

OUR ETHICS FRAMEWORK

The
Theological
Grounding
to Investing
Faithfully



Do all the good you can,
By all the means you can,
In all the ways you can,
In all the places you can,
At all the times you can,
To all the people you can,
As long as ever you can



INVESTING WITH PURPOSE AND INTEGRITY

Epworth Investment Management exists to serve the Church and like-minded charities through investment that reflects Christian ethical values.

We believe that investment is not ethically neutral: the choices we make with capital can advance human dignity, care for creation, and promote justice - or undermine them. Our approach is rooted in Christian tradition and informed by continuous theological reflection.

We have developed a framework of seven ethical pillars, each grounded in faith and shaped by our understanding of responsible stewardship. These pillars are not generic ESG categories; they reflect a distinct moral and theological lens through which we assess investment risk, opportunity and accountability.

Our ethical approach guides everything we do: how we select investments, how we engage with companies, and how we report to clients. It is built on a commitment not just to avoid harm, but to bear faithful witness in the marketplace - to challenge structures of injustice, encourage corporate responsibility, and model an investment strategy that is clear, credible, and consistent.

This document sets out Epworth's ethical pillars and explains the tools that shape our engagement themes, assessment criteria, and stewardship strategy. We do not market our funds under the Sustainability Disclosure Requirements (SDR), but we are committed to avoiding greenwashing and providing clients with transparent, values-based stewardship. This is ethical investment in action - rooted in principle, refined through experience, and accountable to those we serve.

PILLARS OVERVIEW

The pillar categories represent a broad set of themes that encompass the ethical challenges facing investee companies. We feel, through improving corporate behaviour within these categories, companies have the potential to help improve the lives of people and the state of our planet.



EARTH & ECOSYSTEM

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



LABOUR

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



EQUALITY

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



CONFLICT

All people and companies should work actively toward peace.



HEALTH & WELLBEING

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



SOCIETY

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



FAIRNESS, RESPONSIBILITY & TRANSPARENCY

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



EARTH & ECOSYSTEM

**All creation belongs to God.
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We are called to cherish creation and protect the integrity of God's world. Environmental degradation - particularly climate change, pollution and biodiversity loss - poses grave moral and financial risks. As stewards of our clients' capital, we are committed to encouraging responsible corporate responses to the risks and opportunities posed by environmental change, with a particular focus on the transition toward lower-carbon business models and practices.

Our engagement focuses on companies' decarbonisation strategies, nature-related impacts, and alignment with the goals of the Paris Agreement. We assess emissions performance, the credibility and governance of net-zero commitments, and the robustness of transition planning. We also expect clear, decision-useful climate-related financial disclosures and evidence that climate risks and opportunities are integrated into capital allocation, risk management, and executive oversight, drawing on recognised reporting frameworks and initiatives where appropriate.

Scripture

Genesis 1:27
Exodus 23:10-12
Psalm 24:1-2
Matthew 25:40
Genesis 2:15
Leviticus 23:22
Colossians 1:15-16



**THE EARTH
IS THE LORD'S,
AND EVERYTHING
IN IT...**

Psalm 24:1

We also engage directly with financial institutions to assess their exposure to high-carbon industries and the credibility of their climate transition strategies. We press for clear and time-bound transition plans, a demonstrable reduction in fossil fuel financing, and robust exclusion policies covering thermal coal, oil sands, and finance linked to deforestation.

Key engagement themes include fossil fuel financing, water use, biodiversity, deforestation exposure, lobbying alignment, nature-related risk management, and transition planning. We challenge poor disclosure, inertia, and greenwashing, and support those showing leadership in sustainable innovation, regenerative business models, and genuine climate accountability.

We also acknowledge the complexity and tension within the transition to a sustainable economy. For many of the world's poorest communities, access to affordable and reliable energy is essential for development, education, and basic healthcare. We recognise that an overly rapid divestment from all fossil fuels without viable alternatives may risk deepening energy poverty. Our approach seeks a balance: pushing for ambitious climate action while advocating for a just transition that includes energy access, economic inclusion, and investment in clean infrastructure for low-income regions. This is central to our ethical understanding of climate justice.

AREAS OF CONCERN

▶ Climate emergency ▶ Environmental impact ▶ Resource management ▶ Food animal welfare



LABOUR

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

Every worker is worthy of dignity. Yet labour exploitation remains rife in global supply chains, particularly in high-risk sectors such as agriculture, apparel, logistics, and electronics. Inadequate oversight, weak regulation, and the pursuit of cost efficiencies often leave workers vulnerable to unsafe conditions, poverty wages, and abuse. One of the gravest concerns remains the exploitation of children, often in hidden corners of supply chains and informal economies.

Child labour persists in sectors linked to the global transition to a low-carbon economy, such as artisanal cobalt and tantalum mining - critical inputs for batteries and renewable technologies. While the shift away from fossil fuels is morally urgent, it must not come at the cost of children's health, freedom, or future. We engage companies to help ensure that sourcing practices are not only environmentally sound but also socially responsible, with full traceability, due diligence, and zero tolerance for child exploitation.

Scripture

James 5:4
Proverbs 22:2
Luke 6:31
Colossians 3:23

WHATEVER YOU DO, WORK HEARTILY, AS FOR THE LORD...

Col 3:23

We assess companies on labour standards, supply chain transparency, human rights due diligence, and living wage practices. This includes evaluating the adequacy of policies and contractual requirements, the governance and resourcing of human rights oversight, the effectiveness of risk mapping and supplier monitoring, and the identification, remediation, and disclosure of adverse labour and human rights impacts across operations and supply chains. This assessment is informed by the UN Guiding Principles on Business and Human Rights and draws on recognised international standards and benchmarking methodologies where appropriate.

We expect robust labour codes of conduct, independently verified audits, grievance mechanisms, and credible remediation processes. Our engagement themes include modern slavery prevention, child labour elimination, worker representation, freedom of association, fair contracts, responsible sourcing practices, and the right to organise.

We also engage companies on their approach to workforce well-being, including job security, training, and mental health provision. We advocate for corporate cultures that recognise and empower all workers.

However, we also acknowledge the real-world complexity of labour standards in globalised industries. In some regions, informal work may be the only livelihood option, and abrupt demands to sever supplier relationships can have unintended consequences for the very workers we aim to protect.

We recognise the need for nuanced and context-sensitive engagement that pushes for progress while avoiding harm. Our approach seeks to drive continuous improvement in labour practices through practical, ethical dialogue. We favour companies that demonstrate a proactive commitment to upholding the rights and dignity of workers - not just in policy, but in practice across their value chains.

