Financial First") or below market rate ("Impact First").

Toward this end, the Church Building and Loan Fund has allocated nearly $5m in impact investments including: $125,000 with Social Finance NY State Workforce Re-Entry 2013 LLC, one of the USA's first "pay for success bond" initiatives (assisting 2,000 returning citizens to successfully reintegrate into society); a $500,000 investment note with the Calvert Foundation targeted to affordable housing; $1m with Justine PETERSEN/Great Rivers Community Capital to establish credit repair and microfinance initiatives in up to four low-income communities in the USA and $2.6m with the UCF Beyond Fossil Fuel fund.

Next Steps

Each setting of the UCC will be invited to reflect on the FCI guidelines and may choose to use these guidelines to examine their current policies. According to the covenantal relationships of the United Church of Christ, some settings may choose to continue investing through their current guidelines and policies.

The full version of this paper was submitted by Katie McCloskey from United Church Funds and Patrick Duggan from the Church Building and Loan Fund.

DAOIST

EMERGING GUIDELINES ON HOW TO INVEST FAITH-CONSISTENTLY

Daoism (Taoism) emerged in China on the basis of what are known as the "One Hundred Schools of Thought" during the period 770–221 BC and in the East Han (25-220AD) Daoist organisations were formally established. Today it is estimated that 170 million people follow Daoism, with most of them living in mainland China, Taiwan, Japan and South-East Asia. Daoism gained its name from the word for Way – Dao 道– and it teaches how to follow the Natural Way of the Universe.

In contemporary China, the quest for something deeper and more significant than consumerist capitalism is drawing millions to seek wisdom in their ancient traditions. Daoism is increasingly being seen as a storehouse of such wisdom and, more than this, a way of life that can give vision, guidance and hope to millions.

There are at least 9,000 Daoist temples in China, some in very remote and ecologically important areas. In 2006 an initial 10 of them signed up to the Qinling Declaration, promising to protect the environment around their sacred land and buildings. There are now over 200 signed up to these principles. The key action points included:

- introducing ecological education into temple programmes, ensuring sustainable resources are used only in the context of temple construction (and by extension investing in only those building projects which generally adhere to these practices);

- reducing pollution particularly that caused by firecrackers and mass incense burning;
- using farmed land in a sustainable way;
- paying close attention to protection of local species and to sustainable forestry;
- using energy-saving technology;
- protecting water resources.

This declaration laid the basis for Daoist engagement with core issues with a specific focus on ecology. In the past decade the six key action points have been taken up by many more temples and followers, and have been adapted to reflect the direction Daoism believes its assets and actions should now focus upon. As Daoists begin to create new towns and cities according to their principles, and to invest in the future of China, it is these areas where their investment and vision are significantly concentrated.

Daoism in Investing

A key concept in Daoism is the balance of Yin and Yang. They represent two opposing but complementary forces in the cosmos. Though the two forces compete with each other, inside each one is the seed of the other. Without one there would not be the other, in the same way as there cannot be death without life or shadow without light. Only when they are in balance can the world prosper.

Daoism also has a tradition of non-usury stretching back to the 2nd century AD and encoded in the Taiping Jing.

This belief shapes how Daoists view development and climate change. According to this view, the earth is Yin and the heaven is Yang. When we burn fossil fuels taken from the earth and emit greenhouse gases, we are transforming Yin to Yang, thereby disturbing the balance of the cosmos. Global warming is a consequence of this imbalance and only when it is corrected can the world prosper. Destroying nature for the sake of development also causes disruption to the natural balance of Yin and Yang and should therefore be avoided too.

Compassion is important in Daoism. Daoist followers feel the need for compassion for "all under heaven", including humankind and all of nature.

This is because Daoism believes that the outer cosmos corresponds to the inner cosmos of the individual. Good acts will be rewarded internally with a sense of balance and peace. Therefore, Daoists strive to maintain a balance in the external world and between the external world and our human society. Certain elements of the SDGs such as peace and conservation are therefore particularly significant for Daoists.

Daoism and Prosperity

Daoism does not measure prosperity in terms of personal wealth or material abundance, but rather in the well-being of the planet and the number of species that co-exist with us harmoniously. According to Taiping Jing this puts the development of humankind at the same level as the relative well-being of all other species.

The Three Treasures of Lao Zi cast a clear light on the path to prosperity:

- to have compassion towards oneself, other people and this living planet;
- to live in simplicity, keeping our use of resources to the minimum and avoid exhausting nature's generosity;
- to refrain from competing with the others (meaning not just other people but other species and future generations) over resources.

Because the Dao concerns all life, not just human existence, biodiversity is seen as a manifestation of the wealth and creativity of the universal Dao. Protecting, treasuring and also making appropriate use of this diversity is therefore central to Daoist practice and all Daoism-consistent investment.

Daoism and Success

People should take into full consideration the limits of nature's sustaining power, so that when they pursue their own development, they have a correct standard of success. If anything runs counter to the harmony and balance of nature, even if it is of great immediate interest and profit, people should restrain themselves from doing it, so as to prevent nature's punishment. Furthermore, insatiable human desire will lead to the overexploitation of natural resources.

Areas of potential and actual Daoist investment interest

- Sustainable Traditional Chinese Medicine (TCM) and affordable medical facilities, resources and clinical care, consistent with Goal 3 of the SDGs.
- accessible education resources for all children and virtual and environmental education, both in the classroom and beyond. (Goal 4 of the SDGs)
- accessible water saving, sanitation and grey water treatment technologies (consistent with Goal 6 of the SDGs).
- FSC forestry, land restoration (e.g. restoration of post-industrial brown sites and creation of bio-diverse habitats).
- non-animal based organic plant TCM, and businesses that create sustainable incense, ink, paper, tea and other traditional Chinese cultural products. (Consistent with Goal 15 of the SDGs)
- solar energy (many temples now run solar lamps);
- electric vehicles and other sustainable transport;
- sustainable architecture (feng shui, the traditional Chinese geomancy that gives people a sense that Daoist temples are born from both heaven and earth, can be extended to secular buildings and houses and cities as a whole to make more Daoist, more beautiful surroundings)
- ethically run nurseries, farms and forests
- sustainable water resources
- technologies that reduce pollution
- Companies promoting sustainable travel and tourism
- Hospitality companies with strong ethical guidelines

These guidelines have been approved by the China Daoist Association. They are based on the Daoist Long-term plan for environmental and sustainable development developed with the UN in 2009, and the Daoist Bristol Commitment to the SDGs published in 2015. Both documents are part of Daoist policy-making across China.

HINDU

BHUMI PROJECT INVESTMENT GUIDELINES

Hindu populations have moved well beyond the borders of India. We now find sizeable Hindu communities all over the world. This means that Hindus are now more involved in global issues, and share more responsibility to work towards solutions. It requires new thinking about the role and application of dharmic principles in a global context. A notable step in this direction was the formal response by the Bhumi Project to the UN Sustainable Development Goals in 2015.

Financial investment can contribute towards the greater good and sustainable development. All investors want to earn a return on their investment. For the Hindu investor, a positive return in monetary, social, political, environmental, and spiritual terms is possible if investment is carried out in accordance with dharmic principles.

Hindu Investment

In developing norms for faith-consistent (dharmic) investment we recognise that Hindu cultures have no governing body, no one scripture, and no one founder. Consequently we have discerned principles from Hinduism's many religious, spiritual, and philosophical traditions, acknowledging that their practice and understanding often vary between traditions and even between individuals within traditions.

The principle of individual choice is well established and highly valued in every Hindu tradition. After his instructive conversation with Prince Arjuna (known as the Bhagavad-gita, the Song of God), Lord Krishna asked Arjuna to "deliberate on what I have said fully, and then do what you wish to do."

Hindu thought recognises that we will all do as we wish to do, and invest as we wish to invest; but, as with Arjuna, Hindu teachers suggest it is important for us to think about our motives and the consequences of our investment policies in the broadest possible terms, and to think about the principles and values which could make them beneficial for the greatest good.

Hindu thought notes our humble position in a vast universe. Being born into a highly developed natural order and mindful of the supreme intelligence behind such complexity we look for the part we must play in sustaining and nourishing the world in which we live. We thus begin our lives as servants of the greater whole.

The Principles

The following five principles represent the dominant schools of Hindu thought. We believe they offer important guidelines for how individuals and groups can invest their time, energy, and funds wisely.

1. Sama-darshana – Equal Vision

> The humble sage, by virtue of true knowledge, sees with equal vision a learned and gentle brahmana, a cow, an elephant, a dog, and an outcaste. *(Bhagavad-gita)*

Sama-darshana means seeing the equality of all living beings and respecting all life regardless of race, gender, caste, creed or species. Krishna says that the wise, while acknowledging and respecting material differences, see all with equal vision. This notion of equality rejects speciesism as much as it does racism. The energy we call life is not temporary or material but is defined as being eternal and spiritual.

2. Dharma – Nurturing

> *Dharma* exists for the general welfare of all living beings; hence, that by which the welfare of all living beings is sustained, that for sure is dharma. *(Mahabharata)*

Dharma means to act in such a way that the world around us is nourished. It stems from the mood of service. By seeking our *dharma*, finding our mission in life, we choose to serve the greater good and develop concern for others. Following our dharma inspires us to develop good character, personal integrity, a detachment from selfish desire, and an attachment to service. It leads to holistic thinking and balanced deeds. *Dharma* always considers *loka-sangraha* (the welfare of the world) and *sarva-bhuta-hita* (the welfare of all beings). Investment policies can do the same.

