



Pension Officers Forum—Africa, October 2022



**Wespath**

BENEFITS | INVESTMENTS



# Sustainable Investments



Forum des responsables des prestations - Afrique, octobre 2022



**Wespath**

BENEFITS | INVESTMENTS



# Investissements durables



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**What's in a Name?**

# **Sustainable Investment Stewardship**



Qu'est-ce qu'un nom ?

# **Intendance des investissements durables**

# 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”



# La durabilité - Qu'est-ce que la durabilité ?

“ ...Répondre aux besoins du  
du présent sans  
compromettre la capacité des  
générations futures de répondre  
à leurs propres besoins...”

”

1987 Commission mondiale des Nations unies  
sur l'environnement et le développement  
“Commission Bruntland”





# 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. ”

# Durable - Qu'en est-il de l'ESG ?



**E**nvironment



**S**ocial



**G**ouvernance

“

L'intégration intentionnelle des facteurs **environnementaux, sociaux et de gouvernance (ESG)** dans la sélection et la gestion des investissements. la sélection et la gestion des investissements affecte positivement la performance à long terme.

”

# 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



# La vision de Wespath d'une économie durable

Nous pensons que pour répondre aux attentes de rendement de ceux que nous servons, il faut une transition vers une économie mondiale durable. Nous définissons une **économie mondiale durable** comme une économie qui promeut :