AREAS OF CONCERN

▶ Modern slavery ▶ Labour rights ▶ Living wage ▶ Working conditions ▶ Child labour



EQUALITY

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

Systemic inequality persists across the economy, often reinforced by corporate structures, bias, and culture. Discrimination, whether overt or structural, harms individuals and undermines sustainable value creation. We believe that inclusive business practices are not only morally right, but essential for long-term stability, innovation, and legitimacy.

Under the Equality pillar, Epworth focuses on the extent to which companies provide fair access to opportunity and progression, rather than the use of prescriptive quotas or demographic targets. Assessment centres on recruitment, pay and promotion practices, access to skills and training, and the extent to which companies support social mobility through clear pathways for advancement based on merit. This approach recognises the structural and operational constraints companies face, while maintaining an expectation of transparent, fair, and inclusive systems that enable individuals to progress regardless of background.

Scripture

Genesis 1:27
Mark 12:31
John 13:34
Romans 3:23

SO GOD CREATED HUMANS IN HIS OWN IMAGE...

Genesis 1:27

We assess company performance on diversity and inclusion with a clear emphasis on outcomes for those most likely to be excluded or disadvantaged. Our analysis considers workforce composition, anti-discrimination policies, pay equity, inclusive design and accessibility standards, with particular attention to whether corporate practices improve access, opportunity and protection for marginalised groups. We expect alignment with relevant United Nations principles on human rights, equality and non-discrimination, supported by robust governance, transparent data and clear accountability. Companies are assessed on the credibility and comparability of their public disclosures and on evidence that stated commitments translate into measurable progress for those at the margins of society.

Engagement themes include gender and ethnic representation at board and executive levels, pay gap reporting, inclusive recruitment and retention practices, employee voice and belonging, and accessible workplaces. We push for transparency, board accountability, and consistent reporting on diversity, equity and inclusion (DEI) metrics.

However, we also recognise that meaningful progress on equality requires more than data and policies - it requires cultural change and long-term commitment. Some regions or sectors face unique structural barriers to representation, while companies undergoing rapid expansion may struggle to prioritise inclusion. We engage with a contextual understanding of these challenges, seeking practical commitments, leadership accountability, and momentum for change.

We are also attentive to potential trade-offs in the pursuit of other sustainability goals. For example, energy transition sectors, such as mining or engineering, are often male-dominated and lack robust inclusion strategies. We challenge firms in these industries to ensure that the new economy is not built on old inequalities.

We favour companies that not only report on inclusion but show how it drives culture, innovation, and resilience. True equality is not box-ticking, but rather a reflection of the dignity and worth of every person.

AREAS OF CONCERN

► Inclusion ► Recruitment practices ► Board representation ► Tolerance ► Discrimination ► Violence



CONFLICT

All people and companies should work actively toward peace.

The global arms trade and militarisation undermine peace and human security. As a faith-based investor, we are guided by a theological commitment to nonviolence, reconciliation, and the sanctity of life. We therefore avoid investment in companies involved in weapons production, including those linked to nuclear, chemical or cluster munitions, or those supplying regimes complicit in oppression, war crimes, or systemic human rights abuses.

We assess company involvement in controversial weapons, military contracts, and operations in conflict zones using tools such as the SIPRI Arms Industry Database and the UN Global Compact Principles. We scrutinise financial institutions and technology companies for indirect exposure - such as financing arms production, enabling mass surveillance, or supplying digital infrastructure to oppressive regimes.

Scripture

Hebrews 12:14
Matthew 5:9
Mark 12:31

BLESSED ARE THE PEACEMAKERS, FOR THEY WILL BE CALLED CHILDREN OF GOD.

Matthew 5:9

Engagement themes include demilitarisation, responsible technology use, export controls, conflict minerals, human rights due diligence, and supply chain accountability. We expect companies to uphold the UN Guiding Principles on Business and Human Rights, conduct enhanced due diligence in high-risk jurisdictions, and publish detailed policies on human rights and conflict risk.

We also recognise tensions between national security, innovation, and ethical investment. Some technologies developed for defence applications, such as satellite imagery, AI, or cyber tools, have dual-use capabilities, meaning they can be used for both civilian and military purposes. These technologies present heightened ethical risks when sold into authoritarian regimes or unstable regions, where they may be used for repression, surveillance, or warfare. We engage companies to ensure clear boundaries and safeguards, transparency on end use, and board-level accountability for ethical governance.

Cybersecurity is a growing area of focus. While it plays a critical role in protecting infrastructure and personal data, it also risks enabling digital warfare, state-sponsored cyberattacks, and human rights violations when weaponised. We engage companies to understand how they assess end-use risk, whether they conduct customer due diligence, and what controls they have to prevent misuse.

We also recognise the ethical complexity of sovereignty and self-defence. The right of nations to protect their citizens is fundamental, but it must be exercised within international law and with proportionate force. We differentiate between legitimate security and arms proliferation, and we seek to hold companies accountable where their activities escalate violence, fuel instability, or erode democratic values.

The transition to a sustainable and secure world must not be built on tools of destruction. We support peacebuilding, conflict-sensitive business models, and investment in post-conflict reconstruction that respects human dignity and supports long-term reconciliation.

AREAS OF CONCERN

▶ War ▶ Conflict zones ▶ Disputed territories ▶ Armaments



HEALTH & WELLBEING

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

Companies impact public health through the safety and accessibility of their products and services. As lifestyle diseases rise and health inequity persists, we assess companies' contributions to well-being across sectors - from food and pharmaceuticals to media and tech. Engagement themes include product safety, responsible marketing, access to medicines, misinformation, digital addiction, and the social determinants of health.

We favour firms enabling positive health outcomes and oppose those whose core business model depends on harm, such as tobacco or ultra-processed foods. We expect companies to align with frameworks such as the Access to Medicine Index, the Access to Nutrition Index, the WHO International Code of Marketing of Breast-milk Substitutes, and the UN Guiding Principles on Business and Human Rights where applicable to healthcare delivery and supply chains.

Scripture

1 Corinthians 6:19-20

1 Corinthians 10:31



**WHETHER YOU EAT
OR DRINK... DO
EVERYTHING FOR
THE GLORY OF GOD.**

1 Cor 10:31

We seek to engage with pharmaceutical companies on pricing transparency, equitable access in low-income countries, and R&D that prioritises unmet medical needs over market size. With food producers and retailers, we look at sugar reduction, marketing to children, and public health disclosures. In the tech sector, we challenge firms on platform design that contributes to mental health harms or the spread of disinformation.

We also acknowledge the ethical complexities and tensions that arise. For instance, intellectual property protections are essential for pharmaceutical innovation but can also restrict access to life-saving treatments. Likewise, the rapid digitalisation of healthcare, while improving access, raises concerns around data privacy, exclusion of marginalised groups, and commercialisation of sensitive health information.

Our approach is to advocate for balanced solutions: protecting incentives for research and innovation while calling for equitable pricing and inclusive distribution. We favour companies that show a deep understanding of health as a public good, and who work with, not against, governments and civil society to tackle root causes of ill-health.

