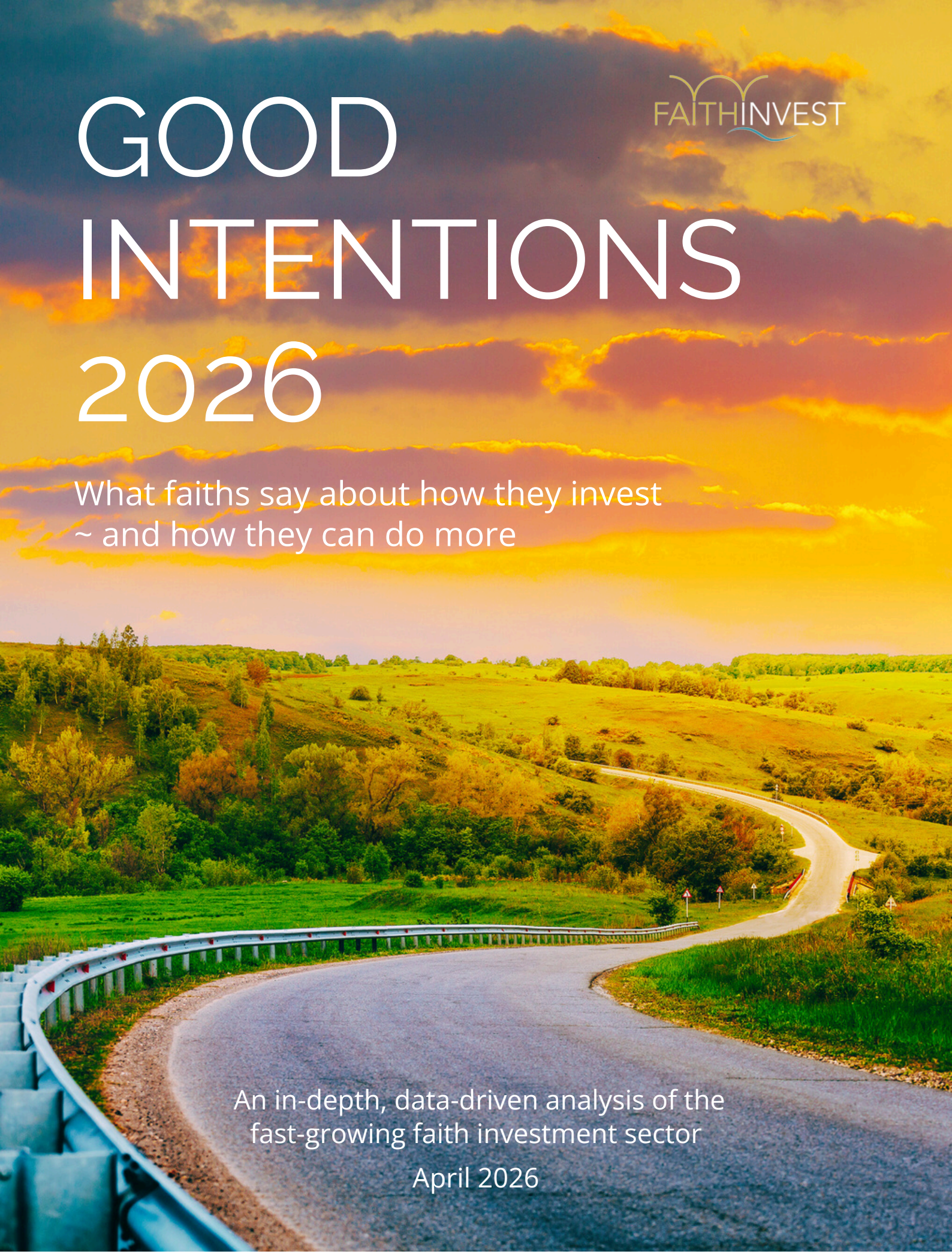
FAITHINVEST

GOOD INTENTIONS 2026

What faiths say about how they invest ~ and how they can do more



An in-depth, data-driven analysis of the fast-growing faith investment sector

April 2026

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GOOD INTENTIONS 2026

What faiths say about how they invest
~ and how they can do more

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Important information

This report analyses 275 publicly available investment policies and guidelines issued by faith-based asset owners across a range of traditions and organisational types. Standout examples cited in the report were selected to illustrate stronger practice against specific elements of FaithInvest's Level 1 Faith-Consistent Investing Framework. Organisations identified for citation were contacted in advance and invited to review our citation of their work and make edits as required. We are grateful to those that responded and agreed to be referenced. A small number preferred not to be indentified and these examples have been anonymised.

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We would like to thank our partners for their generous support for the publication of this report: our lead sponsor, *Federated Hermes Limited* (see page 42) and supporting sponsors, *CCLA Investment Management Limited* (page 58), *Concord Advisory Group Limited* (page 80), *Oikocredit* (page 58) and *Tribe Impact Capital* (page 80).

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01 Abbreviations

Anglican / Episcopal: A Christian tradition rooted in the Church of England and its global churches.
Asset Allocation: The strategic distribution of investments across asset classes (eg, equities, fixed income, alternatives) to achieve risk and return objectives.
Asset-class coverage: The extent to which screening or faith-alignment criteria apply across different asset classes (e.g., public equities, bonds, private equity, real assets).
Asset owner: An institution that holds and oversees investment assets (eg, dioceses, pension funds, foundations, congregations).
Bal Tashchit: A Jewish ethical principle meaning "do not destroy" or "do not waste", often informing environmental responsibility.
Benchmark: A standard index or reference used to evaluate portfolio performance.
Book of Discipline (also known as the Book of Doctrines and Discipline): The doctrinal convictions and agreed practices of the global Methodist Church.
B'tzelem Elohim: Hebrew phrase meaning "in the image of God".
Catholic Social Teaching (CST): A body of Catholic doctrine used to guide ethical investment decisions.
Canon Law: The legal framework governing the Catholic Church, sometimes referenced in Catholic investment governance.
Commingled funds (pooled funds): Investment vehicles in which multiple investors hold shares in a single portfolio, often limiting the ability to customise faith-based screening.
Compliance verification: Structured processes for confirming that portfolios adhere to exclusionary and positive investment criteria.
Denominational infrastructure: Shared investment providers, ethical advisory bodies, or networks serving institutions within a particular faith tradition.
Due diligence: The process of evaluating investment managers or vehicles for suitability, including performance, risk, and (in faith contexts) values alignment.
Engagement (also known as **shareholder engagement):** Dialogue with companies to influence behaviour on environmental, social, or governance issues.
ESG (Environmental, Social, Governance): A mainstream responsible investment framework evaluating companies based on environmental impact, social responsibility, and governance practices. ESG may overlap with faith priorities but does not automatically reflect faith-specific commitments.
Faith-aligned vehicles: Investment funds or structures specifically designed to reflect denominational or faith-based principles.
Faith-based asset owner (FBAO): A religious organisation that owns and manages investment assets in line with its mission and values.
Faith-consistent investing (FCI): An approach to investing that aligns financial decisions with an organisation's faith values, teachings, and mission.
Impact investment: Investments made with the intention of generating measurable social or environmental outcomes alongside financial returns.
Investment stewardship: Active ownership practices, including proxy voting and engagement, undertaken to advance faith-consistent priorities.
Investment policies and guidelines (IP&Gs): Formal documents that define how an organisation manages its investments, including how faith commitments are applied.
Investment vehicle: The structure through which investments are made (eg, funds or mandates), which must be capable of implementing faith-based criteria.
Mainline Protestant: A group of historically established Protestant denominations, including Methodist, Presbyterian, and Reformed traditions.
Manager selection: The process of appointing external investment professionals, ideally incorporating both financial and faith-alignment criteria.
Methodist Social Principles: Ethical and social teachings within Methodism that guide decision-making, including in investment.
Mission alignment: The extent to which investment practices reflect and support an organisation's religious purpose and values.
Papal encyclicals: Formal letters issued by a Pope addressing doctrine and social teaching, which in recent years have often been used to inform Catholic investment policy.
Pooled / commingled funds: Investment funds where multiple investors combine capital, which may limit the ability to apply customised faith-based criteria.
Proxy voting: The exercise of shareholder voting rights in accordance with defined guidelines.
Revenue thresholds: Defined percentage limits (eg, 5%, 10%) used to determine whether a company's involvement in a prohibited activity warrants exclusion.
Sharia, or Islamic law: The moral code, religious guidance and legal principles derived from the Qur'an and the Hadith (sayings and actions of Prophet Muhammad), forming the basis of Islamic finance.
SRI (socially responsible investing): An investment strategy that seeks both financial returns and social good.
Stewardship: The responsible management of investments, including engagement and voting, to influence companies in line with ethical or faith-based priorities.
Tikkun Olam: A Jewish concept meaning "repairing the world," often linked to social justice and ethical responsibility.
Tzedek: A Hebrew term meaning justice or righteousness, central to Jewish ethical teaching.
US Conference of Catholic Bishops: The official assembly of Catholic Bishops in the United States.
Values alignment: The degree to which investment decisions reflect stated ethical or faith-based criteria.
Witness (faith witness): The outward expression of faith commitments through institutional action, including investment practice.

02 Executive Summary:
The purpose of the report and our key findings

SUMMARY

Good Intentions 2026 examines how effectively faith-based organisations translate their faith beliefs and values into the formal investment policies and guidelines that govern investment decisions. It provides an evidence-based overview of the current state of faith-consistent investing (FCI) by analysing how faith commitments are translated into institutional investment frameworks, governance, monitoring, and ongoing policy development.

This is FaithInvest's most comprehensive report on this subject to date, featuring an unprecedented in-depth analysis of 275 faith investment policies and providing unique insights into the US$5 trillion faith-based investment sector.

The findings reveal that while many organisations demonstrate a clear commitment to aligning investments with their values, fully integrated faith-consistent investment frameworks remain relatively uncommon. In many cases, organisations have taken important steps towards alignment, but the depth, clarity, and consistency of policy development varies considerably.

Scope and methodology

This report analyses 275 publicly available investment policies and guidelines issued by faith-based asset owners across a range of traditions and organisational types (denominational investment bodies and pension funds, dioceses, foundations, educational institutions, and congregational endowments).

Policies were identified through a structured online search using multiple sources and faith-related investment terminology. While the dataset is not exhaustive, it provides a substantial evidence base through which to examine patterns in how faith-based organisations approach investment governance and values alignment.

Each policy was evaluated using FaithInvest's Level 1 Faith-Consistent Investing Framework, which assesses the extent to which faith commitments are translated into clear and operational investment guidance. The framework includes ten criteria covering both policy content and governance structures supporting implementation, including faith documentation, ethical exclusions, positive investment, governance arrangements, professional oversight, monitoring processes, and mechanisms for policy development.



Each criterion is scored on a 0–5 scale, producing a maximum composite score of 50 points. The scoring reflects the maturity and clarity of policy frameworks rather than judgments about the ethical commitment of individual organisations. The analysis evaluates documented policy frameworks rather than portfolio outcomes. Some organisations may implement faith-consistent investing more strongly than their written policies suggest.

Nevertheless, the framework provides a consistent analytical approach that enables comparison across institutions while recognising differences in theological tradition and governance structures.

The overall state of faith-consistent investing

Across the dataset, most organisations demonstrate some level of engagement with FCI. Investment policies frequently include references to faith values, ethical considerations, or denominational guidance. Ethical exclusions are common, governance systems are generally well developed, and financial monitoring structures are often well established.

However, fully integrated faith-consistent investment frameworks remain relatively uncommon. When assessed against the ten-criterion framework, most organisations fall within a "basic effort" tier of maturity. These policies demonstrate a clear intention to reflect faith commitments in investment practice but often lack the governance mechanisms, implementation tools, or learning structures required to ensure consistent alignment across the investment process.

A smaller number of organisations demonstrate more developed frameworks combining governance oversight, ethical screening, stewardship activity, and systematic monitoring.

Notably, no organisation in the assessment achieved the highest level of overall alignment under the framework. This does not mean that strong practice is absent. Rather, it indicates that comprehensive integration of faith commitments across investment governance, portfolio construction, professional oversight, and policy development remains relatively rare.

Key patterns across the findings

Several consistent patterns emerge across the ten assessment criteria.

