



Pension Officers Forum—Africa, October 2022



**Wespath**

BENEFITS | INVESTMENTS



# Sustainable Investments



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**What's in a Name?**

# **Sustainable Investment Stewardship**

# Sustainable—What Is Sustainability?

“ ...Meet the needs of the present without compromising the ability of future generations to meet their own needs...” ”

1987 United Nations World Commission  
on Environment and Development  
“Bruntland Commission”





# Sustainable—What About ESG?



**E**nvironment



**S**ocial



**G**overnance

“ The intentional integration of **environmental, social and governance (ESG)** factors in the selection and management of investments positively affects long-term performance. ”

# Wespath's Vision of a Sustainable Economy

We believe achieving return expectations of those we serve requires a transition to a sustainable global economy. We define a **sustainable global economy** as one that promotes:



Social cohesion



Long-term prosperity for all






Environmental health

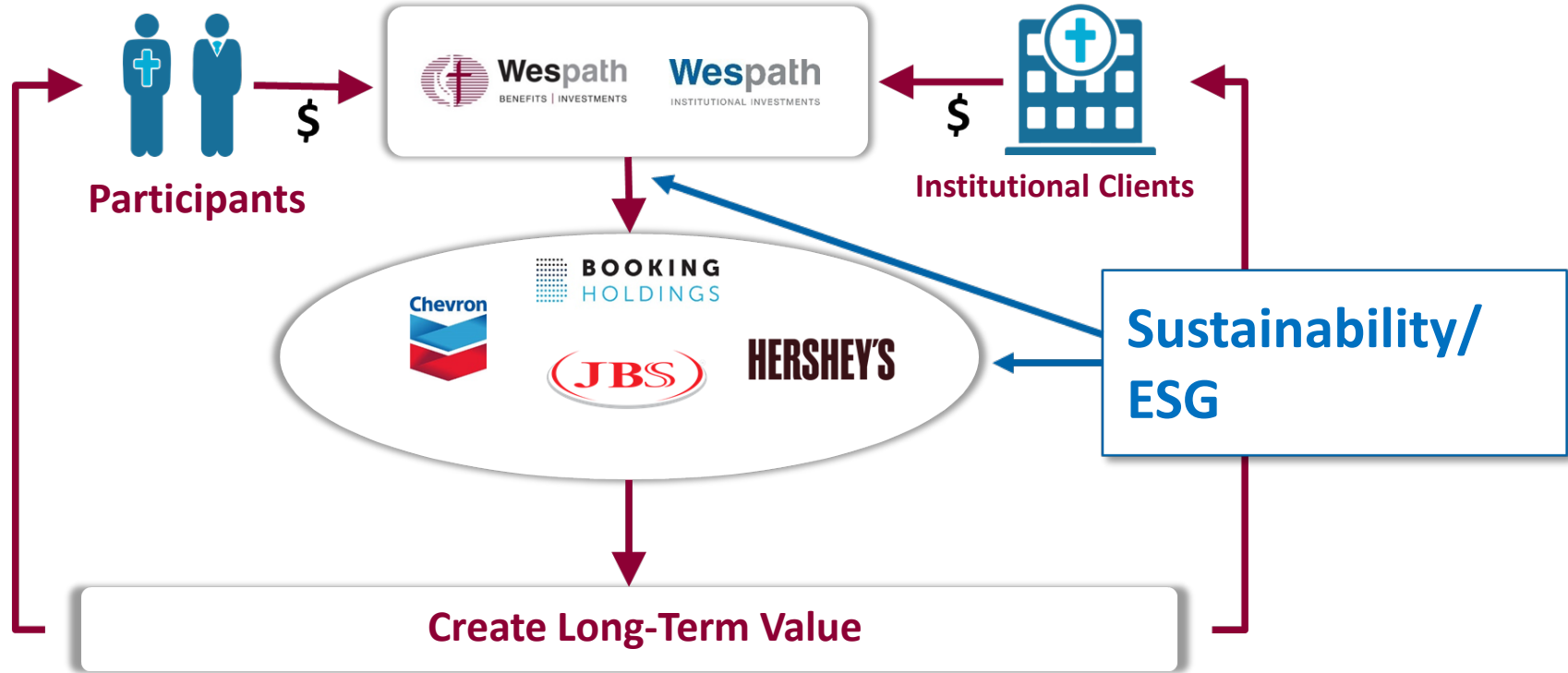


# Sustainability Through a Methodist Lens

## UMC Social Principles

	<b>Social cohesion</b>	Education	Rights of Women	Work and Leisure	Energy Resource Utilization	Sustainable Infrastructure & Innovation	Basic Freedoms & Human Rights
	<b>Long-term prosperity for all</b>	No Poverty	Food Justice	Right to Health Care	Water, Air, Minerals, Plants & Soil	Rights of Women	War & Peace, Justice & Law
	<b>Environmental health</b>	Energy Resource Utilization	Urban – Suburban Life	Consumption	Global Climate Stewardship	Water, Air, Minerals, Plants & Soil	Supporting a Just Transition