La cohésion sociale



Une prospérité à long terme pour tous






Santé environnementale



# 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

# Le développement durable dans une optique méthodiste

## Principes sociaux de l'UMC



### La cohésion sociale

Éducation

Droits des femmes

Travail et loisirs

Utilisation des ressources énergétiques

Infra-structure durable et innovation

Libertés fondamentales et droits de l'homme



### Une prospérité à long terme pour tous

Pas de pauvreté

Justice alimentaire

Droit aux soins de santé

Eau, air, minéraux, plantes et sol

Droits des femmes

Guerre et paix, justice et droit



### Santé environnementale

Utilisation des ressources énergétiques

Vie urbaine et suburbaine

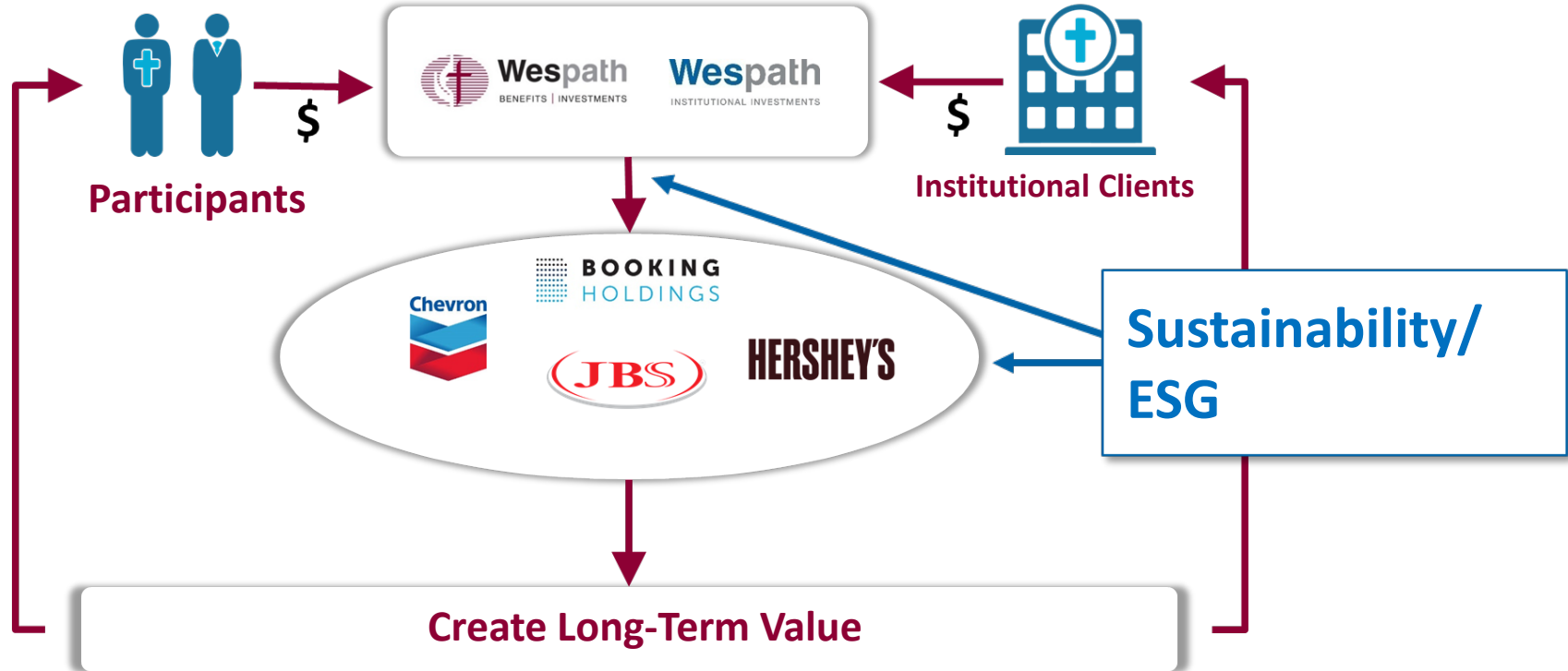
Consommation

Gestion du climat mondial

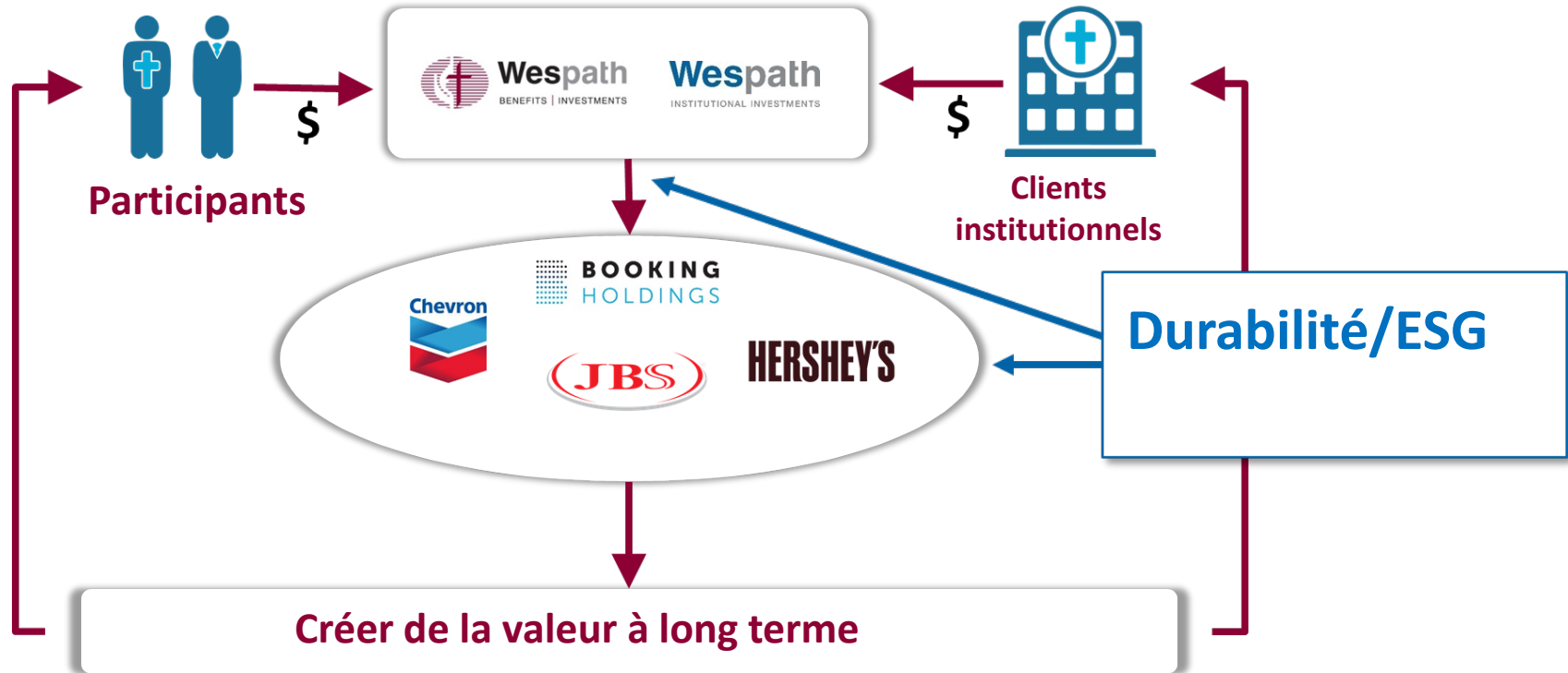
Eau, air, minéraux, plantes et sol

Soutenir une transition juste

# Stewardship—How Your Investments Make an Impact



# L'intendance - Comment vos investissements ont un 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**

# L'intendance - Comment vos investissements ont un impact



## Engagement et vote par procuration

Vote sur les résolutions d'actionnaires liées à l'ESG