True well-being is not simply the absence of disease, but the presence of justice, opportunity, and human flourishing. We aim to invest in companies that seek to advance this vision holistically.

AREAS OF CONCERN

▶ Healthcare ▶ Pharmaceuticals ▶ Genetics ▶ Mental health ▶ Nutrition ▶ Addictive products & services



SOCIETY

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

No business exists in a vacuum. From taxation to lobbying, companies shape and are shaped by the societies in which they operate. Corporate behaviour that undermines public trust or exacerbates inequality presents long-term risks to both communities and investors. We therefore place a strong emphasis on how companies contribute to or detract from the health, resilience, and fairness of the wider social fabric.

We assess company conduct across responsible tax, political transparency, human rights due diligence and social licence to operate, with a clear emphasis on outcomes for communities and those most exposed to harm. Our analysis prioritises whether corporate behaviour supports flourishing local communities, enables broad participation in economic life, and avoids shifting social or financial burdens onto those least able to bear them.

Scripture

Exodus 19:6
John 4:1-42
Acts 4:23-37
James 2:1-8
Mark 12:31
1 Peter 2:9
Acts 5: 12-16



YOU SHALL LOVE YOUR NEIGHBOUR AS YOURSELF...

Mark 12:31

We favour companies that engage transparently with policymakers, contribute fairly to public finances and local development, and demonstrate through their actions that they uphold their obligations to society, particularly to the poor and those who are excluded.

Engagement themes include fair tax practices, anti-corruption, land rights, community consultation, responsible lobbying, and corporate influence. We are especially focused on ensuring companies do not use their influence to block regulation that benefits people and planet, or to avoid fair contributions to public goods such as healthcare, infrastructure and education.

We also recognise tensions and trade-offs. In some cases, aggressive tax optimisation may be legally permissible but ethically questionable, especially when undertaken by companies that benefit from public subsidies or infrastructure. Similarly, companies expanding into new markets must navigate different legal, cultural and social expectations, which requires discernment and humility.

We challenge companies to adopt a long-term view of social responsibility - one that moves beyond compliance toward active contribution. We favour those that invest in community resilience, prioritise transparency, and build trusted relationships with stakeholders.

A just society depends on institutions that operate with fairness and integrity. Businesses have an essential role to play in that vision and must be held to account accordingly.

AREAS OF CONCERN

- ▶ Media ▶ Societal care ▶ Technology ▶ AI and automation ▶ Surveillance economy
- ▶ Genetics ▶ Education ▶ Communities and culture



FAIRNESS, RESPONSIBILITY & TRANSPARENCY

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

Good governance underpins all other pillars because it determines how power is exercised, whose interests are prioritised, and who bears the consequences when decisions go wrong.

Weak governance structures are rarely neutral; they are often associated with environmental harm, social injustice and the erosion of trust, with the greatest costs falling on those least able to protect themselves. Sound governance is therefore not simply a matter of compliance, but of moral responsibility, shaping whether corporate activity contributes to flourishing communities or entrenches exclusion and harm.

Scripture

Proverbs 11:1-3
Matthew 7:12
Proverbs 16:8
James 5:4

BETTER IS A LITTLE WITH RIGHTEOUSNESS THAN LARGE INCOME WITH INJUSTICE.

Proverbs 16:8

We assess companies on the effectiveness of their governance arrangements, including board independence, competence and diversity; alignment of executive remuneration with long-term outcomes; protection of shareholder rights; quality of risk oversight; robustness of anti-corruption controls; and the credibility of responses to material controversies.

We expect transparent decision-making structures, effective whistleblowing mechanisms and clear disclosure of political and lobbying activity, with preference given to companies whose governance frameworks support long-term accountability and responsible use of power.

Engagement themes include ethical leadership, shareholder democracy, transparency of lobbying and political donations, ESG-linked remuneration, and governance response to emerging risks. Where boards fail to respond to material concerns, we escalate through AGM questions, voting sanctions, and collaborative investor action.

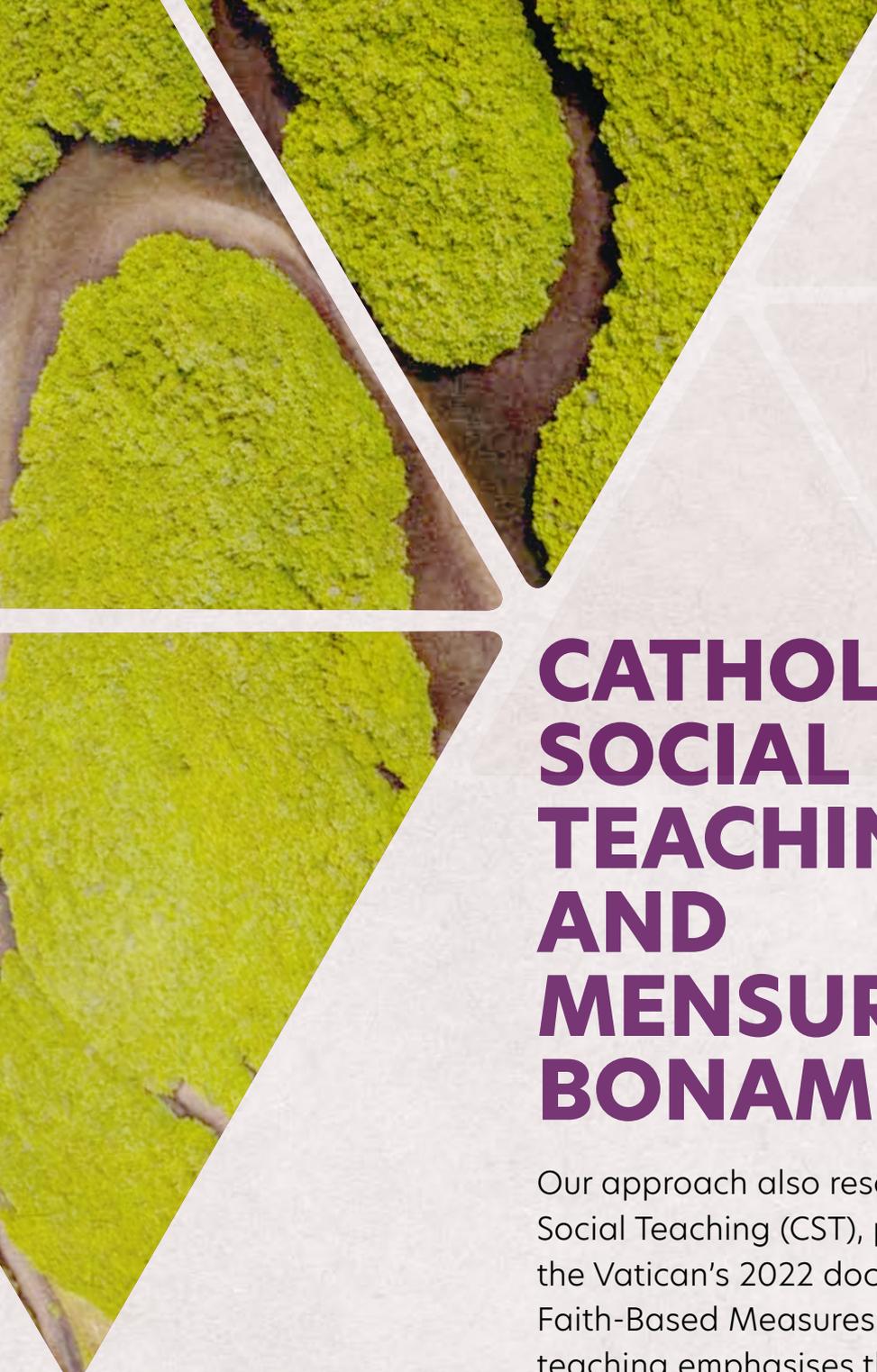
We also recognise the evolving nature of governance challenges such as algorithmic decision-making, AI ethics, and the governance of sustainability data. As companies navigate digital transformation and regulatory shifts, we assess whether their governance frameworks are equipped to manage systemic risk and uphold human dignity.