- **Governance foundations are relatively strong:**

Most faith-based organisations have established investment committees, defined fiduciary responsibilities, and regular reporting structures. However, strong financial governance does not automatically translate into strong faith integration. In many policies, governance structures focus primarily on financial performance and risk management, while the role of faith commitments within investment decision-making remains less clearly articulated.



- **Ethical exclusions are widely established:**

Many organisations exclude sectors such as weapons production, tobacco, or gambling, reflecting long-standing ethical traditions within faith communities. These frameworks establish important moral boundaries. However, implementation remains uneven. Some policies lack operational detail, such as thresholds or monitoring mechanisms, and a significant minority of organisations provide little or no exclusionary guidance. While exclusion frameworks form a central component of faith-consistent investing, they represent only one dimension of a broader approach to aligning finance with faith commitments.

- **Positive investment strategies remain undeveloped**

Many policies clearly define activities organisations seek to avoid but provide limited guidance on how investments should actively support mission priorities. Few identify specific sectors, themes, or allocation targets aligned with denominational values, and mechanisms for measuring mission-aligned investment outcomes are relatively uncommon. Across the dataset, policies are generally more developed in avoiding harm than in proactively deploying capital toward mission-aligned outcomes.

- **Policy intentions do not always translate into portfolio implementation:**

Even where policies define ethical exclusions or mission priorities, the funds or managers used to construct portfolios may not always have the flexibility to apply these criteria. Many organisations rely on pooled investment vehicles or general asset management services designed primarily for financial performance rather than values alignment. When this issue is not addressed within policy, a gap can emerge between policy intention and portfolio implementation.

- **Education and expertise remain limited:**

While investment committees frequently include members with financial experience, few policies establish expectations for training or formation related to the ethical and theological dimensions of investment governance. As a result, committees often rely heavily on external advisers to interpret how faith commitments should influence investment decisions. Strengthening education and formation within governance structures could play an important role in deepening alignment between faith and finance.

- **Institutional capacity and infrastructure matter:**

Organisations with access to specialised investment staff, denominational guidance, shared ethical frameworks, or dedicated investment vehicles tend to demonstrate stronger policy structures.

By contrast, smaller organisations often rely on generic investment services or external advisers and may have limited internal capacity to develop detailed faith-based frameworks.

This suggests that differences in policy maturity frequently reflect differences in available resources and supporting infrastructure, rather than differences in faith commitment.



The presence of denominational investment networks appears to be especially important. Where such networks exist, organisations often benefit from shared ethical guidance, pooled investment vehicles, specialised expertise, and collaboration with peer institutions facing similar challenges. These structures help translate theological principles into practical investment tools and strengthen the ability of organisations to implement faith commitments consistently. This underlines the need for a broader supporting ecosystem for organisations without access to denominational infrastructure or faith-aligned investment tools.

Emerging areas of momentum

The foundations for stronger faith-consistent investing are already present within many institutions. Some faith traditions have developed increasingly sophisticated investment infrastructure, including denominational pension funds and advisory bodies specialising in responsible investment. National church investment organisations often demonstrate advanced approaches to shareholder engagement, ethical screening, and stewardship.

A number of institutions are also beginning to explore investment opportunities that actively support mission priorities, including community development initiatives and environmental investments. At the same time, the widespread presence of financial monitoring systems provides a practical foundation on which stronger faith-alignment oversight could be built. This suggests that many organisations already have elements of the infrastructure needed to deepen alignment over time.

Looking forward

Faith-consistent investing should not be understood as a fixed model, but as an evolving field. Many faith-based organisations have already taken meaningful steps to align their investments with their values. With continued learning, collaboration, and institutional support, these foundations can support the development of investment practices that more fully reflect the ethical traditions and mission priorities that define the work of faith communities.

Real progress will depend not only on organisational commitment, but also on the development of a stronger supporting ecosystem – including governance tools, specialist expertise, suitable investment products, and collaborative infrastructure – particularly for organisations without access to denominational networks or shared faith-based investment support. With continued coordination and leadership, faith-based investors can play a more decisive role in shaping positive outcomes for people and planet.

Faith-consistent investing therefore remains a work in progress. The challenge in coming years will be to ensure that the growing commitment to aligning faith and finance is translated into increasingly robust investment frameworks that integrate faith values across the full investment process.



Chapter

03 Welcome

> Faith-consistent investing is an approach to investing that takes faith values into account when making investment decisions. It involves investing in a way that reflects an organisation's values and principles. In this way, faith institutions seek to live their values in their investments.

From Faith Values to Investment, our foundational guide to faith-consistent investing, updated in October 2025

WELCOME

This report updates FaithInvest's ongoing research into how faith-based asset owners (FBAOs) integrate their beliefs, teachings and values into their investment policies and guidelines. The 2026 edition of *Good Intentions* expands both the scale and depth of analysis, refining the analytical framework, and assessing progress across nearly 300 publicly available investment policies and guidelines drawn from a wide range of faith traditions, geographies, and organisational forms.

It asks a simple but important question:

> How far have faith investors progressed in translating good intentions into measurable, faith-consistent action?

This report is not intended to rank or judge individual organisations. Rather, it seeks to understand how clearly and intentionally faith commitments are expressed in the governing documents that shape real-world investment decision-making. Throughout, the assessment recognises the distinctive theological, governance, and institutional traditions that inform investment practice across different faith communities.

Why an update?

When this research was first launched in 2022, its purpose was to understand the extent to which faiths' values were reflected in their investment policies and guidelines (IP&Gs). Since then, the context in which faith-consistent investing (FCI) operates has changed significantly.

The FCI movement continues to mature. More faith organisations are seeking to align their financial assets with their mission, while the wider responsible

and sustainable investment landscape has evolved towards greater emphasis on stewardship, accountability, and demonstrable outcomes. At the same time, there is growing awareness – both within and beyond faith communities – of the scale of faith-based assets and their potential influence on markets and society.

Faith-consistent investing (FCI) is grounded in the expression of core values through investment decisions, while also responding to systemic risks that threaten long-term economic stability and investment returns. A sustainable economy – one that supports social cohesion, long-term prosperity, and environmental health – rests on the recognition that financial performance is inseparable from the wellbeing of people and the planet.

This framing resonates deeply with faith traditions that emphasise stewardship, justice, care for creation and human dignity, and it provides a practical lens for identifying investments aligned with long-term value creation.

Where have we been?

For faith-based organisations, an investment policy is more than a technical document; it is an expression of identity and mission. Investment decisions give practical form to beliefs about stewardship, justice, care for creation, and human dignity, and more. Where these beliefs are weakly articulated, investment activity risks becoming disconnected from the values it is intended to serve.

Our previous *Good Intentions* reports found that while many faith-based asset owners (FBAOs) acknowledged the role of faith in guiding investment choices, far fewer had embedded those principles within clear, actionable investment policies and guidelines.

> [Our] money and assets have to serve the same purposes that we ourselves serve and to have the same goals that we want to achieve with our overall ministry, such as a free society, a just society, a society that gets the news that there is forgiveness, that we can start anew, we can be reconciled.
>
> – Bishop Dr Thomas Schirrmacher, World Evangelical Alliance

The pattern that emerged was one of widespread ambition, but limited policy depth and operational clarity. In response, many faith organisations have increasingly recognised that faith-consistent investing is not simply about exclusionary screens or avoiding harm. It is now more widely understood as a practical expression of faith leadership and stewardship in the economic sphere – one that seeks to shape markets, influence behaviour, and contribute to positive outcomes. This shift is reflected in the growing adoption of more holistic investment frameworks across faith traditions. Many are responding to the challenge from FaithInvest's Founding President Martin Palmer:

> We know what you are against ~ but what are you for?

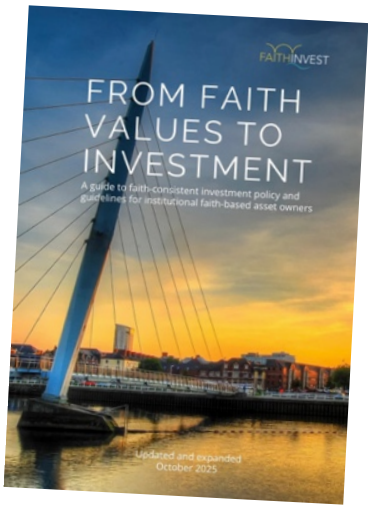
Models such as the Catholic '3 E's' (Exclude, Enhance, Engage) and Wespath's 'Avoid, Engage, Invest' illustrate a broader approach that integrates exclusions with stewardship, engagement, and impact. Together, these approaches signal a deeper commitment to aligning investments with mission, not only by limiting harm but by directing capital in ways that actively support human flourishing and long-term sustainability.

However, our *2023 Good Intentions* findings also made clear that, despite this progress, expanded aspirations have not yet been consistently matched by the clarity, scope, or operational strength of investment policies and guidelines.

Where we are now

As we enter the middle of the decade, this 2026 update provides an opportunity to take stock: to see what progress has been made, where gaps remain, and how faith-based asset owners can deepen alignment between faith and finance.

FaithInvest's role is to support FBAOs not only as faithful stewards of their investments but as leaders in shaping a values-driven economy. In *From Faith Values to Investment* (2025), we set out a best-practice framework FCI. Building on this, the *Good Intentions* assessment approach helps faith organisations understand where their current policies sit and identifies practical steps toward stronger, more aligned investment practice.



For this 2026 update, we have significantly expanded the evidence base, tripling the size of the dataset, strengthening the methodology, and engaging more deeply with a wider range of faith traditions.

Why this update matters

Faith-consistent investing remains one of the most powerful ways for religious organisations to express their teachings and values through the stewardship of financial assets. Clear and robust investment policies and guidelines are central to that task. They provide the mechanism through which intent is translated into consistent action, accountability, and measurable impact.

This report therefore serves both as an update and a call to action: to move beyond aspiration towards deeper integration, greater clarity, and more intentional application of faith values within investment practice.

The question is no longer whether faith belongs in investment decision-making ~ it always has ~ but how effectively those values are being embedded in the policies that guide capital in practice.

Chapter
04 Assessment Framework and Methodology

Overview

This 2026 edition of *Good Intentions* builds on FaithInvest's earlier research into how faith-based asset owners integrate their beliefs, teachings and values into investment policies and guidelines (IP&Gs). Building on the scope and purpose outlined in Section 03, the methodology is designed to assess how effectively faith commitments are translated into clear, actionable investment guidance within governing policy documents.

The 2026 assessment draws on a dataset of 275 investment policies and guidelines. These policies and guidelines were identified and retrieved from publicly available sources using a structured search process, drawing on multiple internet search engines and a range of faith- and investment-related search terms.

While not exhaustive, the dataset provides a substantial and diverse evidence base through which to identify patterns, strengths, and gaps in current practice.

The methodological focus is on policy articulation rather than implementation outcomes, applying a consistent analytical framework that enables comparative insight while retaining sensitivity to faith-specific governance and decision-making structures.

FaithInvest evaluated each document by applying its Level 1 Faith-Consistent Investing (FCI) framework, which assesses foundational policy alignment rather than implementation outcomes.

The framework comprises ten assessment criteria (see Table 1), covering both the content of the policy and the structures that support its implementation.