Des conversations fréquentes avec des entreprises et des pairs

Dialoguer avec les décideurs politiques

Participation active à des coalitions d'investissement durable

Travailler sur les questions ESG avec nos gestionnaires d'actifs externes



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# 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

# Exemple d'intendance - L'invasion de l'Ukraine par la Russie

- Restreindre l'achat de titres russes
- Appliquer le modèle "Investir, Engager et Éviter" à l'évaluation des titres du portefeuille.
- Poursuivre l'engagement auprès des entreprises et des gestionnaires d'actifs
- Explorer une collaboration plus poussée sur l'action coordonnée des investisseurs avec les experts de la société civile en matière de droits de l'homme

# Stewardship—Examples

operations    technology        sustainability    investors

press release

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



# Exemples d'intendance

operations    technology        sustainability    investors

press release

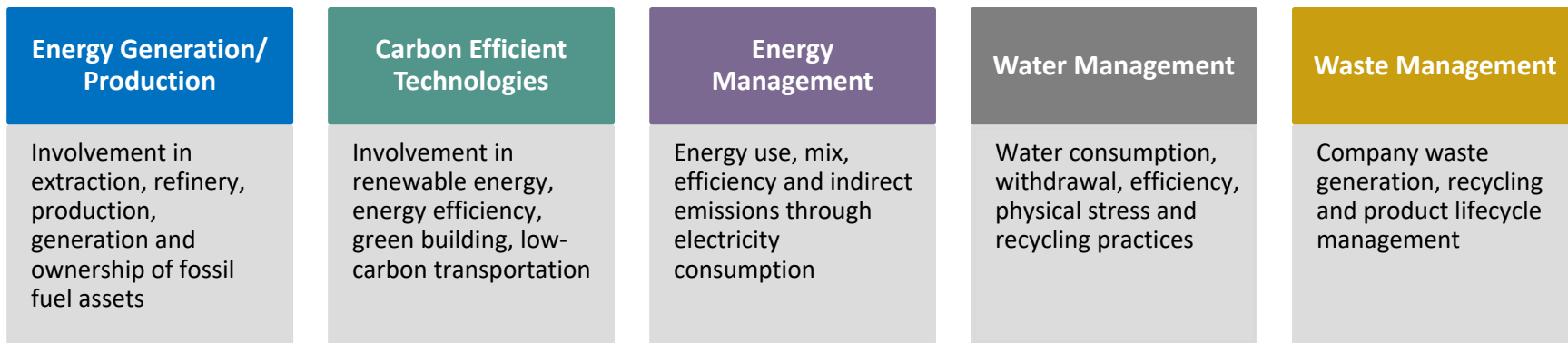
**Chevron se fixe l'objectif  
"zéro émission" et un nouvel  
objectif d'intensité des GES**