3. Ahimsa – Without Harm

> Ahimsa is the dharma. It is the deepest purification and the highest truth from which all dharma proceeds. *(Mahabharata)*

Ahimsa means to act in a way that causes the least harm. All *dharma*, all good acts, depend on this principle. The context of the Gita, a battlefield, helps us appreciate that *ahimsa* does not equal pacifism. Nevertheless, a life of ahimsa does include avoiding violence, cruel words, distressing or confusing others, withholding knowledge or insight, or being neglectful of ourselves. We should do our best to ensure that no living being is harmed by our decisions, our actions, or our investments.

4. Yajna – Giving to Gain

> Give. Give with faith. Do not give without faith. Give with sensitivity. Give with a feeling of abundance. Give with proper understanding. *(Taittiriya Upanishad)*

The idea of *yajna* (sacrifice) and a host of rituals associated with it is found in the Vedas, the oldest Hindu texts. Working on the assumption that we are part of a greater whole, *yajna* is a recognition that we must acknowledge our debt before we can expect reward. It is about a balanced process of give and gain, where to give is the first part of the transaction. Therefore, we offer value and service to God, family, and community before we expect to receive their blessings. This balanced approach questions the idea of maximisation of profit, which is an extreme and thus unsustainable.

5. Bhakti – Service to God

> Everything animate or inanimate within the universe is controlled and owned by the Supreme. One should therefore accept only those things necessary for oneself, which are set aside as one's quota, and one should not accept other things, knowing well to whom they belong. *(Isopanishad)*

Bhakti – a term only used in relation to the supreme – means to share. The followers of the *bhakti* traditions, which include most Hindus, hold to a personal relationship of loving service to God. The Bhagavad-gita, a major bhakti text, emphasises the balance to be achieved between the material and spiritual environments. Love towards everyone and everything related to God is something we do and should be exemplified in our thoughts, words, and deeds, and, consequently, in our investments.

Screening

Investment trends may come and go but principles are a constant. Dharmic investment screening is the practice of informing investment portfolios. Its concerns range from human rights, to environmental exploitation, and animal welfare. It includes weighting portfolios towards companies that perform better on these principles, and avoiding poor performers.

While not exhaustive, we provide the following screens as potential guidelines for the Hindu investor. It is up to investors to make their own choices based on these five principles according to time, place, and circumstance.

Positive Screens

- Sustainable environmental policies and programs, including conservation of biodiversity, cleaning and recycling, waste reduction, renewable energy *(dharma, ahimsa, bhakti)*
- Diversity and inclusion, including community development *(sama-darshana, dharma, bhakti)*
- Transparency in operations and outcomes *(yajna, dharma)*
- Sustainable technologies and infrastructure *(yajna)*
- Micro-finance *(yajna, dharma)*
- Affordable housing *(sama-darshana, dharma, bhakti)*
- Fair trade, including equal employee welfare and rights, and favourable supply chain labour practices *(sama-darshana, dharma, bhakti)*
- Education *(dharma)*

Negative Screens

- Aerospace and defence, including nuclear energy, military armaments and weapon systems *(ahimsa)*
- Intoxicants which may include tobacco, alcohol, pharmaceuticals and

illegal and legal highs *(dharma, ahimsa)*

- Animal exploitation and experimentation, including stem cell research *(ahimsa)*
- Social, political, or cultural abuse of castes, genders, races, or creeds *(ahimsa, bhakti, dharma)*
- Gambling *(dharma)*
- Environmental abuse, including pollutants, deforestation, exploitation of wildlife and its habitat *(dharma, ahimsa, bhakti)*
- Fossil fuel exploration, exploitation, and production *(dharma, bhakti)*
- Media promoting pornography, violence, and degradation *(dharma)*
- Certain medical procedures such as euthanasia and abortion *(ahimsa, dharma, bhakti)*

This has been prepared by the Bhumi Project of the Oxford Centre for Hindu Studies

JEWISH

JEWISH INVESTOR NETWORK INSIGHTS ON FCI

This is a short extract from Investment Insights for the Jewish Community to Further the UN's Sustainable Development Goals (SDGs), July 2017.

JLens is a network of thousands of Jewish institutions and individuals exploring investing through a uniquely Jewish lens. In 2017 JLens was asked to convene Jewish institutions to consider how they might further the SDGs.

A very old concept
The topic of "impact investing" has become quite popular lately, but it is simply a modern approach based on a very old concept – investing with one's values to improve the world and minimize harm. Faith communities were the earliest proponents of impact investing and there are many Jewish teachings on ethical investment and business practices. According to Dr. Meir Tamari of Jerusalem's Business Ethics Center, more than 100 of the 613 commandments in the Torah relate to business conduct, a number that far exceeds all the commandments concerning kosher food.

Impact investing is the newest component of the Socially Responsible Investing (SRI) movement that began a few decades ago, primarily in the Christian community, to divest from Christian sin stocks (such as alcohol, gambling, adult entertainment, weapons, tobacco, abortifacients, and contraception). At the time, the SRI movement's Christian orientation and emphasis on negative screening and divestment did not attract Jewish communal investors.

However, impact investing's emphasis on measurable positive impact to address global challenges has sparked significant interest in the Jewish diaspora community and in Israel. This concept aligns beautifully with Jewish wisdom. Additionally, while the SRI field used to be narrower, with a one-size-fits-all approach, now investments can be customized to a wide range of value sets and thematic impact priorities, resulting in an influx of new investors and capital. Finally, numerous studies have demonstrated that investors can meet their financial goals while also achieving impact and mission-alignment.

Investment capital in the Jewish community

Within the Jewish community, investment capital is highly decentralized. There is no hierarchy or governing body that dictates investment parameters or prohibitions, and decision-making is localized at each institution, often in committee structure. There are hundreds of institutional investors in the Jewish community globally, ranging from federations and community and private foundations to endowments and pensions.

These institutions overwhelmingly invest with the traditional focus of solely maximizing financial return in order to sustain the operations of communal institutions that support important needs in the Jewish community and global society. As a result, community leaders take the stewardship of these funds very seriously, and new methodologies for making investment decisions are not easily introduced.

Complicating the adoption of impact investing further is the fact that, often, investment decisions are made by one group, while decisions on communal impact are made by a completely different group. Both groups of decision-makers must collaborate in order to succeed at impact investing.

At JLens, we have observed from our network that the first step to explore impact investing is often the hardest. But when the above obstacles are overcome, Jewish institutions can begin the process of embracing impact investing and determining a unique path forward. Even within the Jewish community, there will never be a one-size-fits-all approach, but there are many areas for collaboration, both within the community and with other faiths.

Impact investing offers an additional benefit to faith communities beyond the imperative to address global challenges as identified by the SDGs. All faiths share a similar goal: to pass on faith tenets that are meaningful to younger generations. Impact investing is a topic that is popular with younger generations and is guided by personal and communal values, making it a perfect opportunity to explore faith-based perspectives on social, environmental, and ethical considerations that are essential for impact investing.

97% want to make a positive impact

In 2013 JLens conducted a survey of rabbis and found that 97% of respondents believed that investors should strive to make a positive impact on society and the environment. In the survey's summary report entitled "Impact Investing: Rabbinic Perspectives," Rabbi Irving "Yitz" Greenberg wrote:

"Investing is one of the most powerful areas of economic, social, and political impact. Done right, investing can create the infrastructure of a better life, enabling a higher level of human dignity and health for all. To overcome poverty and hunger, to push forward equality and justice, to heal the environment, to create a more liveable world for us and for our future generations - can there be a more noble set of goals?"

How to start the process

Jewish institutions interested in moving forward with impact investing may wish to start the process by considering:

1. The size and allocation of the institution's investments
2. The existing Investment Policy Statement and whether it requires an update to allow for mission-aligned investing
3. The best way to bring both the investment and impact decision-makers together for long-term collaboration
4. The variety of investment options that will generate impact and mission-alignment while meeting the institution's long-term financial goals
5. How impact will be measured and communicated to the institution's stakeholders

JEWISH

JLENS' JEWISH ADVOCACY FUND

In 2015, JLens launched the Jewish Advocacy Fund, due to the absence of a uniquely Jewish values-aligned public equity investment option. It is guided by Jewish teachings and designed as an easy first step – it is a market-rate, values-enhanced large cap US Equity index strategy. Investors are Jewish institutions that combined represent over $5 billion in assets.

Tactics include:

- Shareholder Advocacy – For investors in public companies, shareholder advocacy generates the greatest positive impact. Shareholder advocacy is similar to political activism, but leverages the power of investors and corporations. JLens is the only organization conducting shareholder advocacy for the Jewish community by dialoguing with hundreds of companies to improve corporate behavior on social issues, environmental preservation, and support for Israel (including combating "BDS").

- Positive Screens –Positive screening evaluates corporate commitment to ESG factors. Strong ESG performance aligns with Jewish teachings, and is an indicator of long-term financial stability. JLens' internal ESG research process focuses on Jewish values alignment, and views corporate ties to Israel as a positive. This is in stark contrast to industry standard ESG research which is not tailored to Jewish values and often views corporate ties to Israel as a negative. The fund uses positive screens (or "ESG incorporation") by investing more heavily in companies that have strong social and environmental records, ethical practices, and ties to Israel.