The Assessment Framework

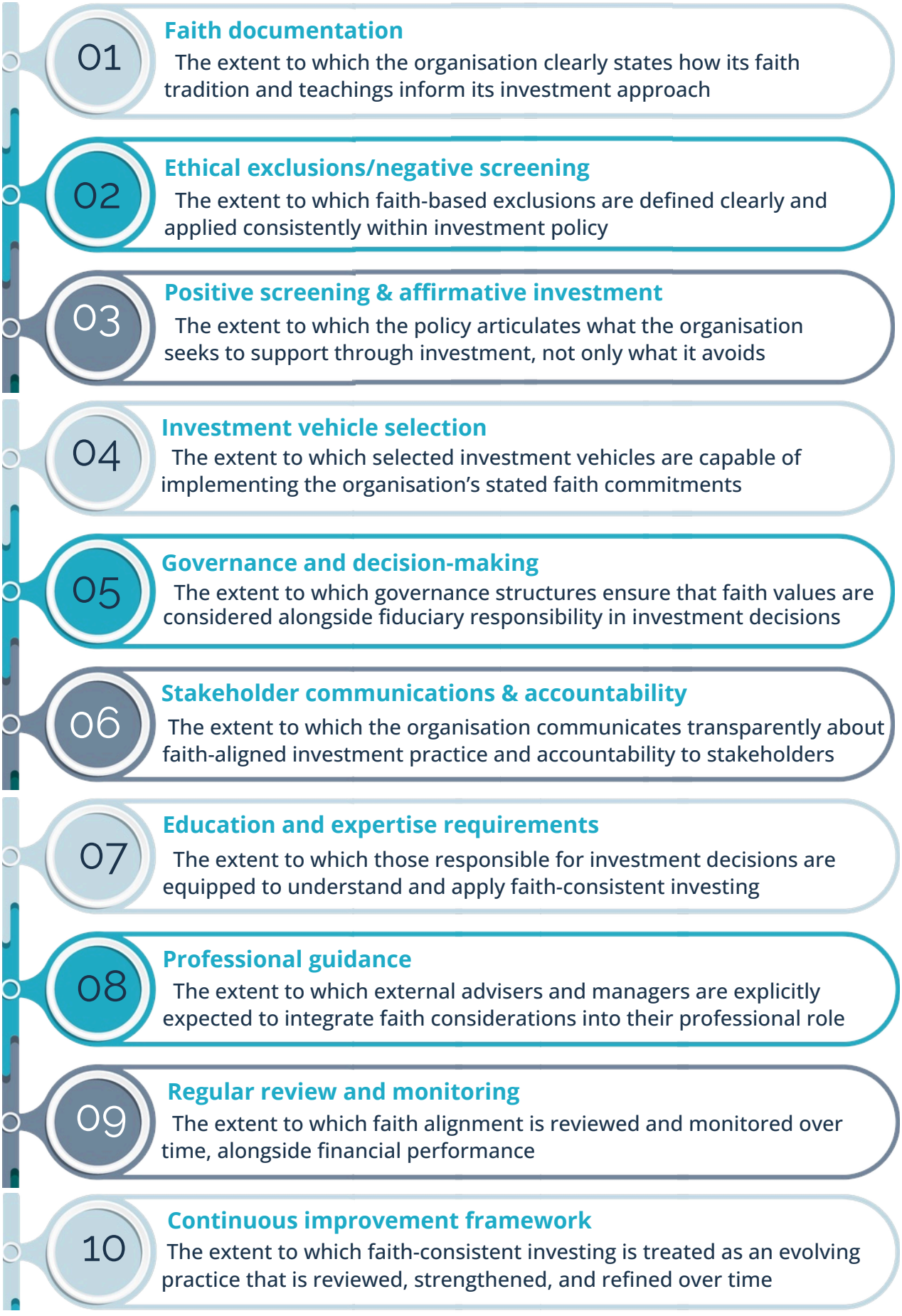


Table 1: What each FaithInvest Level 1 assessment criterion measures

How each criterion is scored

Each criterion is scored on a 0–5 scale, producing an overall composite score out of a maximum possible score of 50.

Score range	Assessment level
40-50	Outstanding FCI alignment (comprehensive integration of faith principles with advanced implementation frameworks)
30-39	Good foundation with some gaps (solid faith-based approach with identifiable areas for enhancement)
20-29	Basic effort but significant improvements needed (foundational elements present but unevenly developed)
Below 20	Minimal FCI implementation (limited integration of faith principles into investment guidance)

Table 2: Score range and assessment levels

Scores are sequential, meaning that a policy must satisfy all requirements at lower score levels before it can achieve higher ones. This reflects the understanding that faith-consistent investing capabilities build cumulatively, from clear theological foundations through to more sophisticated governance and accountability frameworks.

The assessment process

The assessment process combined AI-assisted analysis with human expert review, drawing on FaithInvest's faith knowledge capital and long-standing engagement with faith-based investors across traditions. These tools were trained using custom FaithInvest instructions developed directly from our accumulated understanding of how religious values, teachings, and governance structures shape investment behaviour. This combined approach enabled:

- **Consistent application** of assessment criteria across hundreds of documents
- **Sensitivity to theological nuance** and implicit expressions of faith alignment
- **Replicable and transparent scoring**, while retaining human discernment

To ensure robustness and consistency across the assessment, a quality control process was applied to a randomly selected sub-sample of approximately 25 per cent of the full dataset (around 68 policies). This sub-sample was constructed to be broadly representative of the overall sample by faith tradition, ensuring that quality assurance checks reflected the diversity of theological, institutional, and governance contexts included in the assessment.

Each policy in the quality control sample was reviewed manually and cross-checked against its assigned scores to verify accuracy, internal consistency, and appropriate application of the assessment criteria.

Denominational sensitivity and evidence thresholds

A central principle of the methodology is denominational sensitivity. Policies were assessed against expectations appropriate to their own faith tradition, rather than against a universal theological standard.

For example, Catholic institutions were evaluated based on Catholic Social Teaching (the Catholic Church's body of doctrine on social, economic, and political issues) and papal encyclicals (authoritative, formal letters written by a Pope), while Jewish or Protestant organisations were assessed using the normative sources and governance structures relevant to their traditions.

Each score level within each criterion includes clearly defined mandatory elements, and higher scores require additional enhancement elements demonstrating increased sophistication. Minimum evidence thresholds were applied to ensure that scores reflect substantive treatment rather than passing reference or aspirational language.

Referenced denominational guidance (such as episcopal guidelines or denominational investment standards) was treated as integral to the policy where explicitly explicitly incorporated by reference, recognising established governance practices across faith traditions.



Methodological limitations

Several methodological limitations should be acknowledged:

- This assessment evaluates written policies, not implementation. An organisation may apply faith-consistent practices more robustly than its policy documents suggest or, conversely, may have sophisticated policies that are unevenly implemented in practice.
- The analysis is based on publicly available investment policies. Some organisations may hold internal guidance not necessarily reflected in their policies or have updated their policies since documents were collected or published, meaning current practice may not be fully captured.
- The assessment represents a point-in-time snapshot. Policies evolve, and some documents may have been updated since collection or since being made available online.
- While scoring provides a useful comparative tool, reducing complex theological and governance considerations to numerical values inevitably involves a loss of nuance. · Scores are indicators of relative policy maturity rather than definitive judgements on faithfulness or effectiveness.
- The sample is weighted toward Christian traditions – particularly Catholic, Anglican/ Episcopal, and mainline Protestant organisations – reflecting the availability of publicly documented investment policies, the historical development of faith-based investing within these communities, and the fact that the research was conducted primarily through English-language searches within the English-speaking world.

- Average scores by faith tradition are presented for transparency; however, they are accompanied by a clear methodological note acknowledging sample size constraints and compositional effects. In particular, where traditions appear to score lower, this often reflects the characteristics of the sample. For example, the Jewish organisations included are predominantly community foundations operating under secular governance conventions, which shapes their documentation patterns rather than a judgment on faith-consistent investing capacity.
- There was just one Muslim organisation in the assessment sample. This reflects methodological constraints rather than a lack of faith-consistent investment practice within Islamic finance (see below).

Despite these limitations, the methodology provides meaningful insight into current patterns across the faith-based investing landscape and offers a robust foundation for identifying both progress and areas where further capacity-building may be beneficial.

Islamic finance

The lack of Muslim representation in the sample may be surprising given that Islamic finance is seen as one of the most prominent forms of FCI, forecast to reach US$7.5 trillion by 2028. However, our assessment relies on publicly available investment policies, whereas faith alignment in the Muslim world is articulated through the modern Islamic finance system that, with roots dating back over 1,400 years, has developed since the mid 20th century. This comprises Sharia supervisory structures, jurisprudential rulings, and product-level compliance frameworks aligned to Qur'anic ethical and religious principles, rather than published policy documents.

For this reason, FCI is both accepted as a given by many Muslim asset owners and, for us, is less visible within our current assessment framework. Future research could explore how FCI is expressed within Islamic finance and consider whether alternative forms of governance and documentation should be incorporated into assessment models.



- Scholarly works, such as the paper published by Islamic Finance expert (and former FaithInvest trustee) Hayu Prabowo, *Beyond Halal: The Imperative of Tayyib Economics for a Sustainable Future*, highlight debates in the Muslim world about extending understanding of what is 'permissible' to include what is, as Prabowo puts it, 'verifiably good'.
- Other exciting developments, such as Green Sukuks, illustrate the potential for Islamic finance to play a significant role in green and sustainable finance.

Chapter

05 Overview by Faith Tradition

Table 3 below summarises the assessment sample by faith tradition, with individual denominations grouped to reflect shared theological heritage and governance structures.

Faith traditions	No	% of total (275)
Mainline Protestant: Eg, including groups belonging to traditions such as United Methodist, Presbyterian (USA), Reformed / Calvinist, United Church of Christ, United Church of Canada, Evangelical Lutheran Church in America, Evangelical Lutheran Church in Canada, Lutheran (other), Uniting Church (Australia), Disciples of Christ)	95	34.5%
Catholic organisations	64	23.3%
Anglican / Episcopal	51	18.5%
Evangelical / Baptist: Eg, including groups belonging to traditions such as Southern Baptist, American Baptist, Baptist (other), Mennonite, Brethren	19	6.9%
Jewish organisations	13	4.7%
Non-denominational Christian organisations	11	4%
Interfaith networks / faith-based service organisations / ecumenical bodies	9	3.3%
Other Christian traditions (eg, Greek Orthodox, Seventh-day Adventist)	7	2.5%
Quaker organisations	4	1.5%
Other faith traditions Including Buddhist organisations	2	0.7%

Table 3: Overview of the assessment sample by faith tradition (grouped)

Geographic patterns in faith-consistent investing

Although the assessment framework is organised by faith tradition and organisation type, clear geographic patterns emerge. These observations are not presented as definitive comparisons; the sample was not designed for formal geographic benchmarking, and English-language documents dominate the dataset. Nonetheless, the patterns offer insight into how regulatory context, institutional infrastructure, and national investment culture shape policy.

The United Kingdom and Ireland: Infrastructure as accelerator

UK-based organisations form a distinctive cluster of high performers across multiple criteria, including faith documentation, negative screening, positive screening, and professional guidance. Strong performance spans Catholic, Anglican, Reformed, Methodist, Baptist, and Quaker traditions, indicating that the effect is systemic rather than tradition-specific. This pattern reflects a well-developed faith-investment infrastructure with few equivalents elsewhere in the dataset:

- **Church Investors Group (CIG)** – representing 67 denominations and Christian-based charities with combined assets exceeding £26 billion, providing shared proxy voting guidelines and collaborative engagement.
- **Church of England Ethical Investment Advisory Group (EIAG)** – producing detailed ethical frameworks used beyond national church bodies.
- **Regulatory environment** – Charity Commission guidance and stewardship codes that normalise ethical investment within fiduciary duty.



The effect is visible in practice:

- Detailed exclusion frameworks with revenue thresholds
- Asset-class-wide implementation guidance
- Clear expectations for investment managers
- Integration of stewardship and collaborative engagement

Importantly, the strongest performance appears among national church bodies and pension schemes with sufficient scale to engage these shared resources. Smaller organisations within the same traditions do not consistently demonstrate equivalent advancement, underscoring that infrastructure must be actively used to shape policy.

Australia/New Zealand: Screening practice without theological foundation

Australian Anglican dioceses display an unusual pattern – weak faith documentation alongside moderate negative screening. This divergence suggests that screening has been adopted as part of broader responsible investment convention – influenced by ESG norms and regulatory context – without equivalent theological articulation. The result is operational screening that lacks explicit denominational anchoring.

By contrast:

- The **Uniting Church in Australia** demonstrates stronger cross-criteria integration.
- Faith-aligned vehicles such as **Christian Super** bridged operational practice and theological grounding (now part of Australian Ethical Investment).
- In New Zealand, pension bodies with explicit faith mandates significantly outperform smaller institutions.