# Stewardship—How Your Investments Make an Impact





# Stewardship—How Your Investments Make an Impact



## Engagement and Proxy Voting

Vote on ESG-related shareholder resolutions

Frequent conversations with corporations and peers

Dialoguing with policymakers

Active participation in sustainable investment coalitions

Working on ESG issues with our external asset managers



**IOPA**  
INVESTORS FOR OPIOID AND  
PHARMACEUTICAL ACCOUNTABILITY

**Climate  
Action 100+**  
Global Investors Driving Business Transition



**MIDWEST INVESTORS DIVERSITY  
INITIATIVE**

# Stewardship Example—Russia’s Invasion of Ukraine

- Restrict purchase of Russian securities
- Apply “Invest, Engage and Avoid” model to assessment of securities in portfolio
- Pursue engagement with companies and asset managers
- Explore further collaboration on coordinated investor action with human rights civil society experts

# Stewardship—Examples

operations    technology        sustainability    investors

press release

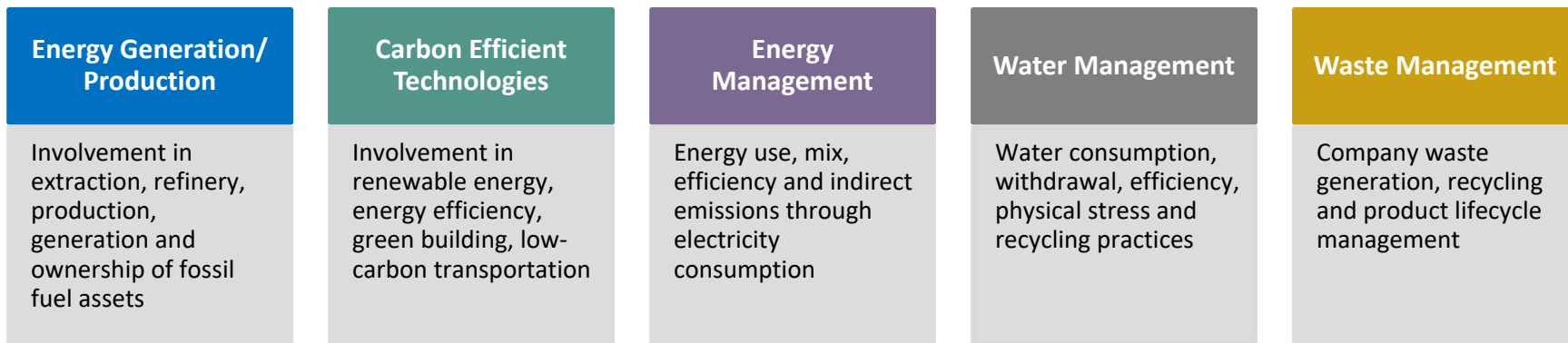
**Chevron Sets Net Zero  
Aspiration and New GHG  
Intensity Target**