At the same time, we acknowledge governance dilemmas such as balancing managerial discretion with stakeholder accountability, or ensuring independence in jurisdictions with limited board talent pools. We aim for discernment, holding companies to high but context-sensitive standards.

We favour organisations where good governance is not a compliance exercise but a culture embedded through tone from the top, integrated risk management, and an ethical commitment to transparency, fairness, and long-term value creation.

AREAS OF CONCERN

- ▶ Tax Justice ▶ Corporate Governance ▶ Supply chains
- ▶ Government, law and policy-making ▶ Bribery and corruption



CATHOLIC SOCIAL TEACHING AND MENSURAM BONAM

Our approach also resonates deeply with Catholic Social Teaching (CST), particularly as articulated in the Vatican's 2022 document *Mensuram Bonam: Faith-Based Measures for Catholic Investors*. This teaching emphasises the dignity of the human person, the common good, subsidiarity, and solidarity - principles that overlap closely with our own ethical pillars.

Mensuram Bonam offers a compelling vision of investment as moral action. It insists that faith-based investors must integrate their convictions into every decision and avoid complicity in unjust systems. At Epworth, we share this conviction. We support investments that promote peace, care for creation, ethical governance and just economic relations, and we apply exclusions to sectors such as weapons, exploitative finance and fossil fuels in line with CST priorities. We work closely with Catholic organisations to tailor our reporting and governance processes to reflect these theological frameworks.

APPLICATION FOR NON-FAITH- BASED CHARITIES

While our roots lie in Christian ethics, our investment principles are relevant to all who care about justice, sustainability, and long-term stewardship. Our seven pillars speak to universal moral concerns: environmental integrity, human rights, good governance and social responsibility. For non-faith-based charities, our framework offers a robust and values-driven approach to responsible investment that is shaped by our values and applied consistently across portfolios.

We are careful not to overstate or imply environmental or social benefits beyond what is evidenced. We do not label our funds under the UK Sustainability Disclosure Requirements (SDR) regime and we avoid misleading language in line with the FCA's anti-greenwashing guidance. Our ethical pillars describe the standards we apply to investment selection and stewardship, derived from our Christian heritage, and grounded in real-world analysis, engagement, and governance.

Many of our clients, from independent schools to trade unions, appreciate our clear exclusions policy, our evidence-led engagement approach, and our consistent, long-term investment strategy. They value that we take a principled stand, act transparently, and work actively to improve the conduct of companies. Whether faith-based or not, our clients trust us to manage money in a way that protects reputational risk, enhances stakeholder confidence, and helps them meet their mission through responsible stewardship.



OUR IMPLEMENTATION TOOLS

Our pillars form a coherent framework rooted in theology, stewardship, and justice. To put this framework into practice, we have developed a set of tools that guide how issues are prioritised, where boundaries are defined, and how Epworth uses its influence to create meaningful, measurable change.

These tools help us assess investment risks and opportunities not only financially, but also morally. They go beyond exclusions, shaping a broader approach to active ownership, engagement, and public witness, ensuring that our investments remain true to both our principles and our purpose.



Ethical Priority Matrix

Focusing influence where it matters most.

This tool helps Epworth identify the areas of greatest moral urgency and potential for impact. By combining theological insight, client priorities, and global risk analysis, the matrix ensures attention and resources are directed toward issues where Epworth can make the biggest difference, from climate action to human rights.

In short: it's how Epworth channels its influence to create real ethical progress.



Levels of Tolerance Framework

Setting clear boundaries for ethical investment.

This tool defines the limits of what Epworth will and won't invest in, from weapons and fossil fuels to exploitative labour and harmful business practices.

Using transparent thresholds and conduct-based exclusions, it keeps every investment aligned with Epworth's faith-based principles.

In short: it's how Epworth protects integrity and ensures clarity, consistency, and trust in every decision.