The United States: The widest dispersion in the dataset

The United States accounts for the largest share of the dataset and displays the widest dispersion of performance. At one end, denominational pension funds and national investment bodies rank among the strongest performers in the entire assessment. At the other, congregational endowments and locally governed churches frequently operate with generic investment templates containing no faith-specific content.

he most important predictor of policy maturity among US organisations is connection to a denominational investment provider. Bodies affiliated with Wespath (United Methodist), Episcopal Church Foundation, Presbyterian Foundation, and United Church Funds consistently demonstrate stronger screening, governance, monitoring, and professional guidance integration.

Catholic organisations benefit similarly where USCCB (the US Conference of Catholic Bishops) guidelines are explicitly incorporated. Where they are not, performance drops sharply despite strong Catholic identity.



A recurring theme in the US data is decentralised governance. Access to denominational guidance does not guarantee local adoption. Institutional autonomy often results in policy frameworks that default to secular fiduciary language unless intentional translation occurs.

Canada: A parallel pattern

Canadian organisations cluster around the middle of the performance spectrum. The United Church of Canada demonstrates comparatively strong integration, reflecting established denominational infrastructure and mission-oriented investment practice. Anglican and Catholic bodies show similar variability to their US counterparts, with performance closely tied to scale, capacity, and uptake of denominational resources.

Structural implications

Across geographies, three patterns stand out:

- **Institutional infrastructure is a primary driver of policy maturity.** Shared resources such as denominational investment providers, ethical advisory bodies, peer networks, consistently correlate with stronger alignment.
- **Infrastructure alone is insufficient.** The UK demonstrates the power of shared systems, but smaller organisations within that ecosystem still require intentional uptake.
- **Screening without theological grounding is fragile.** Where responsible investment practices are adopted without denominational anchoring, long-term resilience is weaker.

These observations reinforce a central conclusion of the assessment: **policy maturity is shaped less by theological availability and more by institutional architecture and active engagement with shared frameworks.** Investment in collaborative infrastructure may therefore be among the most effective levers for strengthening FCI practice globally.

Chapter
06

How strong is FCI in practice?
A snapshot of policy alignment

Table 4 (below) provides a clear snapshot of how strongly faith commitments are translated into formal investment policy across the sample. The results reveal both encouraging engagement and significant scope for development.

Score range	Count	Assessment level
40-50	0	Outstanding FCI alignment
30-39	30 (11%)	Good foundation with some gaps
20-29	138 (50%)	Basic effort but significant improvements needed
Below 20	107 (39%)	Minimal FCI implementation

Table 4: A snapshot of policy alignment

- Notably, **no organisation reached the highest score range** (40–50 points), meaning that none demonstrated fully integrated or "outstanding" FCI alignment under the assessment framework.
- A modest **11% achieved scores between 30–39 points**, reflecting a solid foundation with identifiable gaps still to address.
- **Half of all assessed policies (50%) fell within the 20–29 point range**. These organisations show evidence of intentional effort, but their policies lack depth, clarity, or systematic integration.
- Meanwhile, **39% scored below 20 points**, indicating minimal articulation of faith-consistent investment principles within formal documentation.

Taken together, the distribution indicates that fully embedded and clearly articulated faith-consistent investment frameworks remain the exception rather than the norm.



Chapter 07

Criterion 01: Faith documentation

Formally recognising faith values as the foundation of investment practice

Faith documentation explains how an organisation's faith tradition, theological principles, and teachings are articulated in its investment policy and used to guide investment decision-making. It is the point at which beliefs and values are translated into practical investment guidance.

This criterion sits at the foundation of faith-consistent investing. Without clear faith documentation, other elements of alignment – such as screening, stewardship, or impact – risk becoming disconnected from their moral purpose and treated as technical investment processes.



Where faith foundations are not clearly documented, investment policy becomes open to interpretation. Trustees and advisers may rely on general financial norms rather than faith-specific guidance, which can lead over time to inconsistent application of values and weaker alignment between investment practice and organisational mission.

By contrast, clear documentation provides continuity and clarity, helping ensure that investment decisions remain grounded in the organisation's faith commitments across changes in leadership or advisory arrangements.

Why faith foundation should matter for investment service providers

Strong faith foundation:

- **Provides mandate clarity:** Well-articulated faith foundations reduce the risk of misinterpretation and misalignment between an organisation's expressed values and its implemented strategies.
- **Supports consistent advice:** Clear documentation helps ensure exclusions, engagement priorities, and trade-offs are applied consistently over time and across portfolios.
- **Strengthens adviser–client dialogue:** Explicit faith foundations enable more constructive conversations about values, priorities, and constraints.
- **Enables faithful implementation:** Advisers and managers are better equipped to serve faith-based clients effectively when theological intent is clearly documented.



01:1 What the assessment reveals about faith documentation

Across the **275** assessed policies, Criterion 01 received an **average score of 2.5 out of 5**, indicating moderate overall performance and considerable variation across the sample.

Score	Count (percentage)	Description
0	19 (7%)	Complete absence of faith references
1	60 (22%)	Minimal faith content
2	56 (20%)	Basic faith reference
3	61 (22%)	Moderate faith content
4	58 (21%)	Strong faith foundation
5	21 (8%)	Exemplary faith integration

Table 5: Overall distribution of scores for faith documentation (Criterion 01)

Average score: 2.5 points

- Just over half of organisations **(51%) scored 3 or above**, demonstrating a meaningful attempt to connect faith identity with investment practice.
- However, **49% scored 2 or below**, revealing substantial room for improvement across the field.
- Most notably, **29% of organisations scored 0 or 1**, meaning their investment policies contained minimal or no faith-specific content despite being issued by faith-based institutions.
- At the other end of the spectrum, **a small minority (8%)** achieved exemplary integration, demonstrating that strong and explicit faith documentation is achievable across different traditions and organisational contexts.

Overall, the distribution shows a relatively even spread across score levels 1-4, with the largest concentrations at scores 1 and 3 (22% each). This pattern highlights a central and striking finding of the assessment: **Many organisations with strong faith identities do not clearly articulate that identity within their investment policy documents.**



In such cases, policies often function as largely secular financial instruments, even when drafted by deeply religious institutions.

01:2 Patterns by faith tradition

When examined by faith tradition, variation is present but not extreme.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	4.3	Strong
Catholic	64	23.3%	2.9	Basic-Moderate
Non-denominational Christian	11	4.0%	2.8	Basic-Moderate
Evangelical / Baptist	19	6.9%	2.7	Basic-Moderate
Mainline Protestant	95	34.5%	2.7	Basic-Moderate
Anglican / Episcopal	51	18.5%	2.0	Basic
Other Christian traditions	7	2.5%	2.0	Basic
Other faith traditions	2	0.7%	2.0	Basic
Jewish organisations	13	4.7%	1.8	Minimal-Basic
Interfaith / faith-based service	9	3.3%	1.7	Minimal-Basic

Table 6: Patterns by faith tradition (Criterion 01). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Most traditions **cluster between 2.0 and 2.7**, indicating that faith is acknowledged in policy language but often not translated into detailed theological frameworks.

In practical terms, many policies include statements such as:

- "Investments should reflect our faith values."
- "We seek to align our portfolio with our mission."

However, fewer policies:

- Reference specific denominational teaching documents.
- Explain how theological principles translate into investment criteria.
- Provide clear links between belief and screening frameworks.

Which faith traditions stand out?

- ***Quaker organisations*** (average score 4.3) stand out, though the sample is small. In these cases, policies are more likely to integrate explicit reference to Quaker testimonies (such as peace, integrity, and justice) and clearly connect those principles to investment decisions.
- ***Evangelical/Baptist organisations*** (average score 2.7) fall within the upper end of the basic range. In some cases, policies explicitly reference biblical principles, though operational translation varies.
- ***Catholic organisations*** (2.9) perform slightly above the overall average. Many reference Catholic Social Teaching or USCCB guidelines, but depth of explanation varies. Some policies cite documents directly; others refer more generally to Church values.
- ***Mainline Protestant*** and ***Anglican/Episcopal organisations*** (2.7–2.0) generally include faith language, but often without detailed theological articulation. In many cases, policies rely on implicit denominational identity rather than explicit documentation.
- ***Jewish organisations*** (average score 1.8) and groups within the ***Other Christian Traditions*** category (2.0) tend to include general mission statements without structured reference to specific theological or ethical investment frameworks.

01:3 Patterns by organisation type

Some variation was observed by organisational type.

Organisation type	No	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	3.2	Basic-Moderate
Dioceses & regional church bodies	76	27.6%	2.8	Basic
Foundations & educational institutions	107	38.9%	2.4	Basic
Congregational endowments	60	21.8%	2.9	Basic

Table 7: Patterns by organisation type (Criterion 01)

Larger denominational investment bodies tend to articulate theological foundations most clearly, often referencing formal denominational guidance and explaining how faith principles inform investment practice. Dioceses and regional church bodies also commonly reference faith identity, although with less detailed theological explanation.

Foundations, educational institutions, and congregational endowments generally contain more limited documentation. In many cases, faith identity is acknowledged but not ystematically translated into investment guidance within policy documents.

01:4 What best practice faith documentation looks like

Strong faith foundation documentation does not require lengthy theological essays. Rather, it demonstrates *clarity, specificity, and relevance*. Across traditions, higher-scoring policies on faith documentation tend to include:

- Explicit identification of the faith tradition informing the policy
- Clear articulation of core theological or ethical principles, appropriate to that tradition
- Reference to recognised denominational or authoritative guidance, where applicable
- Explanation of how faith values translate into investment decision-making, rather than remaining abstract

The highest scoring policies move beyond statements of identity to show how faith commitments shape priorities, boundaries, and responsibilities in practice.

Standout examples

Organisation	Score	Summary of practice
General Council on Finance and Administration of The United Methodist Church	5	Full integration of denominational teachings and ethical principles, linking denominational teaching to screening, stewardship, proxy voting, and structured investment governance.
Jesuits in Britain CIO	5	Extensive references to Catholic Church teaching and the Society of Jesus Constitutions, supported by scriptural and canonical citations throughout its policy documentation.
Reform Pension Board	5	Comprehensive Jewish faith foundation with explicit scriptural grounding (Bal Tashchit, b'tselem Elohim) and translation of tikkun olam and tzedek into clear ESG criteria.

Table 8: Standout examples of best practice faith documentation (Criterion 01)

01.5: Common gaps and weaknesses

One of the most consistent patterns observed is what might be described as the "name without substance" problem. Many organisations reference their faith identity implicitly through their name or governance structure but fail to articulate how faith actually informs investment decision-making. Examples include policies that:

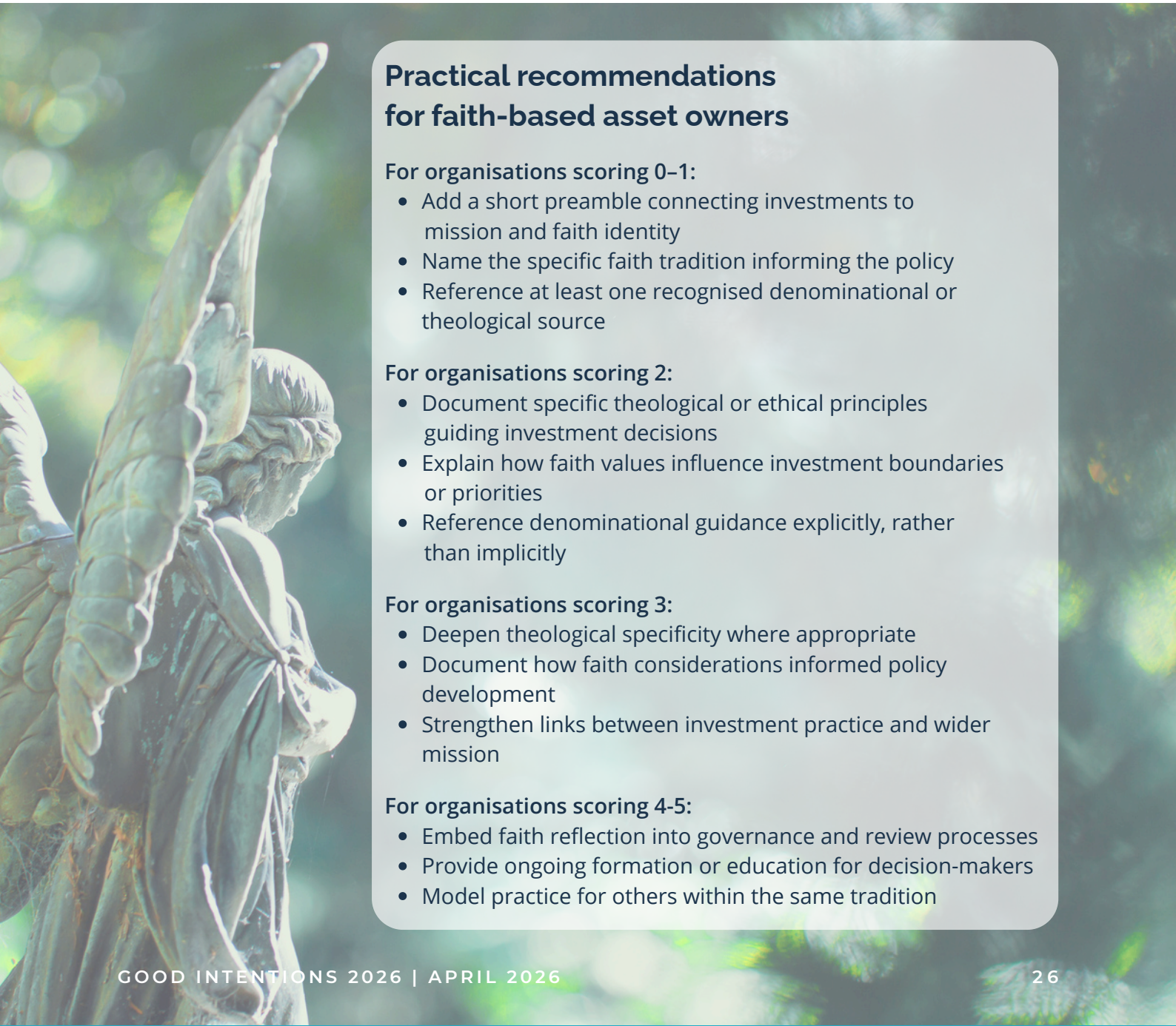
- Identify as "Catholic", "Jewish", or "Methodist" by name only Refer to church oversight or charitable purpose without theological grounding
- Use terms such as "stewardship" in a generic sense, without religious context

In these cases, faith identity is assumed rather than expressed. However, an organisational label does not substitute for theological articulation. Without explicit content, neither internal decision-makers nor external advisers can reliably understand how faith values are meant to shape investment practice.

Overall, several recurring shortcomings emerged across traditions and organisation types:

- **Generic faith language** without theological specificity
- **Failure to reference** readily available denominational resources
- **Use of "stewardship" as a managerial concept**, disconnected from its religious meaning
- **Assumption that faith identity is self-evident**, rather than requiring explaination

These gaps do not necessarily reflect weak faith commitment. More often, they can indicate uncertainty about how to express faith appropriately in formal investment documentation.



Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Add a short preamble connecting investments to mission and faith identity
- Name the specific faith tradition informing the policy
- Reference at least one recognised denominational or theological source

For organisations scoring 2:

- Document specific theological or ethical principles guiding investment decisions
- Explain how faith values influence investment boundaries or priorities
- Reference denominational guidance explicitly, rather than implicitly

For organisations scoring 3:

- Deepen theological specificity where appropriate
- Document how faith considerations informed policy development
- Strengthen links between investment practice and wider mission

For organisations scoring 4-5:

- Embed faith reflection into governance and review processes
- Provide ongoing formation or education for decision-makers
- Model practice for others within the same tradition

Practical recommendations for investment service providers

Investment professionals can play a constructive role by:

- Taking the time to understand the faith tradition, beliefs, and denominational context that shape their client's investment mandate
- Proactively identifying and discussing situations where portfolio holdings or investment strategies may sit in tension with stated faith commitments
- Aligning advice, portfolio construction, stewardship activity, and reporting with the client's expressed faith objectives rather than relying solely on standard responsible investment frameworks



By engaging in informed dialogue and raising alignment questions early, advisers strengthen mandate clarity, reinforce fiduciary integrity, and reduce the risk of mission drift as trustees or leadership change over time.

Key takeaways for Criterion 01: Faith documentation

- **Strong faith identity, weak policy translation:** Many organisations clearly promote their faith identity in mission statements and public communications, yet do not consistently reflect that identity within their formal investment policies. This gap can create a disconnect between belief and financial practice, weakening mandate clarity and increasing the risk of mission drift.
- **Faith documentation is both achievable and valuable:** The strongest performers demonstrate that credible faith documentation does not require exhaustive theology, but intentional articulation.
- **Investment policy as a site of faith expression:** For faith-based investors and those who serve them, this criterion reframes investment policy as a place where faith is not assumed but clearly and confidently expressed.



Chapter 08

Criterion 02: Ethical exclusions

Setting faith-based limits on what is investable

For Criterion 02, basic negative screening, the assessment examines whether a faith-based organisation clearly identifies industries, activities, or corporate behaviours that are excluded from investment on the basis of faith principles, and whether these exclusions are defined and applied in a consistent, operational way.

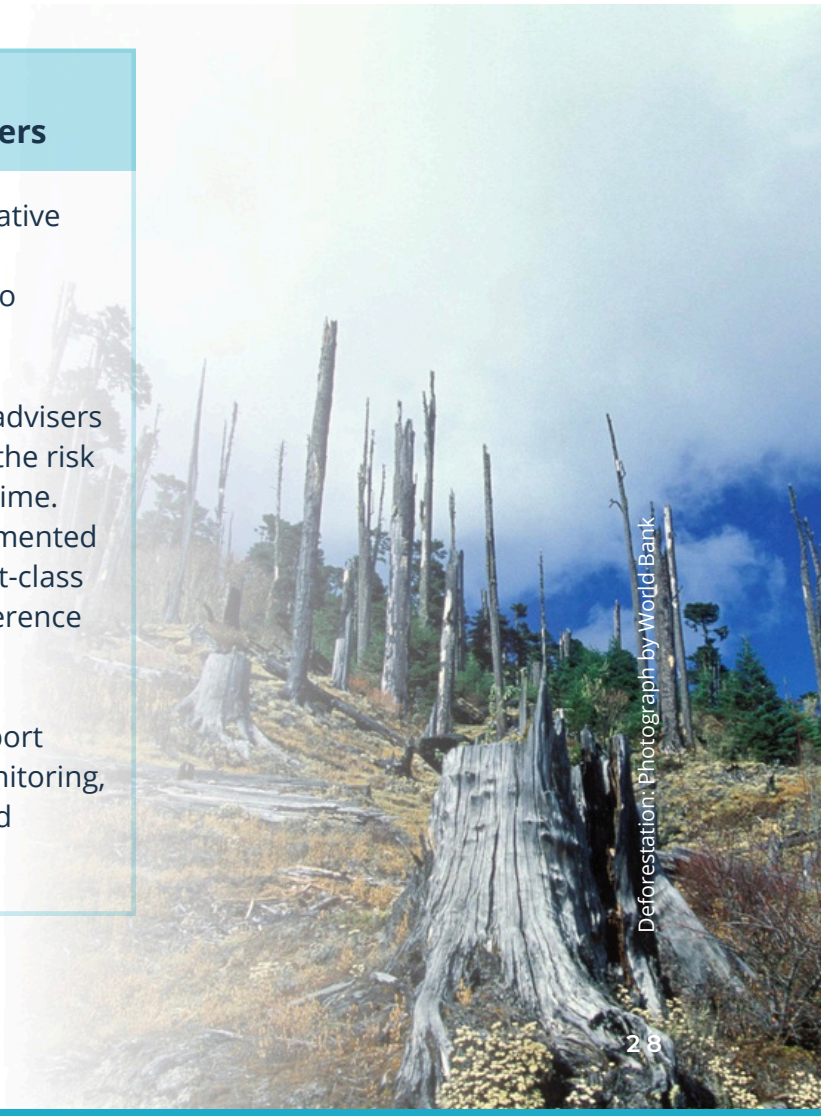
Negative screening is the most established expression of faith-consistent investing, reflecting the long-standing belief that ownership carries moral responsibility and that investment policies should set clear ethical boundaries.

Negative screening matters because it signals that financial returns are not morally neutral and that some forms of profit are incompatible with faith commitments. Clear exclusions are widely understood by stakeholders, support transparency, and are generally recognised within fiduciary practice when consistently applied.

However, screening primarily defines what an organisation will not support. While it establishes an important ethical foundation, it does not by itself determine how capital is directed toward mission-aligned purposes.

Why clearly documented exclusions matter for investment service providers

- **Primary point of implementation:** Negative screening is often the main way faith commitments are translated into portfolio construction and oversight.
- **Reduces interpretation risk:** Vague or incomplete screening frameworks force advisers and managers to infer intent, increasing the risk of inconsistency and misalignment over time.
- **Provides mandate clarity:** Clearly documented exclusions, revenue thresholds, and asset-class coverage give professionals a shared reference point.
- **Enables consistent delivery and accountability:** Strong frameworks support reliable implementation, compliance monitoring, and transparent reporting to trustees and stakeholders.



Deforestation: Photograph by World Bank

02:1 What the assessment reveals about negative screening

Across the **275** assessed policies, Criterion 02 received an **average score of 2.1 out of 5**, revealing a surprising gap given that negative screening is the oldest and most basic form of faith-based investing.

Score	Count (%)	Description
0	80 (29%)	Complete absence of exclusionary screening
1	60 (22%)	Minimal exclusionary screening
2	56 (20%)	Basic exclusionary screening
3	61 (22%)	Moderate exclusionary screening
4	58 (21%)	Strong exclusionary screening
5	21 (8%)	Comprehensive exclusionary screening

Table 9: Overall distribution of scores for negative screening (Criterion 02)

Average score: 2.1 points

The distribution reveals a polarised pattern:

- **29% of organisations include no exclusionary language** whatsoever in their investment policies.
- **49% score 3 or above**, indicating that where organisations commit to negative screening, many develop clear and relatively sophisticated frameworks.
- This is different from Criterion 1 and Criterion 3 distributions, which are more evenly spread.
- **Only 22% fall in the middle**, with minimal or basic screening.
- Results suggest that organisations either do negative screening meaningfully or don't do it all.

This pattern is striking given the long history of exclusionary investing across faith traditions. The central insight here is **the uneven translation of long-standing faith practice into formal, operational investment policy.**

02:2 Patterns by faith tradition

Negative screening is present across most traditions, but depth and specificity vary significantly.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	4.0	Strong
Evangelical / Baptist	19	6.9%	2.9	Basic-Moderate
Catholic	64	23.3%	2.7	Basic-Moderate
Anglican / Episcopal	51	18.5%	2.1	Basic
Mainline Protestant	95	34.5%	2.0	Basic
Non-denominational Christian	11	4.0%	1.9	Minimal-Basic
Other Christian traditions	7	2.5%	1.9	Minimal-Basic
Interfaith / faith-based service	9	3.3%	1.7	Minimal-Basic
Jewish organisations	13	4.7%	1.0	Minimal
Other faith traditions	2	0.7%	0.5	Minimal

Table 10: Patterns by faith tradition (Criterion 02). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

- ***Quaker organisations*** (average score 4.0), though small in number, demonstrate the strongest and most clearly articulated exclusion frameworks. In these cases, exclusions are typically detailed and directly linked to theological principles, with explicit thresholds and structured implementation.
- ***Evangelical/Baptist*** (2.9) and ***Catholic*** (2.7) organisations fall within the upper end of the basic range. Many policies in these traditions identify core exclusions – such as weapons, tobacco, or gambling – and may reference denominational guidance. However, exclusions are not always accompanied by clear revenue thresholds, monitoring mechanisms, or enforcement structures.
- ***Mainline Protestant*** (2.0) and ***Anglican/Episcopal*** (2.1) organisations fall within the basic range. While exclusions are often present, they may be limited in scope or expressed in general terms without operational detail.

- ***Non-denominational Christian*** and ***Other Christian Traditions*** (both categories with an average score of 1.9), and ***Interfaith service organisations*** (1.7) tend to include fewer or more broadly framed exclusions. In many cases, exclusions are aspirational rather than systematically defined.
- ***Jewish organisations*** (1.0) and ***Other Faith Traditions*** (0.5) score within the minimal range. In these cases, exclusionary criteria are often absent or referenced only indirectly through general ethical language rather than defined screening lists.