# ESG Integration Example—Transition Ready Strategies

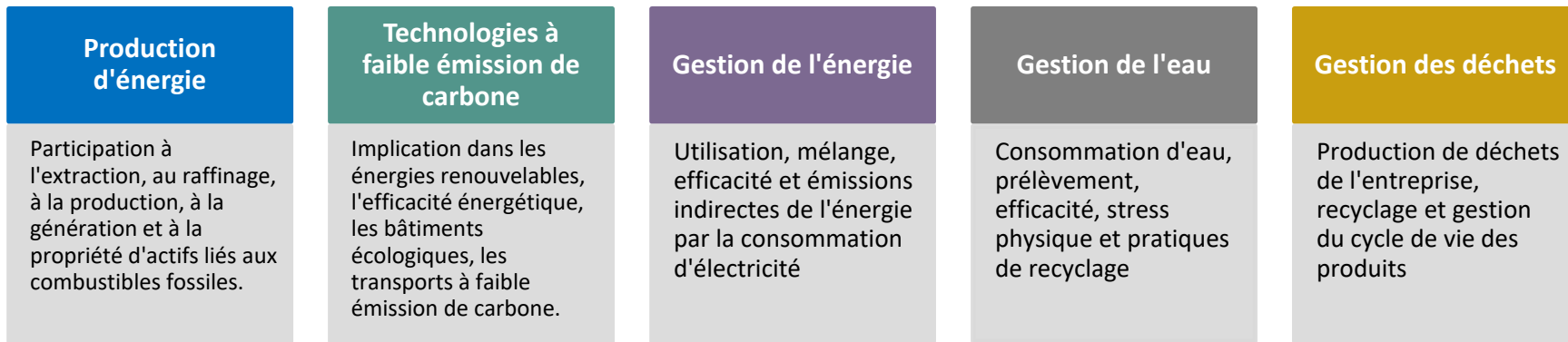
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Captures the physical, technological, social and regulatory risks and opportunities associated with the transition to a low-carbon economy through five investable “transition readiness” pillars



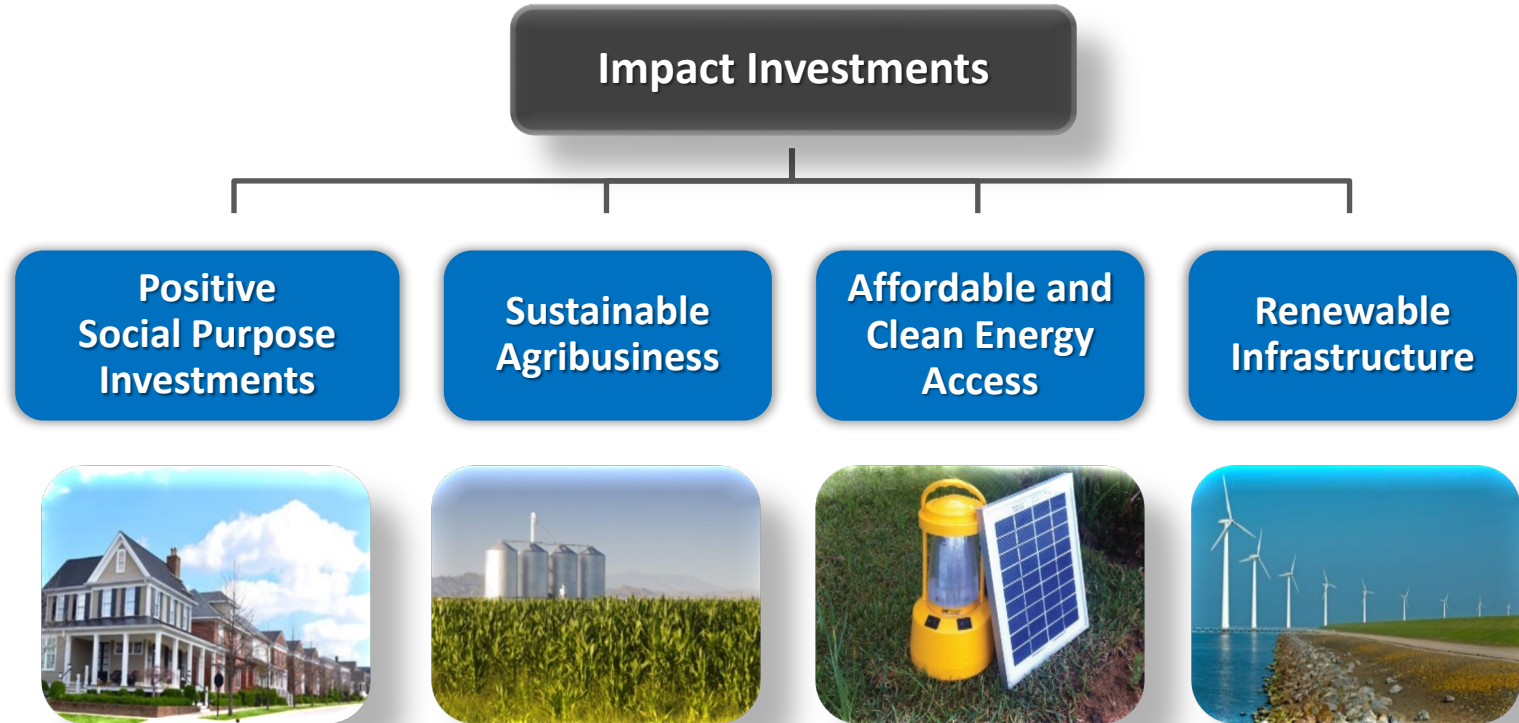
# Exemple d'intégration ESG - Stratégies de préparation à la transition