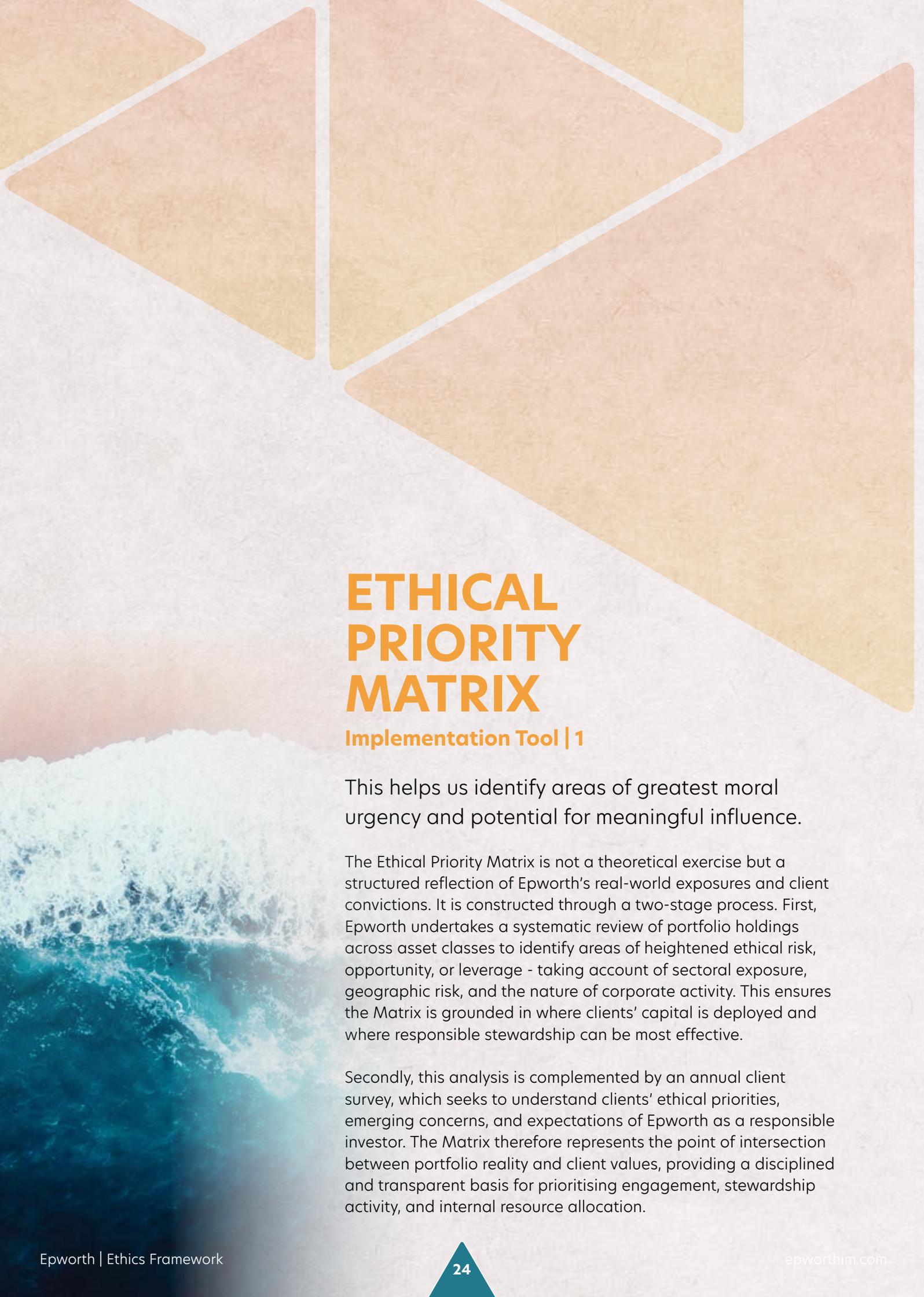
Voting & Engagement Strategy

Ethics in action, using voting and engagement to turn conviction into meaningful change.

This tool is how Epworth brings its values to life. Every vote cast and every conversation held with a company is an opportunity to make a difference and to encourage better decisions, fairer treatment, and more responsible practices.

Through voting, engagement, and collaboration, Epworth champions transparency, justice, and care for creation, while challenging actions that fall short of these principles. Guided by the Ethical Priority Matrix and Levels of Tolerance, this approach ensures Epworth's influence always serves its mission.

In short: it's how Epworth lives its ethics, turning faith and conviction into action that helps build a fairer, more sustainable world.



ETHICAL PRIORITY MATRIX

Implementation Tool | 1

This helps us identify areas of greatest moral urgency and potential for meaningful influence.

The Ethical Priority Matrix is not a theoretical exercise but a structured reflection of Epworth's real-world exposures and client convictions. It is constructed through a two-stage process. First, Epworth undertakes a systematic review of portfolio holdings across asset classes to identify areas of heightened ethical risk, opportunity, or leverage - taking account of sectoral exposure, geographic risk, and the nature of corporate activity. This ensures the Matrix is grounded in where clients' capital is deployed and where responsible stewardship can be most effective.

Secondly, this analysis is complemented by an annual client survey, which seeks to understand clients' ethical priorities, emerging concerns, and expectations of Epworth as a responsible investor. The Matrix therefore represents the point of intersection between portfolio reality and client values, providing a disciplined and transparent basis for prioritising engagement, stewardship activity, and internal resource allocation.



LEVELS OF TOLERANCE FRAMEWORK

Implementation Tool | 2

This defines the limits of exposure we are willing to accept in companies or sectors presenting ethical concerns, reputational risk, or misalignment with our values.

It combines revenue-based thresholds and conduct-based exclusions, allowing for structured, transparent decision-making that reflects both ethical clarity and practical reality.

We operate a tiered model:

Zero-Tolerance Areas (<1% revenue exposure permitted)

Epworth excludes companies deriving material revenue in the activities in these areas.

Low-Threshold Areas (5% revenue threshold)

Epworth excludes companies deriving more than 5% of their revenue from activities in these areas.

Medium-Threshold Areas (10% revenue threshold)

Epworth excludes or escalates companies where more than 10% of revenue is derived from these areas.



ZERO-TOLERANCE AREAS

<1% revenue exposure permitted

Epworth excludes companies deriving material revenue in the following activities:

- ▶ **Controversial Weapons** Involvement in the production, sale, distribution or servicing of:
 - Cluster munitions
 - Anti-personnel landmines
 - Nuclear weapons
 - Chemical or biological weapons
- ▶ **Fossil Fuels**
 - Extraction of thermal coal
 - Extraction oil or gas
 - Tar sands
 - Arctic drilling
- ▶ **Tobacco Manufacture**
- ▶ **Pornographic Content**
 - Production of sexually explicit material
- ▶ **Predatory Lending**
 - Payday loans, doorstep lending
- ▶ **Animal Testing for Cosmetics or Household Products**
 - Except where required by law for pharmaceuticals
- ▶ **Fur and Exotic Skins**
 - Production or retail of fur products or exotic animal skins