02:3 Patterns by organisation type

Some variation was observed by organisational type.

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	3.3	Basic-Moderate
Dioceses & regional church bodies	76	27.6%	2.7	Basic
Foundations & educational institutions	107	38.9%	2.0	Basic-Minimal
Congregational endowments	60	21.8%	1.2	Minimal

Table 11: Patterns by organisation type (Criterion 02)

Negative screening is one of the more established elements of faith-consistent investing, particularly among denominational investment bodies and pension funds, where exclusion frameworks are often clearly defined and operationalised.

Dioceses and regional bodies generally include some exclusions, although implementation detail varies. Foundations and congregational endowments are less consistent in documenting screening frameworks, and exclusions are sometimes expressed in general terms rather than through defined criteria or thresholds.

02:4 What best practice negative screening looks like

Higher-scoring policies demonstrate that effective negative screening is not defined by exhaustive exclusion lists, but by clarity, consistency, and implementability. The strongest frameworks move beyond faith aspiration and provide operational instruction that allows exclusions to be applied consistently and verified in practice. Where screening is done well, common features include:

- **Clearly defined exclusion categories** explicitly linked to faith teachings
- **Revenue thresholds** that balance moral clarity with investment practicality

- **Clear guidance for investment managers** on screening tools, monitoring, compliance
- **Application of exclusions across asset classes**, not only public equities
- **Periodic review processes** to ensure continued relevance as social and economic conditions evolve.

Strong practice is evident among organisations that connect theological clarity with operational detail at a smaller scale.

Standout examples

Organisation	Score	Summary of practice
Church Commissioners for the Church of England	5	Highly developed screening system with detailed thresholds, supply-chain considerations, professional oversight, and integration with Church ethical guidance.
Wespath Benefits and Investments	5	Comprehensive exclusion framework with defined revenue thresholds, structured implementation requirements, regular review, and clear grounding in denominational social principles..
Diocese of La Crosse	4	Strong Catholic screening linked explicitly to USCCB guidance, with clear exclusion categories and operational revenue thresholds.

Table 12: Standout examples of best practice negative screening (Criterion 02)

02:5 Common gaps and weaknesses

Several recurring weaknesses emerged across the assessment:

- **Absence of any exclusions:** The most significant gap is that 29% of organisations have no exclusionary language at all. These organisations manage investments as though faith values have no bearing on ownership decisions, even where faith identity is clearly explained elsewhere.
- **Vague or symbolic screening:** Some policies express a desire to avoid investments that "conflict with values" or should "honour God", without specifying what this means. Without defined categories or thresholds, such language provides no practical guidance and cannot be implemented consistently.
- **Lack of implementation guidance:** Many policies list excluded activities but fail to require investment managers to apply screens, verify compliance, or report on outcomes. In these cases, screening remains aspirational rather than operational.
- **Partial coverage:** Exclusions are often applied to public equities only, with little or no attention to fixed income, alternatives, or commingled vehicles. This creates internal inconsistency in values application.

Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Begin by identifying a small number of clearly faith-rooted exclusions and documenting them explicitly in the investment policy.

For organisations scoring 2:

- Strengthen implementation by adding revenue thresholds, manager requirements, and clarity on asset-class coverage.

For organisations scoring 3:

- Improve consistency through regular review processes and clearer links between exclusion criteria and faith teachings.

For organisations scoring 4–5:

- Share practice, support peer organisations, and ensure screening is integrated with stewardship and positive investment strategies.

Our Lady of Guadalupe, Lourdes, France, by Creative Commons photographer Fr Lawrence Lew

Practical recommendations for investment service providers

Investment professionals can play a constructive role by:

- Encouraging clients to move beyond aspirational language and document specific, implementable exclusion criteria.
- Flagging where exclusion lists lack revenue thresholds, asset-class coverage or monitoring requirements.
- Clarifying how screening will be applied across commingled funds, fixed income, and alternative investments.
- Aligning screening tools, reporting, and compliance processes with the client's stated faith commitments rather than default ESG assumptions.
- Prompting periodic review of exclusion frameworks to reflect evolving social, economic, and faith priorities.



Where faith-based clients lack internal capacity, investment professionals can also play a constructive role by pointing to denominational or peer-based models that demonstrate how negative screening can be implemented rigorously without undermining fiduciary responsibility.

Key takeaways for Criterion 02: Ethical exclusions

- **Familiar but unevenly applied:** Negative screening remains the most recognisable expression of faith-consistent investing, yet implementation across organisations is uneven. A substantial number of organisations have not translated faith convictions into formal investment boundaries.
- **Clarity over complexity:** Effective screening does not depend on complexity, but on intention. Clear definitions and consistent application provide moral clarity and strengthen accountability.
- **Foundational, not sufficient:** Negative screening is not the end of the faith-consistent investing journey – but without it, the journey has not begun.



Chapter 09

Criterion Three: Positive screening

Directing capital towards faith-aligned outcomes

Criterion 03 examines whether investment policies move beyond avoiding harm to actively seeking investments that advance faith-based values, denominational priorities, and mission-aligned outcomes. It considers whether organisations explain what they seek to support through their investments, and whether this intention is translated into practical investment guidance.

Positive screening and affirmative investment reflect the constructive dimension of faith-consistent investing. Religious traditions emphasise the pursuit of justice, care for creation, and the promotion of the common good.

By identifying mission-aligned investment priorities, organisations can more clearly connect their financial resources with their wider social and ministry objectives, supporting areas such as community development, environmental solutions, or other activities consistent with their faith commitments.

Why clear positive screening statements matter for investment service providers

- **High relevance for advisers and managers:** Without articulated positive priorities, implementation defaults to generic ESG frameworks or purely financial optimisation
- **Risk of missed alignment:** The absence of clear positive direction limits the ability to authentically align portfolios with faith objectives
- **Lost opportunity for long-term impact:** Without guidance, advisers may overlook investment approaches that support long-term systemic resilience and mission outcomes.



03:1 What the overall assessment reveals about positive screening

Across the 275 organisations assessed, Criterion 03 recorded the **lowest average score** in the entire framework, at 1.6 out of 5, indicating that positive screening remains significantly underdeveloped relative to other dimensions of faith-consistent investing.

Score	Count (%)	Description
0	78 (28%)	No positive investment framework
1	64 (23%)	Minimal positive investment recognition
2	56 (20%)	Basic positive screening consideration
3	61 (22%)	Moderate positive screening approach
4	58 (21%)	Strong positive screening framework
5	21 (8%)	Comprehensive affirmative investment approach

Table 13: Overall distribution of scores for positive screening and affirmative investment (Criterion 03)

Average score: 1.6 points

The distribution reveals a concerning pattern:

- **More than half of organisations (51%) scored 0 or 1**, meaning they have no positive investment framework or only minimal acknowledgement that investments can advance mission.
- **Three-quarters of organisations (74%) scored 2 or below**, demonstrating only basic or minimal positive investment consideration.
- **The 28% of organisations scoring zero is particularly alarming** – more than one in four faith-based organisations have no positive investment provisions. These policies approach investment purely as financial optimisation with exclusions – they identify what to avoid but give no consideration to proactively seeking investments that advance organisational mission.
- **Only 11% scored 4 or above**, demonstrating that robust affirmative investment practice remains rare.
- **Concerning is the weakness at the moderate levels**, or what can be regarded as the missing middle. Only 15% of organisations achieved even this moderate threshold. The field has not developed a robust middle tier of positive screening practice.

The central insight is clear: **Faith-based organisations largely know what they want to avoid, but not yet what they want to actively support through their investments.**

03:2 Patterns by faith tradition

Criterion 03 shows greater variation across traditions than some other criteria, but overall performance remains low.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	3.0	Moderate
Non-denominational Christian	11	4.0%	2.2	Basic
Evangelical / Baptist	19	6.9%	1.8	Minimal-Basic
Jewish organisations	13	4.7%	1.6	Minimal-Basic
Catholic	64	23.3%	1.6	Minimal-Basic
Mainline Protestant	95	34.5%	1.6	Minimal-Basic
Anglican / Episcopal	51	18.5%	1.4	Minimal
Other Christian traditions	7	2.5%	1.3	Minimal
Interfaith / faith-based service	9	3.3%	1.1	Minimal
Other faith traditions	2	0.7%	1.0	Minimal

Table 14: Patterns by faith tradition (Criterion 03). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Quaker organisations (average score 3.0) demonstrate comparatively stronger affirmative frameworks. In these cases, policies are more likely to articulate positive investment themes aligned with religious testimonies and to reference social justice or peace-oriented investment priorities in operational terms.

Non-denominational Christian organisations (2.2) fall within the basic range. Some policies in this category include references to positive impact or mission-aligned sectors, though formal allocation targets or measurement frameworks are uncommon.

Most other traditions cluster between 1.2 and 1.8, indicating limited development of affirmative investment strategies. In these cases, policies may express support for investing "in line with our mission" or "for positive social impact", but rarely define specific themes or sectors, target allocation percentages, criteria for identifying positive investments or mechanisms for measuring impact.

Evangelical/Baptist (average score 1.8), ***Jewish*** (1.7), ***Catholic*** (1.6), ***Mainline Protestant*** (average score 1.6) organisations all fall within the minimal–basic range. While theological traditions often contain strong social justice teachings, these are not consistently translated into defined allocation frameworks within investment policy documents.

Anglican/Episcopal (1.4), ***Other Christian Tradition***s (1.3), and ***Interfaith organisations*** (1.2) fall within the minimal range, indicating that affirmative investment language is limited and rarely operationalised.

03:3 Patterns by organisation type

Organisation type is a strong predictor of performance on positive screening and affirmative investment:

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	2.6	Basic
Dioceses & regional church bodies	76	27.6%	2.0	Minimal-Basic
Foundations & educational institutions	107	38.9%	1.3	Minimal
Congregational endowments	60	21.8%	1.0	Minimal

Table 15: Patterns by organisation type (Criterion 03)

Positive screening remains relatively limited across most organisation types. Denominational investment bodies demonstrate the strongest development, reflecting greater access to specialised investment vehicles and professional investment capacity. Dioceses, foundations, and congregational endowments more commonly rely on exclusion frameworks without identifying affirmative investment priorities.

03:4 What best practice positive screening looks like

Higher-scoring policies demonstrate that positive screening requires intentionality and clarity. Strong practice typically builds on existing foundations such as ESG language or mission statements, and translates them into concrete, faith-aligned investment direction.

Common features of effective positive screening include:

- **Explicit identification** of faith-aligned positive priorities, often beginning with broad ESG considerations and refining them through denominational teaching or faith-specific values.
- **Clear connection** between mission, theology, and investment themes, moving beyond generic references to “values” or “charitable purpose” to explain what the organisation seeks to support through its capital.

- **Use of denominational or faith-aligned investment vehicles**, enabling organisations to access established positive screening frameworks even where internal capacity is limited.
- **Modest but intentional allocations** to impact, community, or mission-aligned investments, signalling commitment without requiring wholesale portfolio redesign.
- **Basic expectations for monitoring or reporting** positive outcomes, supporting accountability even where formal impact measurement is still developing.

Across the dataset, organisations that performed well often started from simple building blocks such as ESG language, mission alignment, or denominational fund preferences, and then took deliberate steps to formalise these into policy.

Examples from denominational funds and mission-driven foundations show that affirmative investment is practically achievable and proportionate to organisational capacity, providing credible models for others seeking to move beyond exclusion alone.

Standout examples

Organisation	Score	Summary of practice
Evangelical Lutheran Foundation of Eastern Canada (ELFEC) (known as Charitus since 2024)	4	"Essential Characteristics" framework requiring investments to promote justice and care for creation, explicitly grounded in Christian theology and applied systematically in selection.
Leichtag Foundation	4	Mission-driven investing aligned with vibrant Jewish life, including priorities such as Jewish community support, and environmental stewardship.
United Church of Canada Foundation	4	Comprehensive positive screening through an Impact Investment Portfolio aligned with the UN Sustainable Development Goals, systematically integrating mission and values into investment selection.