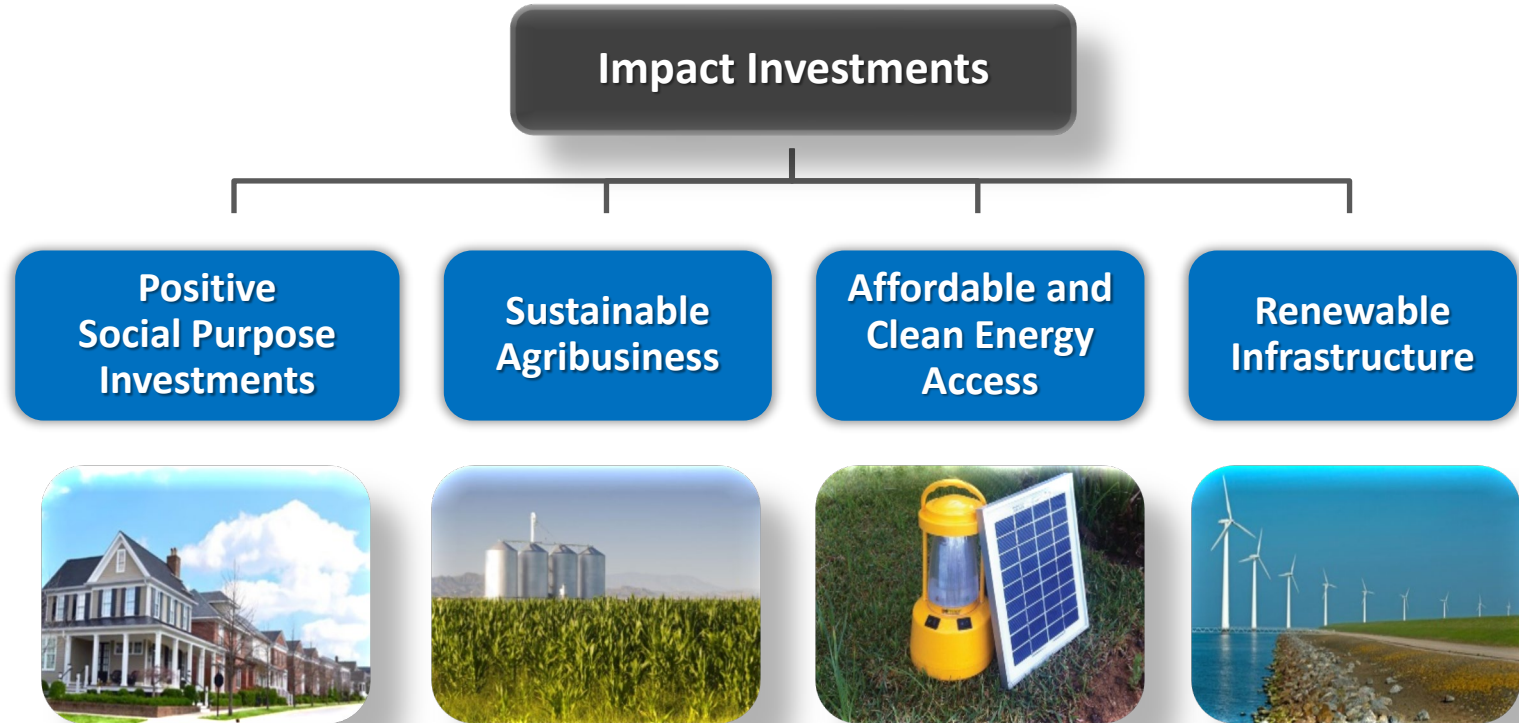
# ESG Integration Example—Transition Ready Strategies

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Captures the physical, technological, social and regulatory risks and opportunities associated with the transition to a low-carbon economy through five investable “transition readiness” pillars



# What Is “Impact Investing?”





# Positive Social Purpose Lending Program

- Internally-managed investment strategy
- More than \$2 billion in PSP investments since 1990

Providing access to  
needed multi-family  
affordable housing



More than 52,000  
affordable housing  
units financed

Supporting jobs and  
local communities<sup>2</sup>



- More than 65,000 jobs
- More than \$1.9 billion in tax revenue

International microfinance—  
supporting entrepreneurs  
in emerging markets



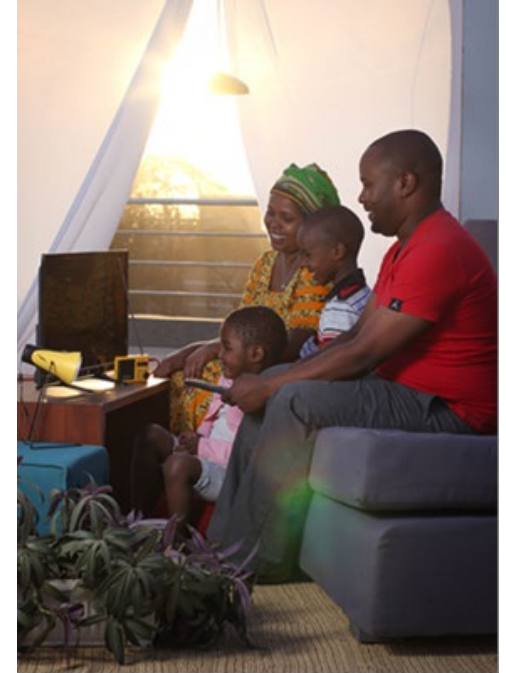
Invested more than  
\$83 million in loans  
to entrepreneurs

# Developing World Markets

## Latin America, Africa and Asia

- Loan: \$30 million
- Microfinance

Investments help address the needs of the more than 2.2 billion people living without reliable access to electricity