- Custom Proxy Voting – JLens votes proxies (the annual questionnaire sent to investors by corporate management) and files resolutions on social, environmental, and Israel concerns. Unlike most responsible investing organizations, JLens votes against the growing number of anti-Israel shareholder resolutions.

- Negative Screens – Negative screening is also known as divestment or avoidance. JLens prefers active ownership and shareholder advocacy rather than negative screening. However, JLens utilizes negative screens for: (1) sectors where no amount of advocacy is worthwhile because the industry itself is antithetical to Jewish values, such as the tobacco, coal, and for-profit prison sectors, (2) specific companies where advocacy efforts have failed to improve corporate behavior, and (3) smaller companies that do not wield enough influence to warrant shareholder advocacy efforts.

- Impact Reporting – investors receive regular updates on the fund's impact

Screens and shareholder advocacy priorities are inspired by an annual survey of investors and Jewish community members, along with the guidance of JLens' team of experts, including two rabbis.

JEWISH

JEWISH COMMUNITY FOUNDATION OF SAN DIEGO'S IMPACT INVESTMENT PORTFOLIO

Jewish Community Foundations exist in many cities and regions in North America to enable philanthropic giving. Over the past 50 years, the Jewish Community Foundation of San Diego ("JCFSD") has facilitated over $1 billion through more than 60,000 grants to 5,000 nonprofits. JCFSD oversees the investment of more than $330 million on behalf of nearly 800 donors who have established donor-advised funds as well as nearly 50 organizations who have entrusted their reserves and endowments with the Foundation.

Recently, JCFSD added an impact investment option for donors. The impact investment portfolio seeks both financial return and positive impact aligned with the organization's Jewish values: tzedakah (justice), dor l'dor (generation to generation), kavod (respect), Torah (learning), and derekh eretz (daily interpersonal ethics). The portfolio is diversified across all asset classes and attempts to utilize a number of strategies including screens, ESG (environmental, social, governance) incorporation, shareholder engagement, community development, and thematic private impact investments. The portfolio's impact priorities include: (1) social concerns, (2) environmental concerns, and (3) place-based opportunities in San Diego and Israel.

JCFSD's impact investment portfolio aligns well with the SDGs. Examples include an emphasis on affordable housing, healthcare, clean energy, education, and sustainability.

JEWISH

UNITED JEWISH ISRAEL APPEAL'S SOCIAL IMPACT INVESTING INITIATIVE

The United Jewish Israel Appeal (UJIA) is the largest UK Jewish community charity that supports Israel. In November 2016, UJIA launched the Social Impact Investing Initiative known as Si3. The UJIA is using social impact investing as a different form of repayable financing for organisations delivering social change. Alongside the UJIA's existing and ongoing grant work in Israel, these investments will enable UJIA to leverage their charitable funds further towards their social mission in Israel. UJIA will consider investments which further the aims of the charity to promote social and economic mobility for vulnerable communities, preferably in the Galilee, with a focus on education, employment, and community development.

UJIA seeks social impact investments that make a social and financial impact. The investment must have a clearly identifiable, high value social impact and positive outcome. The organisation receiving the investment (a loan for example) must have a for-profit objective, and be able to generate sufficient income from its activities, goods or services to cover the cost of the financing and its repayment. UJIA will consider all types of investment vehicles, including loans, social impact bonds, and equity provided the UJIA investment parameters are met.

UJIA does recognise that social investments may attract a lower financial return than market returns for the equivalent risk, but we believe this will be compensated for by the social return. Additional investment criteria for UJIA's social impact investments include: (1) Long term financial sustainability with the ability to raise capital from additional sources, (2) Strong entrepreneur or business partner with proven capabilities to deliver, (3) Reporting & monitoring capacity on how funds are being used and measuring social impact within an agreed time period, and (4) Engagement with British Jewry to create/generate opportunities for the involvement of British Jews with Israel through UJIA's work.

JEWISH

SHORESH CHARITABLE TRUST, UK

Shoresh is a mid-size family charitable trust based in the UK. It has assets of £7.25million (US$9.5million). We use specialist fund managers to place our investments within aggregate funds rather than picking our own investments, which would be seen as too risky. We have a strong faith-consistent basis to all investment decisions and follow the guidelines in the 2006 pamphlet Socially Responsible Investment for Jewish Community Organisations. It draws from Torah, other Biblical, Talmudic and later teachings, and adapts them to today's investment environment.

There is a substantial literature in Jewish Business Ethics which further considers the issue. There is not a laid down body of law requiring particular investment actions in Judaism but rather a tradition of interpretation that mandates action on social, environmental and justice issues.

We do not invest in hedge funds or gambling-led hospitality, due to Jewish law concerning gambling. We do not invest in tobacco, due to Jewish ethics concerning healthy living. We do not invest in publishers with a portfolio including pornography, due to Jewish sexual ethics. In some parts of Judaism there would be a ban on investing in businesses which trade on the Sabbath or hold non-kosher goods over the festival of Pesach. However the Jewish legal tradition has created mechanisms which notionally take them out of the ownership of a person subject to this ban during the period in question. Similarly, there is a ban in some parts of Judaism in lending to a fellow Jew on interest, however, again, Jewish legal tradition has found a way of making this possible by creating a partnership with the borrower.

We are actively looking for impact investments in the area of environmental and social good. Instructions to prioritise these have been given to the two investment banks that the trust uses to manage our money. At six-monthly meetings with the banks' fund managers we are given lists of all individual investments and can assure ourselves that our screens and impact investment requirements are being met.

- One area that could be of interest is a microfinance fund available through larger fund managers.
- The ban on degrading the environment, bal taschit, for example, suggests that funds which invest in sustainable energy generation could be of interest.
- We need environmental and sustainable development projects to be marketed as investable funds to our fund managers so they can assure themselves that they are prudent investments and market them to us. We would certainly use a portion of our portfolio to try such investments, as they match our criteria.

We invest a proportion of our assets (around 5%) in the Israeli stock market, due to our Zionist ethic and our involvement in welfare and access to employment causes in Israel. We are currently seeking appropriate impact investments according to our values.

Contributors to the Jewish guidelines sections: Rabbi Joshua Ratner, JLens Director of Advocacy, Julie Hammerman, JLens Executive Director, Rabbi Jacob Siegel, JLens Director of Engagement; Beth Sirull, Jewish Community Foundation of San Diego CEO, Dalia Black, United Jewish Israel Appeal Director of Impact Investing, Rabbi Mark Goldsmith, Shoresh Charitable Trust Trustee

JEWISH

POLICY FOR FCI BY JEWISH COMMUNITY ORGANISATIONS, UK

In 2006, at the launch of the International Interfaith Investment Group (3iG) a key document was created for Jewish Community organisations wanting to create a policy on faith-consistent investment. It was written by: Mark Goldsmith, Rabbi of the Alyth Synagogue in London and member of the 3iG Executive Committee; Andrew Reese, analyst at an SRI Rating Agency; and Adam Ognall, Charities co-ordinator of the Ethical Investment Research Service/UK Social Investment Forum. This is an edited version of the original document.

Vision:
Jewish community organisations can seek to ensure that their strategies and policies for the investment and management of their assets are both financially robust and in accord with Jewish values and principles in the conduct of business. Where feasible, through their implementation, they can seek to contribute to the process of "tikkun olam" – making the world a better place.

A "Jewishly Responsible" Investment Strategy

- takes account of the relationship between socially responsible managements and long-term sustainable business profitability.

- encourages fund managers to use good quality research on the factors of social responsibility relevant to Jewish ethical values.

- through monitoring their performance, asks fund managers to explain and financially justify any investment decisions, for example on stock selection, which is controversial in terms of social responsibility. It may favour investing on a positive "best in class" selection basis and using engagement with management and not only or even primarily negative screening.

- gives the asset manager clear guidance as to the values which should overlay the need for the fund to perform well financially but which leaves the day-to-day investment decisions to the fund managers within this overlay.

Jewish Principles and values which could be communicated to a fund manager, and examples of how these might be measured.

The businesses we invest in should:

- follow appropriate environmental standards e.g. ISO14001 or EMAS accreditation. (Deuteronomy 20:19 is the Bal Taschit text, requiring a besieging army to preserve fruit trees for the future)

- be just and fair to their workers with a good working relationship with unions, abide by principles of e.g. the Ethical Trading Initiative, International Labour Organisation and (in the UK) Investors in People. (Leviticus 19:13 commands that the wages of a worker are paid promptly)

- deal in good faith and demonstrate good corporate governance, complying for example in the UK with Combined Code and understanding of the new Modernising Company Law Review including the Operating Financial Review or in the US with the Sarbanes-Oxley Act US, in South Africa with King II. (Leviticus 25:14: "When you buy or sell anything to your neighbour's hand you shall not wrong one another". This has been primarily interpreted in Rabbinic texts to apply to fair pricing but could be interpreted wider to give rise to the general Jewish responsibility for fair dealing)

- respect human rights and comply with the UN Convention on Human Rights. (In the Torah Jews are commanded 36 times to love the stranger and to remember the experience of having been slaves in Egypt)

- neither take nor give bribes, complying with the Equator Principles, Publish What You Pay or similar. (Exodus 23 8: You shall not accept a bribe, for a bribe will blind the clear-sighted and pervert the words of the righteousness)

• not sell strategic military weapons to oppressive regimes, using definitions of oppressive regimes by Freedom House, the Economist Intelligence Unit or similar. (Isaiah 2:4 and they shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift the sword against nation, neither shall they learn war anymore)

• if it is involved in the health sector, engage in practices which enable wide access to healthcare. (Deuteronomy 4:9 "Watch over yourself very well", which in Rabbinic interpretation implies a duty to take care of one's own health)

• if its activities require it to work with animals, take care to treat them with kindness respect for their quality of life, complying not only with minimum standards of animal welfare but also with best practice. (Deuteronomy 22: 4 You shall not see your brother's donkey or his ox fallen [under its load] on the road, and ignore them. [Rather,] you shall pick up [the load] with it.)