Table 16: Stand out examples of best practice positive screening and affirmative investment (Criterion 03)

03:5 Common gaps and weaknesses

Several recurring weaknesses emerged across the assessment:

- **Exclusion-only approaches:** Many organisations have developed detailed negative screening frameworks but include no affirmative investment criteria at all. Policies are clear about what to avoid, but silent on what their capital should actively support.
- **Aspirational language without substance:** Some policies acknowledge the potential for positive investment or values alignment, but provide no criteria, guidance, or allocation intent. Without operational direction, positive screening remains symbolic.

- **Failure to translate denominational priorities:** Despite rich theological resources across traditions, most policies do not operationalise faith-specific priorities (eg, human dignity, social justice, tikkun olam) into concrete investment themes.
- **No measurement or learning mechanisms**: Very few organisations set expectations for tracking outcomes or reviewing whether positive investments advance mission goals. Dedicated allocations to community development or impact investing are rare.



Hanukkah menorah

Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Acknowledge that investments can support mission as well as avoid harm.
- Identify one or two faith-aligned priorities and signal intent to consider these within the investment policy.

For organisations scoring 2:

- Move from intent to initial implementation by defining how faith priorities shape investment decisions.
- Translate teachings into a small set of positive criteria.

For organisations scoring 3:

- Introduce modest, defined allocations to impact or community investments and clarify how positive considerations influence investment selection.

For organisations scoring 4–5:

- Integrate positive, mission-aligned investment more fully into overall portfolio strategy.

Practical recommendations for investment service providers

Investment professionals can play a constructive role by:

- Helping clients clarify what they wish to actively support, not only what they exclude.
- Translating mission and faith language into practical investment themes.
- Identifying faith-aligned or impact vehicles that reduce implementation burden.
- Encouraging modest, proportionate allocations as a starting point. This keeps the focus on progressive improvement, reinforces the role of capacity, and avoids implying that positive screening requires complexity or perfection.



Key takeaways for Criterion 03: Positive screening

- **The weakest dimension of practice:** Positive screening remains the least developed element of faith-consistent investing, reflecting that faith organisations tend to place a much greater focus on avoidance rather than proactive alignment.
- **A translation gap, not a faith gap:** Across traditions, rich theological resources for affirmative investment exist, but these commitments are rarely translated into clear, operational policy guidance.
- **Capacity enables progress:** Stronger performance is closely linked to access to denominational teachings and networks, shared investment vehicles, and professional expertise, demonstrating that positive screening is achievable without excessive complexity.
- **Incomplete without affirmation:** Without positive screening, faith-consistent investing remains partial – protecting against harm, but falling short of intentionally advancing faith-based mission.



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Chapter 10

Criterion 04: Investment vehicle selection

Ensuring faith commitments are implementable

Criterion 04 assesses whether the investment vehicles selected by faith-based asset owners can reflect the faith commitments outlined in their policies. It considers whether the funds, managers, or pooled vehicles used in practice are capable of applying the exclusions, positive investment priorities, and stewardship expectations described in the investment framework.

This issue is important because policy commitments only shape portfolio outcomes if the chosen vehicles can deliver them. Organisations may define clear exclusions or express interest in mission-aligned investments, but these commitments remain aspirational if investments are made primarily through broad market funds or managers without the ability to apply faith-based criteria.

Different vehicle types offer varying levels of flexibility, and without careful selection, faith commitments risk weakening at the point where policies are implemented in actual investment portfolios.

Why clear guidance for investment vehicle selection should matter for investment service providers

For advisers and managers, vehicle selection is often treated as a financial optimisation exercise focused on performance; fees; track record; risk metrics; and asset allocation fit.

However, for faith-based clients, it is equally important that the investment products they use can actually deliver their stated faith commitments. Clear vehicle selection guidance:

- Reduces mandate ambiguity
- Ensures due diligence considers values alignment
- Helps ensure pooled products can support,
- rather than weaken, stated faith commitments

Without explicit vehicle selection criteria, advisers may default to conventional products that undermine stated faith objectives.



04:1 What the overall assessment reveals about investment vehicle selection

Across the 275 organisations assessed, Criterion 04 recorded an **average score of 2.0 out of 5**, indicating weak to moderate integration overall.

Score	Count (%)	Description
0	19 (7%)	No values-based vehicle selection
1	78 (28%)	Minimal vehicle selection guidance
2	68 (25%)	Basic vehicle selection guidance
3	68 (25%)	Moderate vehicle selection guidance
4	29 (11%)	Strong faith-aligned vehicle selection
5	0 (0%)	Comprehensive faith-aligned vehicle selection

Table 17: Overall distribution of scores for investment vehicle selection (Criterion 04)

Average score: 2.0 points

Several findings stand out:

- **No organisation** achieved the highest score level.
- **35% scored 0–1**, indicating little or no values consideration in vehicle selection.
- **78% clustered between scores 1–3**, suggesting that vehicle selection is predominantly treated as a financial process with limited faith integration.

The dominant pattern across the dataset is striking: Many organisations express clear faith principles and detailed exclusion policies yet rely on investment vehicle selection frameworks driven primarily by financial criteria, without demonstrating that those vehicles can implement their stated values in practice.

Interpretation note: Lower scores in investment vehicle selection do not always reflect weak intent. In many cases, organisations face structural constraints, including centralised pooled investment structures, limited availability of faith-aligned products, reliance on external advisors, and scale-related access barriers.

As a result, gaps between policy and implementation may reflect limitations in the wider investment ecosystem rather than organisational commitment. This underscores the need for expanded faith-aligned investment options and stronger collaboration between asset owners, advisors, and managers.

04:2 Patterns by faith tradition

Criterion Four highlights a practical implementation issue across traditions.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	3.0	Moderate
Evangelical / Baptist	19	6.9%	2.4	Basic-Moderate
Non-denominational Christian	11	4.0%	2.3	Basic-Moderate
Anglican / Episcopal	51	18.5%	2.1	Basic
Catholic	64	23.3%	2.0	Basic
Interfaith / faith-based service	9	3.3%	2.0	Basic
Mainline Protestant	95	34.5%	2.0	Basic
Other Christian traditions	7	2.5%	1.9	Minimal-Basic
Jewish organisations	13	4.7%	1.8	Minimal-Basic
Other faith traditions	2	0.7%	0.5	Minimal

Table 18: Patterns by faith tradition (Criterion 04). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Most organisations score within **a narrow range between 2.0 and 2.4.** This indicates that vehicle selection is typically addressed at a general level, but not always in a way that fully supports stated faith commitments.

In practical terms, many policies:

- Permit investment in pooled funds.
- Delegate discretion to managers.
- Reference ESG integration or ethical considerations.

However, fewer policies:

- Require confirmation that pooled vehicles apply denominational exclusions.
- Establish custom mandates where necessary to implement faith criteria.
- Assess whether fund structures allow for shareholder engagement consistent with theological priorities.

Quaker organisations (average score 3.0) demonstrate stronger alignment between values and vehicle selection. In these cases, policies more clearly evaluate whether selected funds are capable of implementing defined criteria.

Evangelical/Baptist (2.4) and ***Non-denominational Christian*** (2.3) organisations fall at the upper end of the basic range. In some cases, these policies express a preference for aligned funds or managers, though enforcement mechanisms vary.

Catholic (2.0), ***Mainline Protestant*** (2.0), ***Anglican/Episcopal*** (2.1), and ***Interfaith service bodies*** (2.0) cluster within the basic range. This indicates that while faith criteria may be articulated elsewhere in policy, vehicle selection processes do not always explicitly verify compatibility.

Jewish organisations (1.8) and ***Other Christian Traditions*** (1.9) fall within the minimal-to-basic range. In these cases, delegation to managers is common, but explicit alignment checks are limited. ***Other Faith Traditions*** (0.5), though based on a very small sample, show minimal evidence of structured vehicle-alignment processes.

04:3 Patterns by organisation type

Organisation type proved to be a stronger predictor of performance than faith tradition.

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	2.8	Basic
Dioceses & regional church bodies	76	27.6%	2.2	Basic
Foundations & educational institutions	107	38.9%	1.8	Minimal-Basic
Congregational endowments	60	21.8%	1.7	Minimal-Basic

Table 19: Patterns by organisation type (Criterion 04)

Attention to investment vehicle selection varies across organisation types. Denominational investment bodies are more likely to confirm that selected vehicles can implement faith-based investment frameworks.

Other organisations frequently prioritise diversification, cost, and performance, with less explicit verification that chosen vehicles can deliver stated values commitments.

04:4 What best practice vehicle selection looks like

Higher-scoring policies demonstrate that effective vehicle selection does not necessarily require complexity, but instead clarity and intentionality. Strong practice typically includes:

- **Explicit preference hierarchies** (denominational vehicles first, then faith-based managers, then ESG vehicles, then conventional vehicles where necessary)
- **Values-alignment included** as a formal due diligence criterion alongside performance and fees
- **Clear requirement** that selected vehicles must be capable of implementing stated exclusions
- **Recognition of asset-class limitations**, with structured mitigation strategies
- **Periodic review** of available faith-aligned options

Standout examples

Organisation	Score	Summary of practice
Mission Hills United Church of Christ	4	Denominational vehicle preference via United Church Funds as primary manager, with integration of faith-based shareholder engagement networks.
A US-based United Methodist foundation	4	Comprehensive denominational vehicle integration through Methodist-aligned pooled funds governed by Social Principles and SRI standards, structurally aligning theology and vehicle architecture.
A US-based Catholic community foundation	4	Explicit preference for a Catholic Endowment Fund managed by Catholic Investment Services, establishing a clear theological hierarchy in vehicle selection.

Table 20: Standout examples of best practice investment vehicle selection (Criterion 04)

04:5 Common gaps and weaknesses

Several recurring weaknesses emerged across the assessment:

- **No clear vehicle preference:** Most organisations do not establish a hierarchy prioritising denominational or faith-based investment vehicles over conventional options, treating all products as functionally equivalent.
- **Financial due diligence without values criteria:** Policies typically contain detailed performance and risk requirements, but provide no criteria for assessing whether a vehicle can implement faith-based exclusions or positive priorities.

- **Denominational options not always accessible or prioritised:** While some traditions offer aligned investment vehicles, access may be limited by geography, scale, or governance structures, and policies do not always clarify how these options are considered.
- **No verification of implementation capability:** Few organisations require confirmation that selected vehicles can actually deliver stated screening criteria, leaving a gap between policy commitments and portfolio reality.
- **Limited ability to address pooled fund limitations:** Where screening is difficult in commingled vehicles and while some policies accept these constraints, few articulate strategies to mitigate them or explore alternative aligned options.
- **Assumption that screening happens automatically:** Many policies include exclusionary screens in one section and outline vehicle selection in another, without acknowledging that screening requires vehicles structurally capable of implementing it. There is often no recognition of the implementation gap between stated exclusions and pooled investment realities.
- **Lack of structured values due diligence:** While financial due diligence processes are often detailed and systematic, equivalent processes for assessing values alignment are rarely defined. Few policies require documentation of how a manager understands the organisation's faith tradition, how engagement is conducted, or how alignment is monitored over time.

Findings suggest that improving faith-consistent investment outcomes is not solely the responsibility of individual organisations. There is a broader need to strengthen the ecosystem of available investment vehicles. This includes expanding the availability of faith-aligned products, improving transparency on implementation capabilities, and supporting collaboration across faith-based asset owners to aggregate demand and influence product development.



Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Recognise that faith values should influence vehicle selection.
- State this in policy, identify faith-based options, and require – where feasible – that selected vehicles can implement screening criteria.

For organisations scoring 2:

- Establish a clear preference for values-aligned vehicles.
- Introduce a hierarchy of options, include values as a formal selection criterion, and require delivery exclusions and positive screens where vehicle structures allow.

For organisations scoring 3:

- Develop a structured evaluation process.
- Define alignment criteria, embed values within due diligence, document decisions, and introduce regular review of both vehicles and available market options.

For organisations scoring 4:

- Move toward full integration and leadership.
- Formalise preference hierarchies, apply robust values-based due diligence across asset classes, review market developments regularly, and share good practice to support wider ecosystem development.