# Where To Learn More—From Wespath

## Social Media

**Wespath Benefits and Investments**  
Published by Hootsuite • August 3, 2020

Join us in celebrating the 30-year anniversary of our Positive Social Purpose Lending Program! For three decades, the program has supported [#affordablehousing](#) and [#impactinvestments](#) that uplift communities around the world. In the latest Hark!, we detail PSP's growth: <http://ow.ly/clja50ANjyt> #PSP30 #PSPInvest

### Timeline of PSP's Evolution and Impact

Year	Key Milestones and Impact
1990 to 1997	Lower \$20 million in start-up loans funded by the Federal Reserve's Pay-As-You-Go program.
1997 to 2002	Expanded operations with specialty development financial institutions and began focus on long-term, permanent housing for credit program.
2004	Made one type of investments available to all states, with a focus on affordable housing, such as for senior citizens, other needs and solutions.
2005	Launched an initiative to invest in 250,000 affordable housing units across the U.S. and expanded to 15 states.
2016	Investment of \$2 billion in community development loans in 2016, with a focus on affordable housing, such as for senior citizens, other needs and solutions.
2018	Positive financing of \$2.5 billion in 2018, with a focus on affordable housing, such as for senior citizens, other needs and solutions.

171 People Reached | 11 Engagements | [Boost Post](#)

8 | Like | Comment | Share

## Read the Report!

### 2019-2020 Sustainable Investment Report



Wespath  
Sustainable Investment



## Website and Blog

**Wespath** Institutional Investor View | [Wespath.com](http://Wespath.com)

Retirement & Investments > Health & Well-Being > Plan Sponsor Services > Abn

### Investment Insights Blog: The Fiduciary Case for COVID-19 Vaccine Equity

December 20, 2021

By **Chirag Aharya**  
Analyst, Sustainable Investment, Stewardship

COVID-19 vaccine equity is a salient issue to prudent investors due to the risks associated with vaccine inequity. Nearly a year after the initial rollout of COVID-19 vaccines, doses are readily available in the U.S. and much of the developed world. However, a serious gap in vaccine distribution rates has emerged in many countries around the world, and amid the spread of the Omicron variant, the social, ethical and economic importance of addressing this gap has grown ever more heightened.

Here at Wespath, we believe that COVID-19 vaccine inequity poses a risk to our vision for a sustainable global economy, which promotes social cohesion, long-term prosperity for all and environmental health. As we've shared before,<sup>1</sup> we think a sustainable economy will deliver healthier financial markets and greater financial security for Wespath's stakeholders.

So, what exactly is the issue? For one, the Centers for Disease Control and Prevention (CDC) acknowledges the disparity in COVID-19 vaccine equity for racial and ethnic minority groups in the United States.<sup>2</sup> This disparity is also seen around the globe, with the lack of equitable access to vaccines to people of all races exacerbating the issue of racial equity.

As an example, just over 50% of individuals in Africa are fully vaccinated,<sup>3</sup> while approximately 60% of the U.S. population is fully vaccinated.<sup>4</sup> This trend is mirrored around the world, with large discrepancies in the number of vaccine doses administered across economic divides. This is illustrated in the chart below, where countries are categorized as "high income," "upper middle income," "lower middle income" and "low income."<sup>5</sup>





# How to Better Engage Global UMC

# Overview and Objective



In January, the Investments team held an all-day brainstorming session focused on how to mobilize behind our sustainable economy framework

One theme that developed when identifying next steps: **the need to engage Wespath's various stakeholder groups on our work**



# What Is Stakeholder Engagement?

**Objective:** Leveraging stakeholder relationships to inform and evolve our sustainable economy framework by:



# What Is Stakeholder Engagement?

## Our Stakeholder Audiences

### Internal

- Wespeth Board and committees
- Church Relations team
- Institutional Investment Services team

### UMC/Participants

- Young Leaders Advisory Board (Y-LAB)
- UMC agencies
- Conference communicators
- Ethnic/inclusion groups
- Creation Care and similar groups
- **Central conferences**
- UMC seminaries

### Institutional Investors

- Leaders at current clients—supporters *and* skeptics
- Potential new clients
- Intentional Endowments Network, Interfaith Center on Corporate Responsibility (ICCR)

### Other Communities

- Affected communities
- Interfaith advocacy groups
- Grassroots policy advocacy groups

# We Need Your Input!

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## Stakeholder Engagement Project

- What international economic and social issues could Wespath be better engaging on?
- How do we better engage with the global Church in our communication and development of sustainable investing strategies?
- What channels or mediums for connection would be most effective in communicating our work to interested parties in the global Church?

### **Connecting and communication:**

- What communications from Wespath have you seen that you perceive to be most effective and least effective?
- How can we best reach influencers?



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