Capture les risques et opportunités physiques, technologiques, sociaux et réglementaires associés à la transition vers une économie à faible émission de carbone à travers cinq piliers investissables de "préparation à la transition".

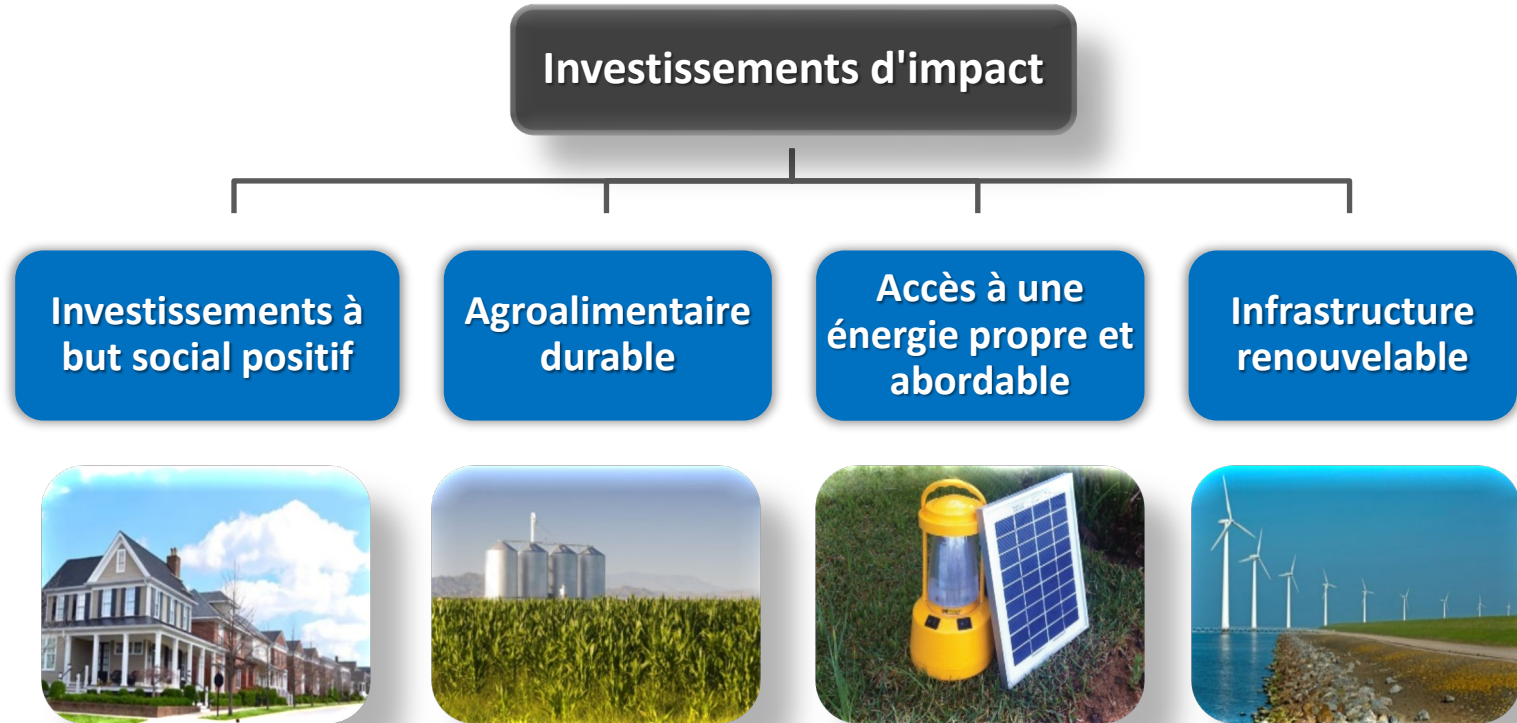




# What Is “Impact Investing?”



# Qu'est-ce que "l'investissement à impact" ?



# 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

# Programme de prêts à des fins sociales positives

- Stratégie d'investissement gérée en interne
- Plus de 2 milliards de dollars d'investissements PSP depuis 1990

Fournir l'accès aux logements multifamiliaux abordables nécessaires



Financement de plus de 52 000 unités de logement abordables