• not sell or provide health-damaging products including tobacco to vulnerable consumers, demonstrate responsible marketing in alcohol and uphold a duty of care to others who might be affected by its activities. An example is the requirement under Jewish law to build a parapet around a flat roof lest someone unknown to you might fall off the roof and injure themself. (Deuteronomy 22:8)

Putting SRI Into Action

It is particularly effective to engage with businesses in alliance with other organisations which share the values as well as investments in the same businesses.

Ask your current fund managers to pay attention to these principles and report on their progress. Communicate the policy that you are adopting to your stakeholders. This may encourage them to investigate socially responsible investing for themselves and will enable them to see how Jewish values are part of the running of the organisation.

This document was co-written in 2006 by Rabbi Mark Goldsmith, one of the trustees of the Shoresh Charitable Trust, trustee of 3iG.

MUSLIM

ISLAMIC CHARITABLE GIVING THROUGH AWQAF

Terms used in relation to Islamic investment

- Awqaf is the plural of waqf (see below)
- Gharar means uncertainty or financial risk. It is prohibited, as it might be the result of deceptive behavior, causing exploitation and or injustices
- A Hadith is a story of the Prophet
- Riba literally means "excess" but is commonly understood as the interest rate charged by a lender to a borrower. It is prohibited under Shariah
- Sadaqah literally translates as "charity". It is a voluntary charitable donation of any amount that can be made at any time of the year for any project for the good of the community. It is different from zakat, which is a clear amount of one-fortieth of one's wealth
- Shariah refers to Islamic law derived from the Quran and Sunnah
- Sukuk are Shariah-compliant bonds representing undivided shares defining the ownership of assets
- Sunnah is the verbally transmitted record of the teachings, deeds and saying of the Prophet Muhammad
- Waqf is the charitable contribution of assets such as the philanthropic endowment of land intended for the good of the community while the asset is held in a trust
- Zakat literally means purification. One of the pillars of Islam, zakat is an annual religious tax of 2.5% of an individual's wealth that is distributed to the poor. It is a means for both financial and spiritual purification

Background
The giving of zakat is one of the main pillars of Islam. So charitable giving by Muslims has existed for 1,400 years. There has been an understanding from the beginning that assets raised through charitable giving must be used (or in today's terms invested), in a faith-consistent manner, to ensure the fulfillment of a Muslim's religious duty.

Historically, waqf (philanthropic endowments) were made throughout the Islamic world but with the rise of the British Empire these declined when many waqf properties and land were taken over during the colonial period. However today we can see a rise in the practice, as more and more countries are supporting it, and the spread of the internet throughout the world means many more Muslims are finding it easier to give zakat and sadaqah online.

In a 2013 survey of some 4,000 adults in the UK, polling company ICM found that Muslims were found to be the most charitable. Their average annual donations were around £370, while Christian respondents gave around £180 and Jews averaged at around £270.

Religious waqf
The first religious waqf was the land given for the constructions of mosques in Quba' and Madinah (some 400 km north of Makkah) soon after the Prophet arrived in the year 1/622. In one tradition the Prophet desired to buy a particular piece of land which belonged to two orphans. They declined to sell it, and instead donated it to fulfil the will of God. In another the protector of the two boys told the Prophet he would compensate the boys so they would not suffer hardship. In both versions assets are given for the greater good. Land and assets kept in order that their profits should provide revenues to maintain and support running expenses mosques are also in the category of religious waqf.

Philanthropic waqf
A hadith recounts how Umar, one of Prophet Muhammad's senior companions, acquired some land at Khaibar. He went to the Prophet saying this was the most valuable land he had ever owned, and asked what he should do with it. He was advised to keep it, but to give what it produced as sadaqah, or charity. He did this, declaring that property must not be sold, inherited or

given away but that its produce should be devoted to the poor, to the nearest kin, and to the emancipation of slaves. "There is no sin for one who administers it if he eats something from it in a reasonable manner, or if he feeds his friends and does not hoard up goods (for himself)."

The message is that waqf land should be an inalienable public asset and its profits given to charity. Assets under philanthropic waqf should be aimed at supporting the poor, the vulnerable and humanity at large. They include libraries, scientific research, education, health services, care of animals and the environment, micro-lending, parks, roads, bridges, dams, public gardens etc.

Faith-compliant principles which limit areas of investment

Although Islamic financial institutions are permitted to seek profits [in terms of being permitted to share the profits and losses of their clients] the pursuit of gains from interest, or riba, is strictly prohibited. First it is deemed unproductive as it is money earned on money – not resulting from additional economic activity. Second the income is earned from a person of financial strength to a person of weakness and is therefore seen as exploitative.

Another significant prohibition is gharar, or risk. Financial transactions involving significant risk are deemed to have an element of dishonesty which may result in inequality, injustice and deception.

As well as alcohol, tobacco, illegal drugs, gambling, weapons of mass destruction and pornography, investments under shariah law are forbidden in companies that work with pork products, cloning, or financial services that charge interest.

Donated property, cash, shares, movable and immovable assets form part of the pooled waqf Funds of Awqaf SA. Where feasible, waqf funds are invested to obtain reasonable returns to provide funding for downstream projects and actiivities on a sustainable, perpetual basis. The investment strategy guidelines are:

- Location: Combination of community, provincial, national, and offshore.
- Returns: Balance of social and financial returns within constraints of strategy with a bias to maximisation of financial returns.
- Diversification/Risk: Spread risk with bias at low risk, diversified portfolio.

- Investment portfolio: Combination of property, equity (musharaka, mudaraba) and financial (ijara, murabaha, takaful)
- Equity participation: Public/awqaf/institutional partnership possibilities.
- Currency & Inflation: Hedge / factor into strategy.
- Restriction: Awqaf SA may not invest in unethical or Islamically-unacceptable projects.

Current investments of Awqaf SA are focused on Shariah-compliant property.

MUSLIM

ISLAMIC STATEMENT OF CORE VALUES IN RELATION TO ECONOMICS

While Islam historically developed in different traditions, the basis of the Muslim faith, worldview and ethic remains the Qur'an, supplemented by the sunna: the remembered behavioural precedents set by the Prophet Muhammad (athar), and his sayings or rulings (hadith).

The tone of the Qur'anic and Prophetic Directives regarding wealth (mal or rizq), gain (kasb) and expenditure (infaq) is basically approbatory. As viewed by the Qur'an, wealth is a mut`ah: like marriage and parentage, one of the comforts and delights of earthly life, whose enjoyment is fully legitimate provided it does not preclude (a) the heeding of spiritual and ethical dictates, and (b) consideration for the common welfare.

As depicted in the Qur'an, all wealth derives from God's bounty (fadl, or ni`mah), and success in its acquisition is a sign of Divine favour. Recipients of God's bounty must receive it and expend it with pious gratitude. According to the Qur'an, true believers are those who, apart from being assiduous in worship, "expend of that which We have bestowed upon them (mimma razaqnahum yunfiqun) (2:3).

In the search for wealth, as in its enjoyment, the faithful need to guard against excess and lack of consideration for others. For the greedy, avaricious and exploitative, as for the rich who are secretive about their wealth or make an unnecessary show of it by conspicuous consumption, the Qur'an has nothing but outright condemnation. "They who hoard up gold and silver and spend it not in the way of God, unto them give tidings of a painful doom, on the day [their gold and silver] will be heated in the fire of hell, and their foreheads and their flanks will be branded therewith…" (9:34b- 35a).

The Qur'an draws a clear distinction between the natural human desire to acquire and expend wealth, which is commendable as being innocent and legitimate when exercised with piety and restraint, and excessive enrichment or indiscriminate spending without regard to piety, and at the expense of the common welfare, which elicits condemnation as an unpardonable vice, on spiritual as on social grounds.

In the Qur'anic view, the truly legitimate avenue for acquiring wealth is trade as a free commercial transaction between buying and selling parties on the basis of mutual agreement and goodwill (4:29). And the Qur'an actually details the rules for commercial transactions. "God hath permitted trade and forbidden usury… give up what remaineth [due to you] from usury… [and] have your principal [back] without interest… And if the debtor is in straitened circumstances, then [let there be] postponement until [repayment] becomes possible; and that ye remit your debt in charity would be better for you…"

The Qur'an addresses its directives regarding economic behaviour to the believers, individually or as a community, without touching on the question of economic organisation as a political function. The only Muslim public institution for which the Qur'an explicitly provides is zakat: the tithe which the faithful are exhorted to pay to alleviate the conditions of the poor and needy among them, and to defray other communal expenses. This leaves the political economy of the Muslim community, and its public affairs in general, to be managed, as circumstances dictate, within the framework of the Muslim ethic prescribed by the Qur'an and the sunnah: an ethic in which the principal emphasis relates to fair-dealing and consideration of others, and of the general good. Beyond this ethic, there are no hard and fast rules governing collective Muslim behaviour politically or economically. This leaves abundant room for resilience and adaptation, as changing situations may demand.