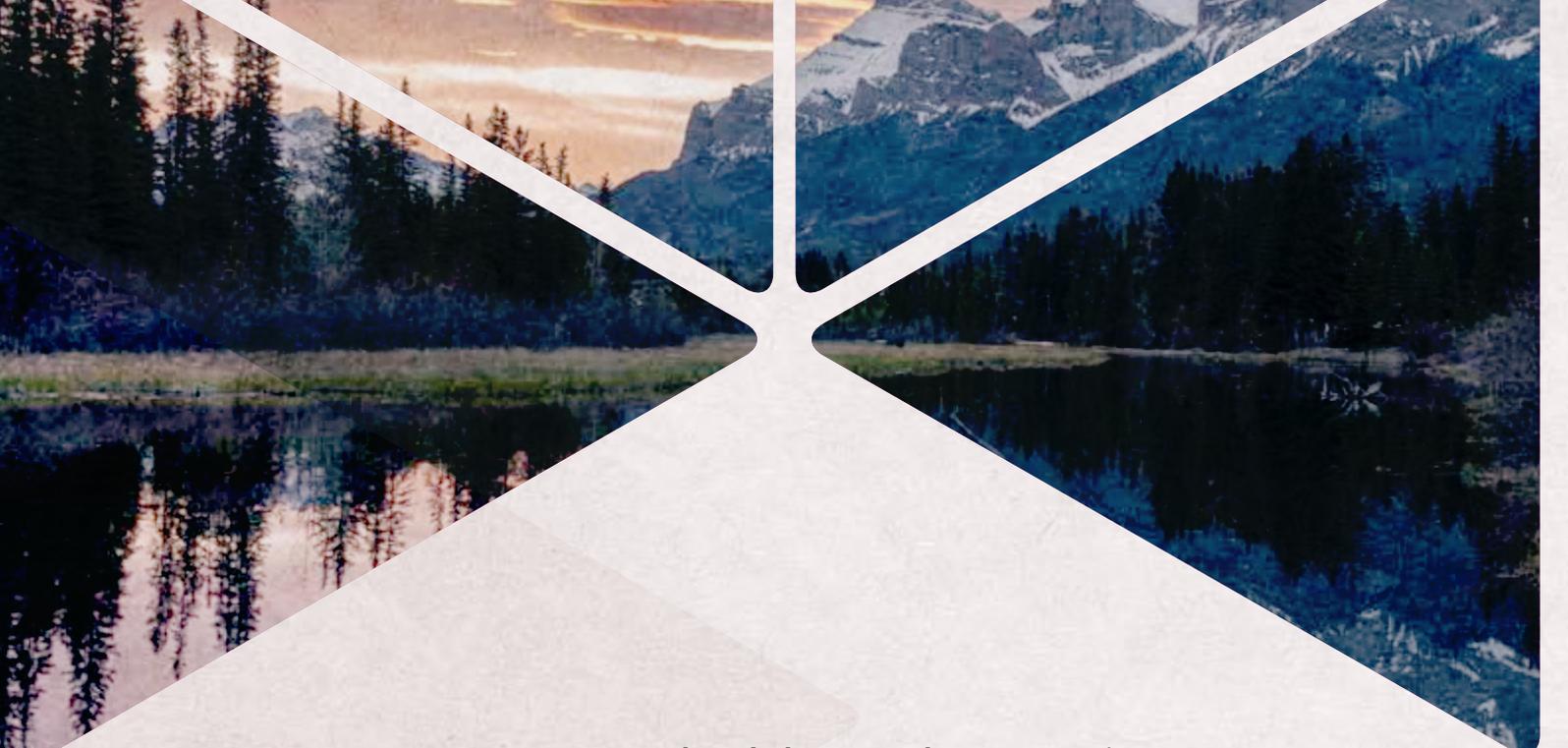


LOW-THRESHOLD AREAS

5% revenue threshold

Epworth excludes companies deriving more than 5% of their revenue from the following activities:

- ▶ **Strategic and Combat Weapons**
 - Manufacture or sale of conventional weapons systems, munitions, or combat platforms
- ▶ **Civilian Firearms and Ammunition**
 - Manufacture or sale of civilian firearms and ammunition
- ▶ **Tobacco-Related Products**
 - Retail sale, packaging, or specialist machinery related to tobacco
- ▶ **Pornographic Distribution**
 - Sale or distribution of adult content via media or digital platform
- ▶ **Cannabis**
 - Non-medical: Recreational cannabis production or sale
- ▶ **Gambling**
 - Operation of betting shops, casinos, gaming machines, and online gambling platforms
- ▶ **Breast Milk Substitutes**
 - Companies failing to meet WHO Code or Access to Nutrition BMS Index standards
- ▶ **For Profit Incarceration**
 - Companies operating for profit, private prisons



MEDIUM-THRESHOLD AREAS

10% revenue threshold

Epworth excludes or escalates companies where more than 10% of revenue is derived from:

▶ **Alcohol**

- Manufacture and wholesale distribution of alcoholic beverages
- Retail permitted only if part of broader non-alcohol business

▶ **Non-Weapon Military Services**

- Goods and services supplied to military or defence bodies that are not designed to cause harm or be used directly in combat

CONDUCT-BASED EXCLUSIONS

Regardless of revenue exposure, Epworth excludes or escalates engagement with companies:

▶ **In serious or repeated breach of international standards including:**

- » UN Global Compact
- » UN Guiding Principles on Business and Human Rights
- » International Labour Organization (ILO) Conventions

▶ **Operating in high-risk jurisdictions without evidence of:**

- » Human rights due diligence
- » Worker protections
- » Transparency in supply chains