Soutenir l'emploi et les communautés locales



- Plus de 65 000 emplois
- Plus de 1,9 milliard de dollars de recettes fiscales

La microfinance internationale au service des entrepreneurs sur les marchés émergents



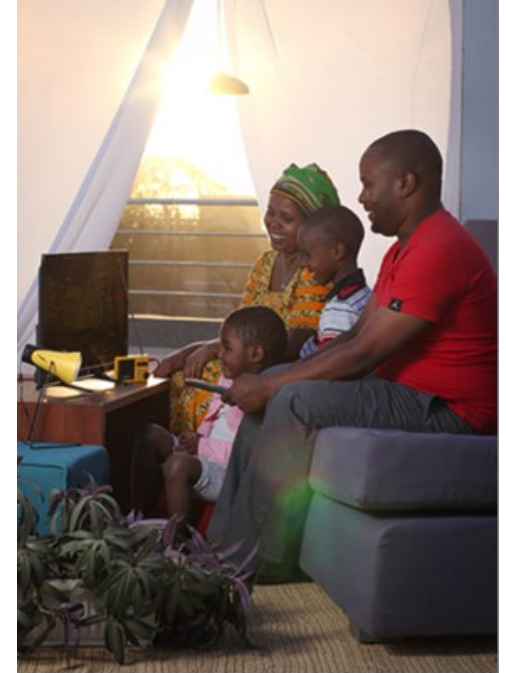
Investi plus de 83 millions de dollars en prêts aux entrepreneurs

# 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

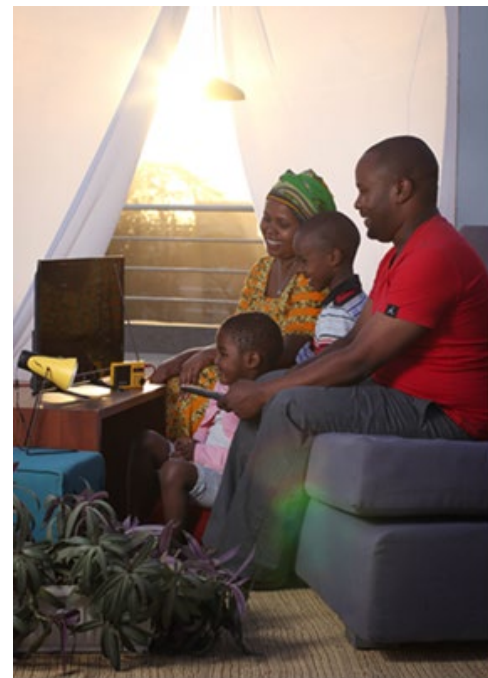


# Marchés du monde en développement

## Amérique latine, Afrique et Asie

- Prêt : 30 millions de dollars
- Microfinance

Les investissements contribuent à répondre aux besoins de plus de 2,2 milliards de personnes qui vivent sans accès fiable à l'électricité.