MUSLIM

SUPREME COUNCIL OF KENYA MUSLIMS (SUPKEM)

The Supreme Council of Kenya Muslims is registered as the umbrella body of all Muslims organizations Societies, Mosque Committees and groups in Kenya. It was formed in 1973 following a general conference held at Quran house, Mfangano Street in Nairobi.

A particular focus has been placed on building the capacity of its member organizations to respond to emerging challenges and associated nuances and also to provide a viable platform for Muslim citizens in Kenya not only to voice their issues and concerns, but provide space for the pursuit of viable solutions to the myriad problems that have faced Muslims since independence.

SUPKEM has also been directly implementing a variety of programs tailored at addressing challenges unique to different regions and localities in Kenya. Responding to emergences and perennial famine and related disasters particularly in the North Eastern, Upper Eastern and northern Kenya, has been a persistent feature of its work.

SUPKEM has over the past 10 years developed a detailed environmental programme with a particular focus on Education for Sustainable Development and "Islamic Farming". Following principles of Shariah-compliant finance it recommends to all its independent religious organisations (mosques, madrassas, Islamic charities and foundations) that they should invest in accordance with Shariah-compliant finance, and where possible focus on investing in clean water, sustainable agriculture, sustainable forestry and eco buildings. It has strong principles within its own operations to recycle, use green construction materials and promote sustainable pilgrimage, and it expects its membership, and Islamic companies, to do the same.

Through capital investment ventures, the expected outcome is promotion of simple living which will be supported through the development of a simple living guide from an Islamic perspective to be translated into various ethnic languages and distributed to all members of the SUPKEM family.

SUPKEM has an annual income of approximately 150 million Kenyan shillings (US$1.45 million).

MUSLIM

QADIRIYYAH SUFI MOVEMENT IN NIGERIA

The Qadiriyyah Movement is Nigeria's largest Islamic sect, with some 15 million followers in the country and 1.6 million in other African countries. It has some 1,500 full-time imams and muqaddams (spiritual representatives), largely in the north and southwest of Nigeria as well as in Ghana, Niger, Togo, Mali, Benin, Senegal, Cameroon, Sudan, Chad, and Algeria. The movement has more than 8,000 affiliated mosques and runs 118 primary schools, 34 secondary schools, and two theological colleges. Investments cover agricultural farmlands, estate, schools, small-scale industries, and transport and total around US$4.7 million.

Principles

Our guiding principle for all decisions is the Shari'ah, i.e. the Islamic law. The faith principles that generally govern or limit investment is that of 'Halaal' i.e. permissible, and 'Haraam' i.e. forbidden. E.g. an agricultural investment in grape vineyards with the goal of wine production is not acceptable. But the same investment would be acceptable if the grapes would be used for table fruit and raisins. Any investment that is halaal-based is an 'Investment the Allah Way'.

A charitable approach is in line with the justice concepts of 'adl' i.e. giving what is due and 'ihsaan' i.e. giving more than what is due or taking less than that is owed to you. If some people elsewhere have plenty while others somewhere have little or nothing, then the economic balance of society would be distressed. To maintain the balance is also an attribute of 'ihsaan'.

Positive investments

The criteria for investments include:

- *Accountability:* that everyone is answerable to his or her deeds. (Qur'an 3:30 "On the day when every soul Will be confronted with all the good it has done. And all the evil it has done, it will wish there a great distance between it and its evil. But Allah has cautioned you (To remember Himself). And Allah is full of kindness to those that serve Him." Qur'an 74:38 Every soul will be (held) in pledge for its deeds.
- *Simplicity and modesty:* there should be a balanced approach to everything, and we should avoid excess. (Qur'an 7:31 Children of Adam, dress well when you attend your mosques. Eat and drink but avoid excess. He does not love the intemperate.)
- *Zero waste:* Investment that will promote recycling and reduction of waste, be it at personal, industrial or communal levels is welcomed. (Qur'an 17:27 Do not squander your substance wastefully, for the wasteful are Satan's brothers; and Satan is ever ungrateful to his Lord).
- *Stewardship of nature:* Nature in its original form is perfect, its preservation is a vital requirement of a believer. (Qur'an 7:56 And do not do mischief on the earth, after it has been set in order, invoke Him with fear and hope; Surely, Allah's mercy is (ever) near unto the good doers). Investment in organic farming, "Farming Allah's way", healthy natural food.
- *Community:* Investments should as much as possible benefit the whole community as opposed to individuals. Investments that directly impact on communities (including schools, food security, health facilities) are welcomed.
- *Fairness:* Investments should be fair, straightforward and free from fraud and usury. Fairtrade and investments free from uncertainty, deception, risk (gharar), usury (riba) are welcomed.
- *Affordability and accessibility:* Investment that would enable the poor and less able to benefit directly is welcomed. Such investment should empower the community by producing low-priced but useful products.

All investments should further at least one of the UN SDGs.

Areas of potential investment might include:

- Low cost uniforms and garments produced in fair, equitable ways
- Affordable books and school materials
- Educational radio

- Orchards, fish farms, organic or similar cereal production and trading, vegetable processing, apiculture, botanical gardening, organic care for livestock
- Manufacture of natural beverages
- Eco-packaging of all kinds, particularly "green" drinking water packaging and eco-water bottles/containers
- Solid waste processing and transportation
- Waste recycling and production of recycled paper
- Garment cottage industry
- Solar powered equipment
- Green restaurants
- Green transport
- Ethical cosmetics
- Fairly sourced and biodegradable raw and finished materials.
- Hemp fabric bag manufacturing.
- Energy saving electrical light bulbs manufacturing.

The Future

The voices of religious organisations may not be heard loudly if they are alone. And it is hard to find the capacity to embark on independent campaigns. We would support religious organisations forming a united front to respect each other's faith-consistent investing and jointly advocate it around the world, using our own capacity, media outlets, and investment funds. We need to work closely with the UN, World Bank, IMF etc. to advocate for religions to have FCI fully instilled, understood and enshrined in our policies.

In addition we need, on our own, to begin advocacy campaigns to governments, financial and investment institutions at national and international levels to recognize the relevance and significance of FCI as a relevant and normal but a long discarded investment concept. We would solicit for the support of the legislative bodies in Nigeria and would also open dialogue with the Central Bank of Nigeria on FCI. Investment guidelines at all levels need to be fair, mutually beneficial, and easy to use.

This document was created by Eng. Yassin Garba Maisikeli, Coordinator of Environmental Projects of the Qadiriyyah Sufi Movement in Nigeria and advisor on Science & Technology. They were agreed by the Supreme Council of the Qadiriyyah Sufi Movement in Nigeria and endorsed by Sheikh (Dr) Qaribullah Nasir Kabara.

SIKH

GUIDING PRINCIPLES FOR INVESTMENT AND WEALTH

“One who works for what he eats, and gives some of what he has – O Nanak, he knows the Path”. (Granth Sahib pg 1245)

Sikh Gurdwaras in India and abroad are mainly managed under the broader ambit of Shiromani Gurdwara Parbandhak Committee (SGPC), which also takes care of financial aspects. The annual budget for SGPC in India in 2017 was over 10 billion rupees (USD 166 million). Of this 2.27 billion rupees (USD34 million) were allocated for educational institutions and 2.5 billion rupees (USD37 million) on the upkeep of the Harminder Sahib Gurdwara, the sacred site of the Sikhs in Amritsar. The rest of the budget allocation was on projects including community lodging, healthcare and treatment of cancer patients and use of technology for preaching and communication. There are around 27 million Sikhs around the world.

Engaging with the world

In 1469, when Guru Nanak founded Sikhism, he set out an alternate vision for the faith by rejecting the then prevailing notion of asceticism (sanyassa) as the means of salvation. He emphasized social life (grihast), while remaining unsullied by worldly temptations. Nanak’s vision was that spirituality can be attained through engaging with the world, rather than renouncing it.

It is within this premise that Sikhism lays down principles for social life, with a disciplined check on basic traits of human behaviour including Kam (Lust), Krodh (Anger), Loh (Greed), Moh, (materialism), Ahankar (ego) and ideally achieve sahaj (balance) in human-spiritual life. Further, the three main pillars of the faith, Naam Japo (remember the name of God), Kirat Karo (hard work and earning a living through honest means) and Wand Kay Chakho (sharing the fruits of your labour) lay down the guidelines for economic and social development in Sikhism

Guidelines for Investment and Social Development

In 1945 the SGPC approved the Sikh Rehat Maryada (Sikh code of conduct). It describes the Sikh's life with its two aspects: personal or individual and corporate or Panthic (community). The Rehat Maryada states, "the most fruitful service is the service that secures the optimum good by minimal endeavour." Some of the guidelines relevant to investment and social development in Sikh scriptures and Rehat Maryada are:

A) Kirat Karo ¬(Earning through honest and hard work)

This is primary to the faith. It is significant in developing self-respect and uprightness in the individual character, which in return contributes to the welfare of the society or sarbat ka bhalla. Guru Arjan Dev, the fifth Sikh Guru emphasised honesty and hard work by stating that: " Those who have meditated on the Name of the God, and after having worked by the sweat of their brow – O Nanak, their faces are radiant in the court of the Lord and many are saved along with them."