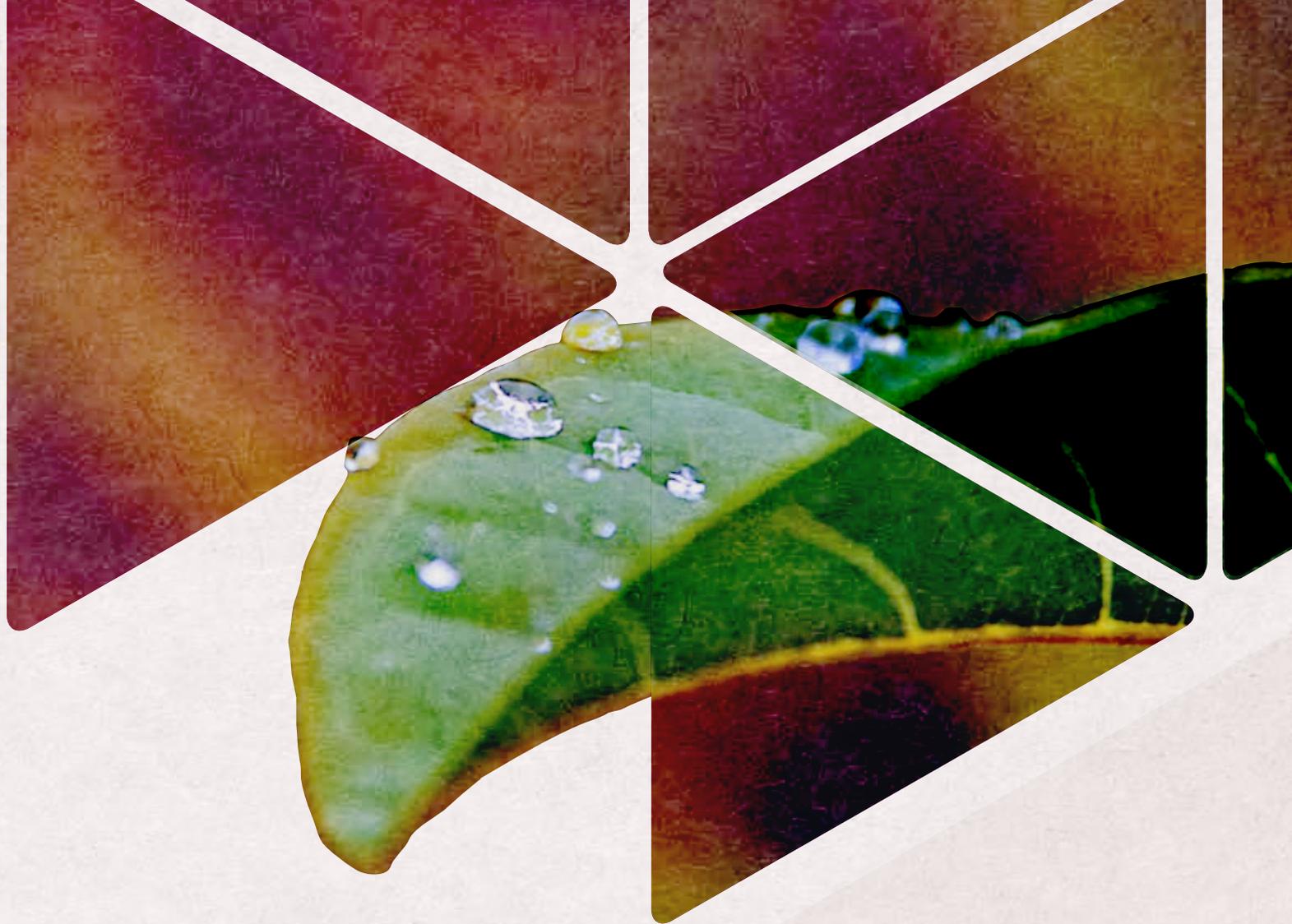
▶ **Linked to:**

- » Widespread habitat destruction or biodiversity loss
- » Serious pollution events or environmental regulatory breaches

▶ **Consistently failing to align with the goals of the Paris Agreement, including:**

- » Companies with no credible climate transition plan
- » Companies actively undermining global climate goals through lobbying or expansion

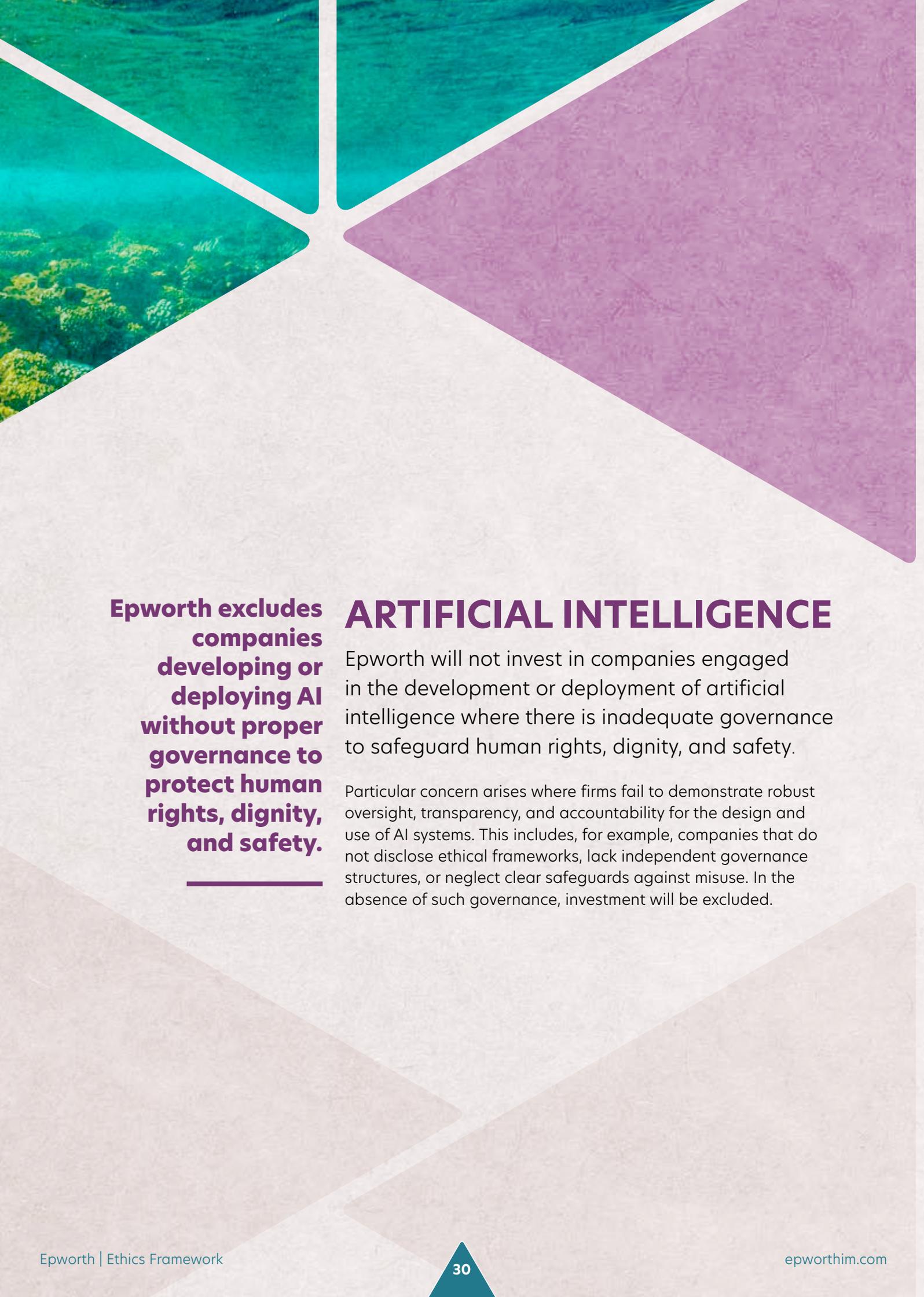
▶ **Habitual violation of relevant regulatory obligations**



PROTECTION OF CHILDREN

Epworth will not invest in companies that are knowingly involved in the exploitation, abuse, or endangerment of children.

This includes, but is not limited to, the use of exploitative child labour in supply chains, the production or distribution of pornography involving or targeting minors, and the manufacture or sale of goods or services that are primarily harmful to children (for example, unsafe products or inadequate safety standards in digital, gaming and social media platforms). Companies that have demonstrably failed to uphold international standards on children's rights, such as those articulated in the UN Convention on the Rights of the Child and the ILO Conventions on child labour, will also be excluded.