# 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 relationships with specialty development financial institutions and began focus on long-term, permanent financing.
2004	Made one type of investments available to all states, such as for-profit housing, other small and mid-size.
2005	Launched \$2 billion in community development investments in 2005 and \$2.5 billion in investments in 2006.
2016	Investment in 2005 and \$2.5 billion in 2006. Focus on expanding into new markets, such as for-profit housing, other small and mid-size.
2018	Positive financing in 2018 totaling \$200 million. Focus on expanding into new markets, such as for-profit housing, other small and mid-size.

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

8 | Like | Comment | Share

## Read the Report!

### 2019-2020 Sustainable Investment Report



## Website and Blog

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

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

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

December 20, 2020

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>

# Où en savoir plus - chez Wespath

## Réseaux sociaux

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### Timeline of PSP's Evolution and Impact

Year	Key Milestones and Impact
1990 to 1997	Issue \$20 million to start the first PSP. Focus on affordable housing and community development.
1997 to 2002	Expand operations with specialty development financial products, such as affordable housing, affordable housing, and other social and economic.
2004	Make one type of investment: specialty development financial products, such as affordable housing, affordable housing, and other social and economic.
2005	Launch the first impact investment fund: the first impact investment fund, the first impact investment fund, the first impact investment fund.
2016	Investment \$2 billion in sustainable investments in 2016. Focus on clean energy, water, and other social and economic.
2018	Positive financing in 2018. Focus on clean energy, water, and other social and economic.

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

8 Likes | Comment | Share

## Lisez le rapport !

### Rapport sur l'investissement durable 2019-2020

Wespath  
Benefits & Investments



## Site web et blog

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

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# How to Better Engage Global UMC



Comment mieux s'engager dans le monde de l'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**

# Aperçu et objectif



En janvier, l'équipe chargée des investissements a organisé une séance de remue-méninges d'une journée sur la façon de se mobiliser en faveur de notre cadre d'économie durable.

Un thème s'est dégagé lors de l'identification des prochaines étapes : **la nécessité d'impliquer les différents groupes de parties prenantes de Wespath dans notre travail.**

# What Is Stakeholder Engagement?

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



# Qu'est-ce que l'engagement des parties prenantes?

**Objectif :** Tirer parti des relations avec les parties prenantes pour informer et faire évoluer notre cadre d'économie durable :



# 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

# Qu'est-ce que l'engagement des parties prenantes?

## Nos parties prenantes

### Interne

- Conseil d'administration et comités de Wespath
- Équipe des relations avec les églises
- Équipe des services d'investissement institutionnels

### UMC/Participants

- Conseil consultatif des jeunes leaders (Y-LAB)
- Agences de l'UMC
- Communicateurs de conférence
- Groupes ethniques/inclusion
- Creation Care et groupes similaires
- **Conférences centrales**
- Séminaires de l'UMC

### Investisseurs institutionnels

- Les dirigeants des clients actuels - partisans *et* sceptiques
- Nouveaux clients potentiels
- Réseau des dotations intentionnelles, Centre interreligieux sur la responsabilité des entreprises (ICCR)

### Autres communautés

- Communautés affectées
- Groupes de défense des intérêts interconfessionnels
- Groupes de défense des politiques à la base



# 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?

# Nous avons besoin de votre contribution!

---

## Projet d'engagement des parties prenantes

- Sur quelles questions économiques et sociales internationales Wespath pourrait-elle mieux s'engager ?
- Comment pouvons-nous mieux nous engager avec l'Église mondiale dans notre communication et le développement de stratégies d'investissement durable ?
- Quels canaux ou moyens de connexion seraient les plus efficaces pour communiquer notre travail aux parties intéressées dans l'Église mondiale ?

### **Connexion et communication :**

- Quelles sont les communications de Wespath que vous avez vues et que vous percevez comme étant les plus efficaces et les moins efficaces ?
- Comment atteindre au mieux les influenceurs ?



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