The notion of hard work is also reflected in Guru Nanak's story where he once chose to eat and stay with a carpenter from a low caste, Lalo, instead of the village landlord Malik Bhago. When Guru's choice was questioned, he explained he preferred to eat food which was earned from hard work, rather than Malik Bhago's meal, which contained the blood of his workers.

B) Wand Kay Chakho (Share and Serve)

The practice of sharing translates into active pursuit of economic activities, investments and altruism. The idea of langar, free kitchen and investments into charitable institutes in areas of health, education, community welfare, stems from these principles of sharing and seva (community service).

C) Daswandh Contribute 10 percent of earnings)

Daswandh, a practice where one-tenth of one's income goes towards the common resources of the community, was introduced during the time of

Guru Amar Das, and later codified in Rehat Maryada . The practice is voluntary. The funds are used for free kitchens, pilgrim accommodation, educational institutions and helping the destitute.

D) Avoid over-indulgence

The Sikh faith cautions against excessive materialism. Guru Nanak recognised that accumulation of wealth is not possible without exploitation, “Without sins one cannot accumulate wealth, on death it accompanies not”. The concept of attachment to maya or material wealth is seen as damaging. For instance, Guru Amar Das said, “mayadhari ut andha bola” which means that the worshipper of wealth is utterly blind and deaf.

Guru Nanak once met a wealthy man called Dhuni Chand in Lahore. He gave Chand a rusty needle and asked him to give it back to him in the next world, after death. Surprised at the Guru’s insistence, Chand pointed out this was impossible for no person can take anything to the next world. If you cannot take even a small rusty needle with you to the next life, the Guru then asked, then why accumulate so much wealth in this life, which will be of no use after you die?

Negative Screenings

The Rehat Maryada lists that “a Sikh shall not steal, form dubious associations or engage in gambling.” The concept of Haq Halal (taking one’s rightful share) in earnings is emphasised and encroachment upon what rightly belongs to others is forbidden. There is emphasis that any financial investment or action should not damage one’s surroundings or environment.

Current Positive Criteria

The Sikh scriptures emphasise, “Pavan guru paani pita maata dharat mahat”- a principle that regards “Air as the Guru, Water the Father and the Earth the Great Mother.” Based on such principles of respect towards the environment, the current criteria on investment include focus on renewable energy, water conservation, and recycling. Gurdwaras in India and abroad are encouraged to use bio-fuel and focus on organic production of food for langar, recycle and minimize use of plastic. There has been investment into plantation drives and using renewable sources of energy, like installing solar panels in gurdwaras and affiliated institutions.

There is emphasis that the Sikhs in the agricultural sector should switch to more ecological sustainable farming practices, including rotation of diversified crops, organic farming, horticulture and reforestation.

This document has been compiled by EcoSikh and the Sikh Council on Religion and Education

SHINTO

GUIDELINES FOR SUSTAINABLE INVESTMENT

Shinto has strong sustainable guiding principles, learned from nature, and some of these are guiding forces in how companies invest and create their business strategies. It is on these that this paper concentrates.

Shinto is the origin and fundament that is unique to the Japanese way of life as well as the way of Japanese thinking since ancient times. This indigenous faith has about 400,000 Shinto shrines, large and small, throughout the country. These shrines are built largely of wood and form the heart of the villages and local communities of Japan. Often the only extensive areas where trees and greenery flourish in Japanese cities and towns are around shrines.

Shinto regards the land and its environment as Kami. In other words, Shinto sees nature as the divinity itself. People today often say, "Be gentle to nature" or "Be gentle to the earth." But these expressions seem to Shinto like humanity's arrogance, assuming humans can dominate nature and then ultimately "repair" it using technical-scientific means.

Environmental and investment guidelines in Shinto

The Shinto long-term environment plan in 2009 focused on managing religious forests and other assets in ways which are:

- Religiously compatible, based on values, beliefs, heritage and traditions.
- Environmentally appropriate, ensures that the harvesting of timber and care of sacred areas maintain the forest's biodiversity, productivity and ecological processes. Also, that those who manage the forest pay attention

to environmental concerns, including recycling and non-use of pollutants.

- Socially beneficial, helping both local people and society at large to enjoy long-term benefits and providing incentives to local people to sustain the forest resources and adhere to long-term management plans.
- Economically viable, means that forest operations are structured and managed to be sufficiently profitable, without generating financial profit at the expense of the forest resources, the ecosystem or affected communities. The tension between the need to generate adequate financial returns and the principles of responsible operations can be reduced through efforts to market forest products for their best value.

We often say that things look different depending upon where you are standing. Shinto suggests we should shift our point of view and look at our environment with a spirit of "reverence and gratitude." And if we can extend this spirit to our neighbours, to people of Japan, to peoples of the world, and then to nature, transcending differences of thought, ethics, and religion, then it will serve to foster the criteria and morals indispensable for keeping our human life healthy.

Kiyoraka and Sunao: two key principles for economic (and all) decision-making

I. Kiroyaka

Each Shrine, or Jinja has its own ceremonies that vary with the seasons. Most have a very long history and are key to the maintenance of the tacit values inherent in Shinto. Yabuhara Jinja (in Nagano province, Japan), the shrine that has been handed down through my family, was founded in 680 AD and ceremonies have been held without change or break since then.

The most fundamental value is "Kiyoraka", normally translated as 'purity'. The location of a Jinja where the ceremonies take place, the ceremonies themselves, the officiants, and any other people involved follow the idea of Kiyoraka. In other words, everything in Shinto has to be Kiyoraka.

Kiyoraka plays an essential role in the decision making process in Japan – in private life as well as in business. Its significance stems from how Shinto regards human beings as part of nature and with the same roots. This idea is still very recognizable in contemporary Japan.

There is a saying among Shinto officiants that "first is cleaning a Jinja, second is cleaning it, there are no third and fourth points but the fifth is cleaning"…. Many purification ceremonies are held to make the place, space, the officiants and also the attendees "clean" and pure.

II. Sunao

In order to achieve the state of purity required of "Kiyoraka", a person first needs to be mentally "Sunao", which is another fundamental idea of Shinto. "Sunao" is typically translated as "honest" in English though what it rather more accurately means in Shinto is to make certain feelings "empty" coming from one's unconscious and then being able to follow the principle of nature. The feelings which have to be empty in one's unconscious to be Sunao are, for example, anger and regret because they represent negative influences from the past, and are a kind of delusion which doesn't exist in the present. The feelings of fear, being afraid, doubt, and ambivalence are negative influence from the future and are also a kind of delusion. The feelings of conceit, pride, over-confidence and avarice are also kinds of delusion.

If people are Sunao and follow the principle of the vital force in nature, things are automatically successful and sustainable. However, it is not easy, because we humans are too easily caught up by our own emotions, social status and pride. Consequently our effort often goes in the wrong direction without us realizing, and the result is not sustainable. Shinto believe that being Sunao makes humans live in harmony and it brings sustainable prosperity, peace and happiness to the human world.

Shinto principles in Japanese companies

As of 2017, there are still 33,069 companies in Japan that were founded more than 100 years ago. Seven companies are more than 1,000 years old. Although it is not widely known, almost all these companies have a company-owned Jinja (Shinto shrine). Even the Tokyo Stock Exchange has a "Kabuto Jinja" where ceremonies are held every season.

For Shinto investors the notions "Kiyoraka" and "Sunao" could be the key driving force for people to construct the way to be sustainable from fundamental principles, and how to invest to achieve the goals of the SDGs.

These guidelines were created in collaboration with Masatsugu Okutani, a hereditary Shinto officiant and a businessman. He is the 25th successor to the Chief Officiant of Yabuhara Jinja (Nagano Prefecture), which was founded in 680 and spent many years working for Jinja Honcho. He has an MBA from the University of Wales, and now lives in France, helping international companies introduce Shinto values to their strategies.

APPENDIX 1

SECULAR VALUES AND INVESTMENT GUIDELINES

The following are extracts from the values statements from our secular sponsors whose generosity supported the Zug event.