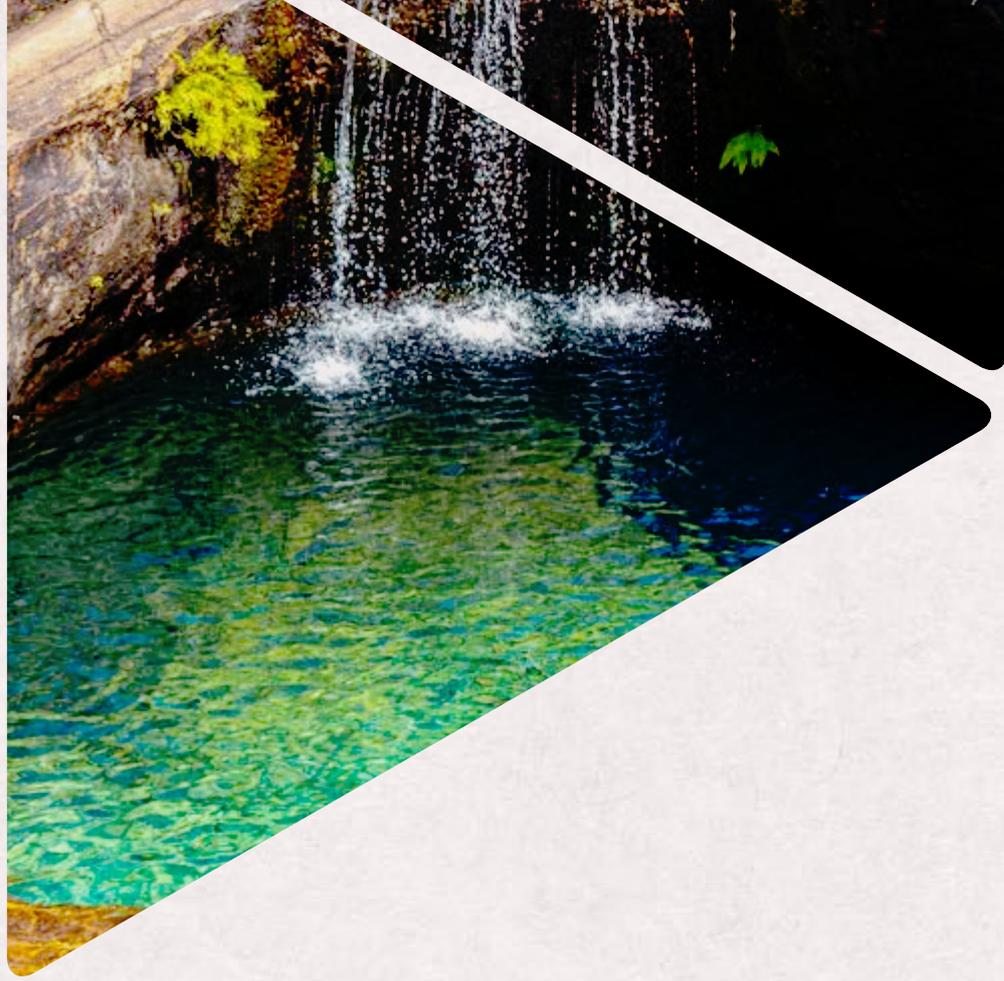


Epworth excludes companies developing or deploying AI without proper governance to protect human rights, dignity, and safety.

ARTIFICIAL INTELLIGENCE

Epworth will not invest in companies engaged in the development or deployment of artificial intelligence where there is inadequate governance to safeguard human rights, dignity, and safety.

Particular concern arises where firms fail to demonstrate robust oversight, transparency, and accountability for the design and use of AI systems. This includes, for example, companies that do not disclose ethical frameworks, lack independent governance structures, or neglect clear safeguards against misuse. In the absence of such governance, investment will be excluded.



Epworth never invest in regimes that enable injustice and we correct course quickly if data proves otherwise.

SOVEREIGN BOND EXCLUSIONS

We apply the same ethical scrutiny to governments as we do to companies, avoiding any debt that enables injustice or oppression.

Epworth does not invest in government debt issued by regimes identified as oppressive or systematically violating civil liberties, political rights, or anti-corruption norms.

DATA LIMITATIONS AND ERROR POLICY

We rely on data from a range of third-party providers, company disclosures, and publicly available sources to assess ethical alignment.

While we make every effort to ensure the accuracy and currency of our data, limitations remain. Therefore, we cannot ensure complete accuracy in every investment screen. Where errors or omissions are identified, we will act promptly to review and, where appropriate, reclassify holdings.



VOTING & ENGAGEMENT STRATEGY

Implementation Tool | 3

This tool allows us to translate our ethical principles into active ownership. We use a combination of shareholder voting, direct engagement with companies, and participation in collaborative initiatives to influence corporate behaviour.

Voting: We vote all our shares in accordance with our ethical policies, using our influence to support resolutions that align with our seven pillars. This includes voting against directors where governance is weak, supporting climate transition plans where credible, and backing shareholder proposals that seek to enhance human rights, environmental protection, or transparency. We publish our voting record annually.

Engagement: We pursue targeted, issue-led engagement with companies across a range of themes - from net-zero transition and labour rights to tax justice and AI governance. Engagement is guided by our Ethical Priority Matrix and informed by our Levels of Tolerance. We typically seek change through dialogue first, escalating to collaborative pressure or public scrutiny where needed.



Escalation and Collaboration: Where progress stalls, we escalate through AGM questions, voting sanctions, or participation in investor coalitions. We collaborate with other faith-based and responsible investors, such as the Church Investors Group and ShareAction, to amplify our voice, share best practice, and hold companies accountable through collective action.

Our engagement is designed to be constructive but uncompromising - rooted in integrity, informed by analysis, and faithful to the values of those we serve.

We also seek to align our faith-led investment approach with those global principles and frameworks that aim to improve the lives of people and the health of our planet, recognising shared concerns for human dignity, environmental sustainability, and social justice. However, we never compromise our theological convictions in pursuit of secular frameworks. We invest with integrity, not fashion.



GOVERNANCE & ACCOUNTABILITY

Our ethical framework is developed in partnership with the Methodist Church, our clients, and other stakeholders. Oversight is provided by the Joint Advisory Committee on the Ethics of Investment (JACEI), ensuring accountability and theological reflection.

We engage actively with our clients through consultations, structured feedback mechanisms, and regular dialogue to ensure our approach continues to reflect their priorities, values, and emerging concerns. Client insight helps shape our stewardship priorities and informs the review of our exclusions and engagement strategy.

Our approach to governance and stewardship is aligned with the UK Financial Reporting Council's (FRC) Stewardship Code. We are committed to its principles of transparency, active ownership, and responsible allocation of capital. We publish our voting records and engagement outcomes, report annually on stewardship activities, and remain open to challenge from clients and the wider Church.



FAITH IN ACTION

Our ethical investment approach is a living expression of our values. The seven pillars provide a structured and theologically grounded lens through which we discern where to invest, where to challenge, and where to stand apart.

We believe that faith is not a private matter - it has public consequences. Through active stewardship, clear ethical standards, and transparent governance, we seek to demonstrate that capital can be deployed in service of the common good. We are proud to stand alongside churches, charities and other organisations committed to long-term, values-aligned investment. As the investment landscape evolves, we will continue to refine our approach with theological depth, rigorous analysis, and moral courage so that we might remain faithful to our calling and effective in our witness.

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