



**United Methodist
Foundation**
of Michigan

Transforming Business for Good: Leading Change Through Faith-Driven Corporate Engagement

Rev. Dr. David S. Bell

At the United Methodist Foundation of Michigan, we believe that our investment choices should reflect our faith and values. As responsible stewards of the resources entrusted to us, we work diligently to influence the governance and business practices of the companies in which we invest. Our commitment to faith-driven investing goes beyond simply choosing companies that are financially sound. We strive to ensure that the companies we support also operate in a manner that aligns with our ethical principles and promotes positive social and environmental outcomes.

This approach is deeply rooted in the United Methodist Church's *Social Principles*, which provide a framework for how we engage with the world in a way that reflects our faith. The United Methodist Church encourages us to engage in economic practices that promote justice, fairness, and the dignity of all people. Our investments and corporate engagement strategies follow these principles and ensure that our financial decisions are aligned with our commitment to social justice, the protection of human rights, and environmental stewardship. By integrating the teachings of the *Social Principles* into our investment strategies, we seek to uphold the values of The United Methodist Church in everything we do.

Clear Guidelines for Corporate Engagement

To ensure that our shareholder influence reflects our values, the Foundation follows a clear and comprehensive set of guidelines when it comes to corporate governance and business practices. These guidelines help us navigate complex issues and align our decisions with our faith-driven commitment. Among the key areas we focus on are:

1. *Workplace Practices and Company Leadership*: We advocate for companies to maintain fair, inclusive, and ethical workplace practices. This includes supporting leadership that promotes fair wages, ensures safe working conditions, and treats

employees with dignity and respect. Leadership should be accountable and transparent with a clear commitment to upholding high ethical standards.

2. *Environmental and Social Impact Reporting:* We encourage companies to disclose their environmental and social impacts in a transparent and accountable manner. This means ensuring that companies are actively working to reduce their environmental footprint, addressing climate change, and taking steps toward sustainability. Additionally, companies should be transparent about their social impacts, including how they support local communities and contribute to broader social goals.
3. *Compensation for C-Suite Executives:* Executive compensation is another area we focus on, as it can often reflect the values of a company. We believe in promoting reasonable and equitable compensation practices, where C-suite executives are compensated fairly based on the company's long-term success and alignment with ethical standards. Excessive pay disparities between executives and employees can create division within organizations and negatively impact employee morale. We advocate for compensation practices that are fair, transparent, and tied to a company's performance and social impact.
4. *Violations of Human Rights:* Human rights violations, whether within a company's own operations or through its supply chain, are a critical concern. We take a firm stance against companies that violate human rights, whether through unfair labor practices, exploitation of vulnerable communities, or environmental degradation. Companies must ensure that their operations do not harm people or communities and that they are committed to upholding basic human rights principles across all levels of their business practices.

Partnering with Glass Lewis for Proxy Voting

To support our efforts in corporate engagement, the Foundation partners with Glass Lewis, one of the world's leading proxy analysis and voting firms. Glass Lewis provides expert insights and analysis on corporate governance issues. Their comprehensive research covers a wide range of issues, from executive compensation to environmental practices, and allows us to assess how companies are performing in relation to our guidelines.

Glass Lewis plays a vital role in helping us implement our corporate engagement strategy by providing data and recommendations that guide voting decisions. With their expertise, we can more effectively advocate for responsible business practices and ensure that our shareholder votes align with our commitment to creating positive social and environmental impact.

As we engage with companies, we are not just casting votes – we are actively working to encourage companies to take steps toward more ethical and responsible practices. This collaboration with Glass Lewis enables us to be strategic in our approach and make the most meaningful impact as responsible investors.

A Commitment to Faith-Driven Shareholder Engagement

Rev. Dr. David S. Bell, President & Executive Director of the United Methodist Foundation of Michigan, emphasized the importance of this approach, stating, “We are committed to using our influence as shareholders to help companies adopt practices that reflect our Christian values. Corporate governance is not just about profit – it’s about ensuring that businesses are accountable to their employees, customers, and communities. Our partnership with Glass Lewis allows us to engage thoughtfully and effectively in these areas. Together with other partners, we help to shape a future where corporate practices align with our commitment to justice, equity, and stewardship.”

This statement underscores the deep commitment the Foundation has to driving positive change through corporate engagement. By using our shareholder voice to advocate for social responsibility, we are helping to shape the future of corporate governance and ensuring that the companies we support contribute to a more sustainable world.

The Importance of Faith-Driven Investment Principles

The United Methodist Church's *Social Principles* provide a moral compass for how we should approach the world of investing. These principles are not just guidelines – they are a call to action. They urge us to engage with the world in a way that promotes peace, justice, and stewardship of God's creation. By adhering to these faith-driven investment principles, we ensure that our investment practices reflect our commitment to love and serve others, particularly those who are among the most vulnerable.

The *Social Principles* speak clearly about the need for businesses to act with social responsibility. They call for corporate practices that respect human dignity and promote economic equity. By following these principles, the Foundation seeks to invest in companies that prioritize ethical leadership and practices that align with our Christian faith.

Looking Ahead: Our Continued Commitment to Faith-Driven Investing

Our influence with corporate governance practices is ongoing. We will continue to monitor developments in the corporate world and adjust our strategies to address emerging issues. Our efforts are just one way that the Foundation is working to make a difference in the world. Through responsible investing and corporate engagement, we can help shape a future where corporations prioritize the well-being of people, not just

profits. Together with the expertise of our partners and the continued support of our stakeholders, we are committed to advancing positive changes and to fostering a more ethical, just, and sustainable corporate landscape for years to come.

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