EARTH CAPITAL PARTNERS SUSTAINABLE DEVELOPMENT POLICY

Earth Capital Partners LLP "is a company specialising in advising on investments that deliver a commercial risk-adjusted return and address the challenges of sustainable development such as climate change, food, energy and water security." Its headquarters are in London. www.earthcp.com

Earth Capital Partners seeks to demonstrate at scale a successful investment model, which prioritises sustainable development comprising ESG issues as well as financial return, in all parts of the investment cycle. To achieve this commitment, Earth Capital Partners will:

- Strive to continuously improve ESG impact and integrate recognised applicable best practices in our operations and business processes
- Invest in companies, projects and commodities, for which a core business driver is delivering a sustainable development solution
- Ensure environment, social and governance criteria are taken into account in our evaluation of investment opportunities and our investment portfolio management

To secure these objectives, we will:

- Provide oversight and review of sustainable development policies and performance, and allocate resources for their effective direction and implementation
- Set and monitor key objectives and targets of our sustainable development impact at least annually
- Consider ESG impacts as well as financial performance in Investment Committee investment approvals and portfolio company reviews
- Measure the impact of our investments, using our proprietary environment, social and governance scorecard ('Earth Dividend') and agree with them an impact improvement plan on an annual basis
- Communicate the importance of sustainable development impacts to our people and external stakeholders
- Communicate internally and externally our sustainable development policy and impact on an annual basis, and encourage feedback
- Review our sustainable development Policy at least annually

HERMES INVESTMENT MANAGEMENT

Hermes Investment Management has been investing money since 1983, firstly to manage the assets of its owner, the BT Pension Scheme, and more recently for a growing range of external customers around the world. It has offices in London, Singapore and New York.
www.hermes-investment.com/ukw/

Since our establishment in 1983, we have believed we have a duty that extends beyond the purely financial; that we must act as stewards of the investments we manage and advise. We do this because we believe it is right for investors and right for society. We believe better governed companies deliver better returns and create a better society in which investors live.

The pledge of the staff of Hermes Investment Management
I pledge to fulfil, to the best of my ability and judgment and in accordance with my role, this covenant:

- I will act ethically, responsibly and with integrity
- I will put the interests of our clients and their beneficiaries first
- I will encourage responsible behaviour in the firms in which we invest and on which we engage
- I will act with consideration for society and the environment both now and in the future. I will encourage others to do the same
- I will work with industry colleagues and other key stakeholders to develop and improve our industry's contribution to society
- I will treat my clients, my colleagues and all other stakeholders with respect and as I would wish to be treated
- I will deal with our regulators in an open, co-operative and timely way
- I will communicate clearly and honestly with all parties inside and outside our firm
- I will manage conflicts of interest fairly between all parties

RATHBONE GREENBANK INVESTMENTS

Rathbone Greenbank Investments is the ethical and sustainable investment team of Rathbones, a UK investment manager. It is known for its green credentials and is named in reference to Greenbank House, the family house and estate of the Rathbone family, an 18th century family of nonconformist merchants and ship-owners who engaged in philanthropy and public service.
www.rathbonegreenbank.com

"Under pressure from both donors and beneficiaries, an increasing number of global charities and not-for-profit organisations have joined the growing list of asset owners implementing policies to divest from fossil fuels. Since 2013 many faith groups including the Quakers in Britain, the Churches of England, Scotland and Wales and the Catholic Church have considered divestment from high-carbon industries. Some have implemented a full divestment strategy while others have adopted a targeted divestment and engagement strategy. Globally, over 150 faith-based organisations have made full or partial divestment commitments.

A number of charities and not-for-profit organisations are still evaluating the arguments for and against divestment, with some favouring instead a combination of selective divestment with targeted company engagement. But equally, charities that are yet to make any form of commitment will almost certainly face renewed calls to do so from their donors and beneficiaries, while those that previously rejected action may be subject to further pressure from divestment campaigners.

Historically, avoidance of the coal, oil and gas sectors has been undertaken from an ethical or moral perspective, based on the environmental and social harm caused by the extraction and use of fossil fuels. Today, however, strong financial arguments are being made from a portfolio risk management perspective, inspired largely by the Carbon Tracker Initiative's influential series of reports, Unburnable Carbon. Based on the concept of a global carbon budget which constrains the amount of carbon that can be safely burned to minimize the chance of exceeding 2 degrees Celsius of warming by 2050, it was arguably this analysis that contributed most to shifting the climate change debate into the financial mainstream. It presented one of the first cogent arguments that a ‘carbon bubble’ exists in the valuations of fossil fuel companies. A reduction in the value of a company’s stated reserves, due to the risk of those assets becoming ‘stranded’, could materially affect its balance sheet and lead to a downgrading of its market valuation.

A wider aim of the divestment movement is not simply to encourage the sale of holdings in fossil fuel companies, but to reallocate capital to companies involved in the creation of a low-carbon economy.

What are the financial implications?
This is an important question for everyone seeking to implement aspects of ethics or sustainability within their investment portfolios. Your response does not mean you have to choose between achieving your financial objectives and investing ethically – you can do both.

RESILIENCE BROKERS

The Ecological Sequestration Trust was formed in 2011 to demonstrate at city-region scale how to create a step change in improving energy, water, food security in the face of the combined challenges of changes of climate, demography and increasing resource-scarcity. We have since mobilised business, academia, governments and communities to co-create Roadmap 2030: a detailed plan that supports the rapid scale-up of transformative city-region development to help deliver the Global Goals. We have now brought together a multi-disciplinary team of global experts and organisations, the Resilience Brokers, to implement the initial phase of this plan.

Our vision is of "resilient communities able to withstand the emerging global challenges and provide a better future for generations to come. A future built on equal opportunity, justice, dignity and shared prosperity for all"

Our mission is "to support a rapid transition to resilient development paths in all economies and regions to build a better future for people everywhere, leaving no one behind." This mission is pursued through four key work streams:

1. Science and technology research: Development and implementation of an interdisciplinary research programme designed to complete the development of resilience.io and support city-region research needs
2. Training and capacity building: Facilitation of new forms of cross-sector partnerships and provision of training and support at city-region level
3. Introduction of breakthrough financing models: Urban Development Investment Funds and technology and innovation strategies for private sector engagement.
4. Supporting legacy and impact: helping people in city-regions achieve sustainable development targets. Promoting science-informed engagement and evaluation processes and establishing knowledge-sharing networks.

The resilient development paths, supported by the resilience.io platform include the transition to renewable energy, potable and flood water management, eco-mobility, buildings-as-power stations, waste to energy and composting, recycling and reuse of materials, land regeneration, sustainable agriculture including agro-forestry, green infrastructure and aquaculture and aquaponics.

The principles that guide our work are:

- Collaboration. Our operations are driven by open collaboration from Executive board decision making processes all the way to working on the ground with partners and key stakeholders to deliver city region projects.
- Integrity. The Resilience Brokers Independent Programme Board ensures that transparency, fairness and accountability are at the heart of all our strategic decisions.
- Innovation. Of the "positive-disruptive" kind, with resilience.io at the heart of our programme. Championing new ways of thinking, partnering and collaborating and providing access to innovative funding models. Innovation is at the heart of our culture; embracing change at all levels and designing internal processes that align with our "transformative nature".
- Inclusivity. We are facilitators in a neutral space, supporting all actors. We intend to be independent and uninfluenced whilst observing transparent, fair and inclusive codes of conduct and policies and ensuring our work delivers equal opportunity to all communities, leaving no one behind.

SARASIN & PARTNERS

Sarasin & Partners is an asset manager, managing investments on behalf of private clients, charities, intermediaries and institutions in the UK and around the world. It operates as a partnership, with local management owning 46% of the economic interest and the remainder owned by Bank J Safra Sarasin. Its headquarters are in London. www.sarasinandpartners.com

Our values are fundamental to the achievement of our purpose.

Our values are: integrity, client focus, innovation, expertise, passion, responsibility and accountability

Both within the business and externally we strive to build strong relationships and conduct through a combination of honesty, trust and transparency. We expect our partners & staff to maintain high ethical standards in everything we do and to take seriously our responsibilities to all stakeholders. Environmental and social factors are considered alongside other value drivers in determining a company's 'investment case' or 'risks to investment'.

A company's relations with core stakeholders, from employees, to suppliers, to regulators, to local communities to other groups that are impacted by (and may impact) the company's operations, as well as its environmental performance, are important considerations.

We take a responsible ownership approach to all our investments as we believe this delivers better risk-adjusted returns.

ESG factors are fully integrated into our investment process and the risks and opportunities identified are factored into the analysis of every stock. When we invest on behalf of our clients, we look to the long-term prospects of a company and the case for enduring value creation, which is currently under-appreciated by the market. We believe that responsible companies will tend to create more durable economic value. Specifically, we favour businesses that articulate compelling long-term strategies, and take seriously their responsibilities to their customers, staff, local communities, the environment, and their shareholders.

In addition, once we have bought a stake in a company, we stay close to it. Stewardship is as much about responsible ownership as a considered approach to selecting companies.

The core investment process excludes companies involved with illegal weapons; which persistently engage in practices that cause needless social and environmental harm; where we perceive egregious governance failures, and where we believe there is no potential for engagement to improve practices and thus investment returns. In addition over 70% of our clients ask us to apply an additional layer of values-based exclusions.

TRIBE IMPACT CAPITAL

Tribe is a team of wealth partners and impact specialists based in London "focusing exclusively on aligning wealth stewardship and creation with our clients' personal values." Its goal is "to deliver long-term positive impact and growth for everyone, in support of the UN Sustainable Development Goals." www.tribeimpactcapital.com

Our Mission

To redefine wealth and deliver truly sustainable growth, for all.

Tribe looks at the Anglo Saxon (Old English) definition of the word "wealth" as derived from the noun "weal" (well-being) and the suffix "th" meaning "the condition of". "We believe in the old English definition of wealth: the condition of well-being, whether personal, professional, environmental, social or financial. But somewhere along the way the original meaning of wealth has been forgotten."

Our Values

- Inclusivity: we believe impact investing is for everyone,
- Innovation: we don't sit still with your wealth, we help move it and you forward
- Longevity: we're here for the long term, delivering the type of investment the world really needs
- Partnership: we aren't wealth managers, we're wealth partners, working with our clients to affect the change they want to see for themselves and others
- Authenticity: we are fearless in the pursuit on honesty and transparency in our business, which is why we're a B Corps *(see below)*.

Our Commitment to Sustainable Development

We invest using UN SDGs as a framework. These 169 targets inform how we work with clients and how we identify opportunities from a global marketplace that help drive us towards growth that respects both current and future generations. We also take these targets and reflect them back in our own business, ensuring that we walk the talk as much as we ask others to. This commitment to sustainable development is reflected in our B Corps status – a global movement of companies impassioned to create new, better, more positively impactful business models and services.

We have a good story here – 50% of our senior leadership is female (Nov 2017). However, we didn't do this to satisfy a quota; we all believe passionately in the power of diverse businesses. We need to reflect the world we want to see and the one we are trying to build. Given that, our commitment goes beyond gender diversity to diversity in all forms. We will strive to ensure that our business represents the diversity represented in the UN SDGs, which are in themselves a representation of global society.

TRIODOS INVESTMENT MANAGEMENT

Triodos Investment Management is a wholly owned subsidiary of Triodos Bank. It manages direct investments ranging from renewable energy infrastructure and organic food companies to cultural activities and microfinance institutions. It manages 6 investment strategies in the areas of inclusive finance, energy and climate, arts and culture, sustainable real estate, sustainable food and agriculture, socially responsible investment. Its headquarters is in the Netherlands. www.triodos.com

* Our mission is to make money work for positive change, while generating a balanced return.
* In 20 years our business has grown based on deep sector insights and long-term relationships with clients with whom we share a vision of the future
* We partner with renewable energy entrepreneurs to bring about a transition from fossil fuels through direct stakes in fixed income and in equity
* We are a sole provider of commercial loans to the Arts and Culture sector (We encourage and support cultural entrepreneurship by financing artists and cultural institutions, making their work accessible, promoting innovation and reducing dependence on government subsidies.)
* Triodos Sustainable Real Estate Fund is the first European zero-emission, sustainable real estate fund. The ambition is to realise a zero-energy portfolio. In the long term, the fund strives to integrate its portfolio offices' renewable energy resources and manage the portfolio as a 'smart grid'.
* Sustainable food and agriculture play a key role in the transition to a sustainable society: Triodos has portfolios and funds supporting organic and sustainable lifestyle businesses across Europe, and providing trade finance for sustainable agricultural products from 19 developing countries.
* We believe that, in the long term, the most successful stock market-listed businesses will be those that achieve the best balance between their social, environmental and economic performance, thus delivering the greatest value to all their stakeholders.

Values include transparency as a key principle: "We are completely open about the businesses and organisations we lend to and invest in."

WHEB ASSET MANAGEMENT

WHEB Asset Management is a positive impact investment manager focused on a single long-only global equities strategy. The WHEB Sustainability Fund was launched in 2009. This is a summary of WHEB Asset Management's "Guidelines" and approach to Sustainable and Responsible business and investing. www.whebgroup.com

WHEB's mission, which the whole team took part in writing, is to advance sustainability and create prosperity through positive impact investments.

Our philosophy is to invest in companies providing solutions to some of the most serious environmental and social challenges facing humanity over the coming decades. Our strategy focuses on sustainable investment and the integration of ESG issues into analysis and investment decisions. Our business is designed to be managed in a way that is consistent with the sustainable and long-term investment philosophy of our fund.

1. *Identify companies which are providing solutions to sustainability challenges*

Long-term social, demographic, environmental and resource challenges are reshaping the economic landscape, creating new investment opportunities for companies providing solutions to these challenges, and growing risks for those sectors that deplete human and natural capital. Companies which create positive social and environmental impact can be grouped into a social and environmental "sustainability" themes that are underpinned by long-term secular change and have structural growth characteristics that are superior to the rest of the economy; in this way they provide a powerful source of investment value.

2. *Integrate ESG issues into our investment analysis and decision-making processes*

Our interest in ESG issues is driven by our desire to understand the fundamental quality of the businesses and other investment opportunities we are researching. We have strong conviction in the impact of ESG issues on company performance, either in their own right, or as a wider proxy for the quality of a business franchise, especially over a multi-year investment horizon.

3. Be active owners and integrate ESG issues into our ownership policies and practices
The investment team scrutinises governance as a core part of our investment process and uses voting powers to push for better practices. Where we vote against or abstain on a company vote, we always write to the company to explain our reasons for doing so.

Engagement also takes place outside the context of company voting. The team regularly meet with company management and where there are ESG-related concerns, we raise these directly with management either in face-to-face meetings or through correspondence. We also engage collaboratively with other investors where we believe that a broader approach is more likely to secure a positive response from management. We are strong believers in the disciplines of transparency and disclosure, and encourage companies in which we invest to improve disclosure of material ESG issues in regular publications.

WWF-UK

The World Wildlife Fund was set up in September, 1961, at IUCN's headquarters in Morges, Switzerland. Later that year HRH. Prince Philip, the Duke of Edinburgh became president of the British National Appeal, the first national organization in the World Wildlife Fund family. It later became WWF–UK, continuing with the original mission to protect the future of nature. WWF has been working with religions on nature conservation since 1985, and was a founding body for the Alliance of Religions and Conservation (ARC), with a permanent role on ARC's board. www.wwf.org.uk

Investment Restrictions

There will be no investment in companies which are incapable in any reasonable timescale of conducting their businesses without breaching biophysical and socio-economic environmental constraints. There will also be no investment in hedge funds.

Positive bias:

- Direct investment in companies that have a moderate or good biodiversity policy within high and medium impact sectors
- Direct investment in companies that develop or use renewable energy
- Direct investment in companies with good and advanced sustainable timber sourcing standards within; very high, high, medium, low and very low estimated volume
- Direct investment in companies with good or exceptional policy on avoiding GM ingredients in its food products
- Direct investment in companies with good or exceptional policy on avoiding GM ingredients in its catering products

APPENDIX 2:

SHINE INVESTMENT PRINCIPLES FOR ENERGY ACCESS

An emerging global campaign on energy access, Shine: Investing in Energy Access for All, was announced during the Sustainable Energy for All Forum in April 2017, focusing on diversifying the sources of finance to support energy access. The campaign unites partners from the faith, development and philanthropic sectors to commit to mobilizing new forms of capital, scaling resources and generating momentum to achieve universal access to clean, affordable and reliable energy by 2030 and support SDG 7. Early supporters of the campaign include Sustainable Energy for All, GreenFaith, Wallace Global Fund, World Council of Churches, American Jewish World Service, Ashden Trust, CAFOD, Church of Sweden, Oxfam USA, the Hanley Foundation, Global Catholic Climate Movement, Power for All, ActionAid. These are its investment principles.

The Shine Advisory Committee, composed of members of the faith, foundation and NGO sectors, has developed these preliminary investment guidelines for values-based investors in energy access initiatives. Shine is committed to an ongoing process of engagement and consultation with partners from these three sectors and the investment community to shape these guidelines further.

1. Protect Human Rights

Shine supports energy access projects that uphold human rights and that avoid displacement of human communities through large-scale hydroelectric or dam projects or large-scale solar farms. In the past, a number of these projects have forced communities from their homes, violating the human rights of tens of thousands of people with no compensatory measures. Shine stands in opposition to such projects and believe that values-based investors should avoid such investments.

2. *Protect the Environment*

Shine supports energy access projects that protect the environment – not only through the generation of renewable energy (primarily wind, solar, geothermal; not nuclear) but also through the protection of ecologically significant habitats. Many renewable energy projects require the use of land or open space; when this is the case, Shine's position is that such projects should be sited in a manner that minimizes harm to habitat and that altogether avoids damage to sensitive habitats which are of particular ecological and cultural significance and which are home to endangered species.

3. *Engage Local Communities*

Distributed renewable energy projects are situated in and serve the members of local communities, often communities that are rural, poor, and not customarily connected with outside investors or forms. Shine believes that the respectful engagement of communities at every stage of the development and execution of these projects is of vital significance, and that communities should, wherever possible, retain the right of free, prior and informed consent when it comes to the siting of projects. Distributed renewable energy projects create opportunities for employment and employment training, both at the stage of project installation and project management and maintenance. Shine believes that values-based investors should prioritize projects with concrete plans to train and employ local residents for jobs at all levels of the new enterprise, including the managerial level. Wherever possible, local communities should also be provided with an ownership stake, or a realistic opportunity to acquire such a stake, in projects situated in their communities. Shine suggests that values-based investors explore innovative business and ownership models to ensure this.

4. *Accept Reasonable Levels of Profitability*

Some distributed renewable energy projects and enterprises will inevitably become highly profitable, enabling them to expand and their investors to profit handsomely. While recognizing that this is both inevitable and a major incentive for investors in this field, Shine suggests that values-based investors should not seek exorbitant or exploitive levels of return from their energy access investments, and where generous returns are generated by investments, consider utilizing a portion of such returns to support further community engagement as described above.

5. Advocate for these Principles

Shine partners from the sectors mentioned above have the opportunity to promote and promulgate these standards to their members and to other investors. We wholeheartedly encourage such activity, knowing that often the most effective means of persuading others to adopt such standards is through conversations with colleagues and partners who have committed to these principles.

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