Where structural constraints limit choice, organisations should acknowledge these in their policy and define mitigation strategies, including engagement with providers, collaboration with peers, and prioritisation of alignment where flexibility exists.

Practical recommendations for investment service providers

- **Design vehicles that can implement faith screens:** Ensure products are structurally capable of delivering exclusionary and positive screening criteria, rather than assuming generic ESG integration is sufficient. Where constraints exist (eg, pooled structures), aim to provide clear alternatives or workarounds.
- **Make values-implementation capability explicit:** Clearly document how funds implement faith-based exclusions, engagement priorities, and tradition-specific requirements so asset owners can assess alignment.
- **Build faith-specific due diligence support:** Provide tools, reporting and advisory support that help clients evaluate whether vehicles genuinely reflect their faith commitments – not just financial metrics.
- **Strengthen denominational partnerships:** Work proactively with denominational bodies and faith networks to develop or refine vehicles tailored to their traditions, rather than expect faith-based clients to adapt to conventional products.
- **Address access and scale barriers:** Develop scalable solutions, such as pooled faith-aligned vehicles, model portfolios, or screened funds, that enable smaller or resource-constrained organisations to access aligned investment options.



Key takeaways for Criterion 04: Investment vehicle selection

- **Policy strength does not guarantee portfolio alignment:** Many faith-based organisations have clear theological commitments and screening criteria, yet select investment vehicles based primarily on financial considerations, creating a gap between stated values and actual implementation.
- **Vehicle selection is the missing link**: Investment vehicle choice is the practical bridge between faith intent and portfolio reality vehicles. Without capable of delivering exclusions, engagement, and positive priorities, faith-consistent investing remains aspirational.
- **Denominational resources are underutilised:** Many traditions have developed institutional investment options specifically designed to reflect their values. However, most policies fail to establish clear preference for these vehicles or even acknowledge their availability.



Chapter 11

Criterion 05: Governance & decision-making

Embedding faith within investment oversight

Criterion 05 examines whether the governance structures responsible for investment oversight are designed to ensure that faith principles are considered alongside fiduciary responsibilities. Earlier criteria assess how faith commitments are expressed in policy; this criterion considers whether those commitments are reflected in the processes and decision-making structures that guide investment activity. Governance therefore plays a central role in translating policy into practice.

Faith-based organisations often have well-established financial governance systems, including boards, investment committees, and regular reporting processes. However, strong financial oversight does not always mean that faith commitments are actively considered in investment decisions.

Committees may review performance, asset allocation, or manager selection without explicitly assessing whether portfolios reflect denominational teaching or ethical priorities. Where faith integration is absent, investment governance can gradually default to conventional financial decision-making rather than supporting the organisation's mission and values.

Why addressing faith in governance matters for investment service providers

For consultants, asset managers, and fiduciary advisers, governance is the primary interface with faith-based clients. Clear faith-integrated governance:

- Provides mandate clarity
- Reduces interpretation risk
- Enables dialogue about how faith commitments should be reflected in investment decisions
- Strengthens long-term faith alignment across leadership changes

Conversely, where governance structures are silent on faith integration, advisers may default to conventional fiduciary models. This can unintentionally marginalise values considerations, not through disagreement but through omission.

Service providers therefore influence governance culture as much as portfolio construction.



05:1 What the overall assessment reveals about governance

Criterion 05 recorded the highest average score across the ten criteria.

Score	Count (%)	Description
0	1 (0.4%)	No faith-integrated governance
1	7 (2.5%)	Minimal governance structure
2	70 (25.5%)	Basic governance with limited faith integration
3	128 (46.5%)	Moderate governance with basic faith integration
4	68 (24.7%)	Strong faith-integrated governance
5	1 (0.4%)	Outstanding faith-integrated governance

Table 21: Overall distribution of scores for governance (Criterion 05)

Average score: 2.9 points

- Nearly three-quarters of organisations **(71%) scored 3 or above**. At first glance, this suggests strong performance across the ecosystem.
- However, closer analysis reveals a more nuanced picture.
- Whilst most organisations have established robust financial governance, fewer have ensured that those governance structures systematically integrate faith expertise, theological consultation, or values-alignment verification.

A recurring theme across assessment rationales was what might be described as *structural faith.* Many organisations received credit for faith integration because they operate within a denominational governance structure:

- A Catholic diocese governed by a Bishop and Finance Council
- A Presbyterian church under Session oversight
- An Episcopal parish governed by a Vestry

While these structures are faith-based in identity, this does not automatically mean that faith principles are actively considered in investment decisions. In numerous cases, governance descriptions focused exclusively on fiduciary duties, financial reporting, and oversight processes, with no explanation of how faith commitments are integrated into deliberations. Whilst the structure was religious, the process was largely secular.

This distinction is critical. It is not enough for faith language to appear in policy documents; faith commitments must actively shape decision-making, oversight, and accountability. Without this, faith remains declarative rather than operational in investment practice.

05:2 Patterns by faith tradition

Governance is one of the most consistently developed areas across traditions. Most traditions cluster between **2.7 and 3.1**, indicating broadly similar governance maturity.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	3.3	Moderate-strong
Evangelical / Baptist	19	6.9%	3.1	Moderate
Mainline Protestant	95	34.5%	3.1	Moderate
Interfaith / faith-based service	9	3.3%	3.0	Moderate
Catholic	64	23.3%	3.0	Moderate
Anglican / Episcopal	51	18.5%	2.9	Basic-Moderate
Non-denominational Christian	11	4.0%	2.9	Basic-Moderate
Other Christian traditions	7	2.5%	2.8	Basic-Moderate
Jewish organisations	13	4.7%	2.7	Basic-Moderate
Other faith traditions	2	0.7%	2.5	Basic-Moderate

Table 22: Patterns by faith tradition (Criterion 05). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

In practical terms, most policies:

- Define responsibility for investment oversight (eg, board, finance committee, trustees).
- Establish reporting relationships.
- Clarify authority for approving or revising policy.
- Specify roles for advisors or managers.

Higher scores within the moderate range – eg, ***Quaker*** (average score 3.3), ***Evangelical/ Baptist*** and ***Mainline Protestant*** (all 3.1) organisations – are typically associated with clearer delineation of roles and formal review procedures embedded within governance cycles.

Traditions in the 2.7–2.9 range generally demonstrate sound governance structures but may lack explicit integration of faith considerations into governance mandates. For example,

committees may oversee investments, but policies do not always specify responsibility for monitoring faith alignment alongside financial performance.

The variation across traditions is relatively limited. This suggests that **governance practices are influenced more by general institutional norms than by theological differences.**

05:3 Patterns by organisation type

Organisation type proved to be a stronger predictor of performance than faith tradition.

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	3.2	Basic-Moderate
Dioceses & regional church bodies	76	27.6%	3.0	Basic-Moderate
Foundations & educational institutions	107	38.9%	2.9	Basic
Congregational endowments	60	21.8%	2.8	Basic

Table 23: Patterns by organisation type (Criterion 05)

Governance performance is influenced more by organisational scale than by faith tradition. Denominational investment bodies and pension funds generally demonstrate the strongest integration of values within governance frameworks.

Dioceses and regional bodies show clear governance structures, though the extent of faith integration varies. Congregational endowments and many universities often rely on conventional fiduciary governance, with less consistent documentation of faith expertise or structured values integration.

05:4 What strong governance looks like

Higher-scoring policies share several characteristics:

- Explicit articulation of how faith principles inform governance
- Inclusion of clergy or faith-informed voices in oversight
- Dedicated social responsibility or values committees
- Formal linkage between denominational teaching and decision-making
- Integration of values-alignment review alongside financial monitoring
- Clear escalation procedures for ethical conflicts

Exemplary practice goes further, embedding:

- Theological consultation processes
- Explicit duty of obedience to faith commitments
- Structured community engagement in values discernment

Standout examples

Organisation	Score	Summary of practice
American Friends Service Committee	5	Direct integration of Quaker testimonies into governance, with programmatic expertise informing decisions and fiduciary language explicitly incorporating ethical accountability
Catholic Diocese of Richmond	4	Integrated oversight requiring Bishop approval alongside Finance Council and Investment Committee sign-off, embedding ecclesial accountability within investment governance.
The Episcopal Church (Domestic and Foreign Missionary Society)	4	Structured governance integration through a Corporate Social Responsibility Committee, linking investment oversight to denominational witness.

Table 24: Standout examples of strong governance (Criterion 05)

05:5 Common gaps and weaknesses

Despite strong overall scores, several gaps were consistently observed:

- No requirement for faith-consistent investing knowledge among committee members
- Absence of theological consultation mechanisms
- No structured values-alignment verification
- Reliance on denominational identity without operational integration
- Governance focused exclusively on financial metrics

Committee members are typically appointed for their financial expertise rather than their theological perspective. As a result, discussions tend to focus on risk and return, while faith considerations remain assumed rather than actively examined. The need is for governance that combines financial expertise with informed faith reflection.



Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Establish clear linkage between governance purpose and faith identity.
- Include clergy or denominational representation in oversight. Reference denominational investment guidance explicitly.

For organisations scoring 2:

- Document how faith principles are considered in decision-making. Include values-alignment review as a regular agenda item.
- Provide orientation on faith-consistent investing for committee members.

For organisations scoring 3:

- Formalise faith expertise requirements. Integrate theological consultation processes.
- Establish structured values reporting alongside financial reporting.

For organisations scoring 4:

- Develop community engagement mechanisms.
- Embed spiritual discernment processes.
- Share governance practice with peer institutions.

Practical recommendations for investment service providers

Service providers can support stronger governance integration by:

- Incorporating values-alignment reporting into materials prepared for committees
- Offering training to service provider staff on faith-consistent investing
- Supporting development of escalation protocols for ethical conflicts

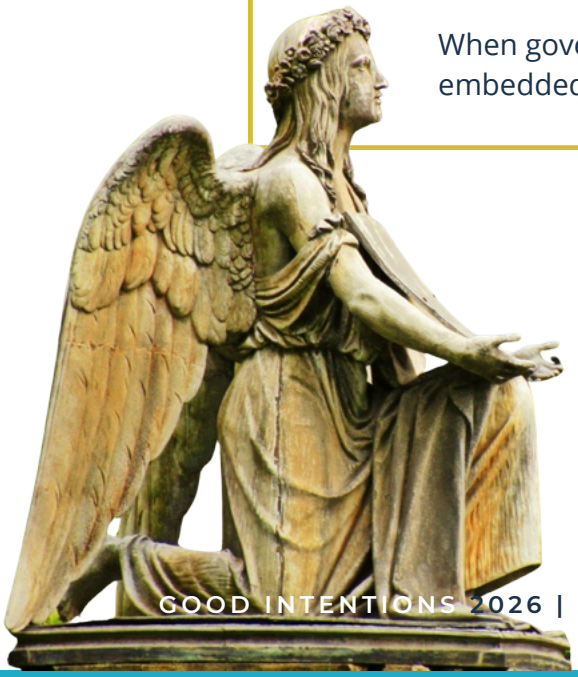


Advisers who understand governance dynamics can become partners in strengthening faith-integrated oversight rather than simply providers of financial analysis.

Key takeaways for Criterion 05: Governance

- Governance is the strongest-performing area of faith-consistent investing but the strength of this performance is uneven.
- Many organisations demonstrate sophisticated fiduciary structures without equivalent faith integration. The opportunity is not to reinvent governance, but to enrich it.
- Faith-consistent investing calls for governance processes that embody theological commitments alongside financial responsibility.

When governance integrates both, faith identity becomes embedded not only in policy, but in practice.



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Chapter 12

Criterion Six: Stakeholder communication and the visibility of faith-consistent investing

Criterion 06 examines how faith-based asset owners communicate their investment practices and how these relate to their faith commitments. This includes reporting, transparency, and opportunities for stakeholders to understand how financial assets are managed in ways consistent with organisational values. The criterion therefore moves beyond internal governance to consider whether faith-consistent investing is explained and made visible to the wider community.

For faith-based organisations, assets are typically held in trust for congregations, donors, beneficiaries, and future generations. Clear communication helps these stakeholders understand how investment decisions reflect shared values and mission priorities. Where communication is limited, communities may be unable to assess whether investments align with faith commitments, and opportunities for learning and accountability are reduced.

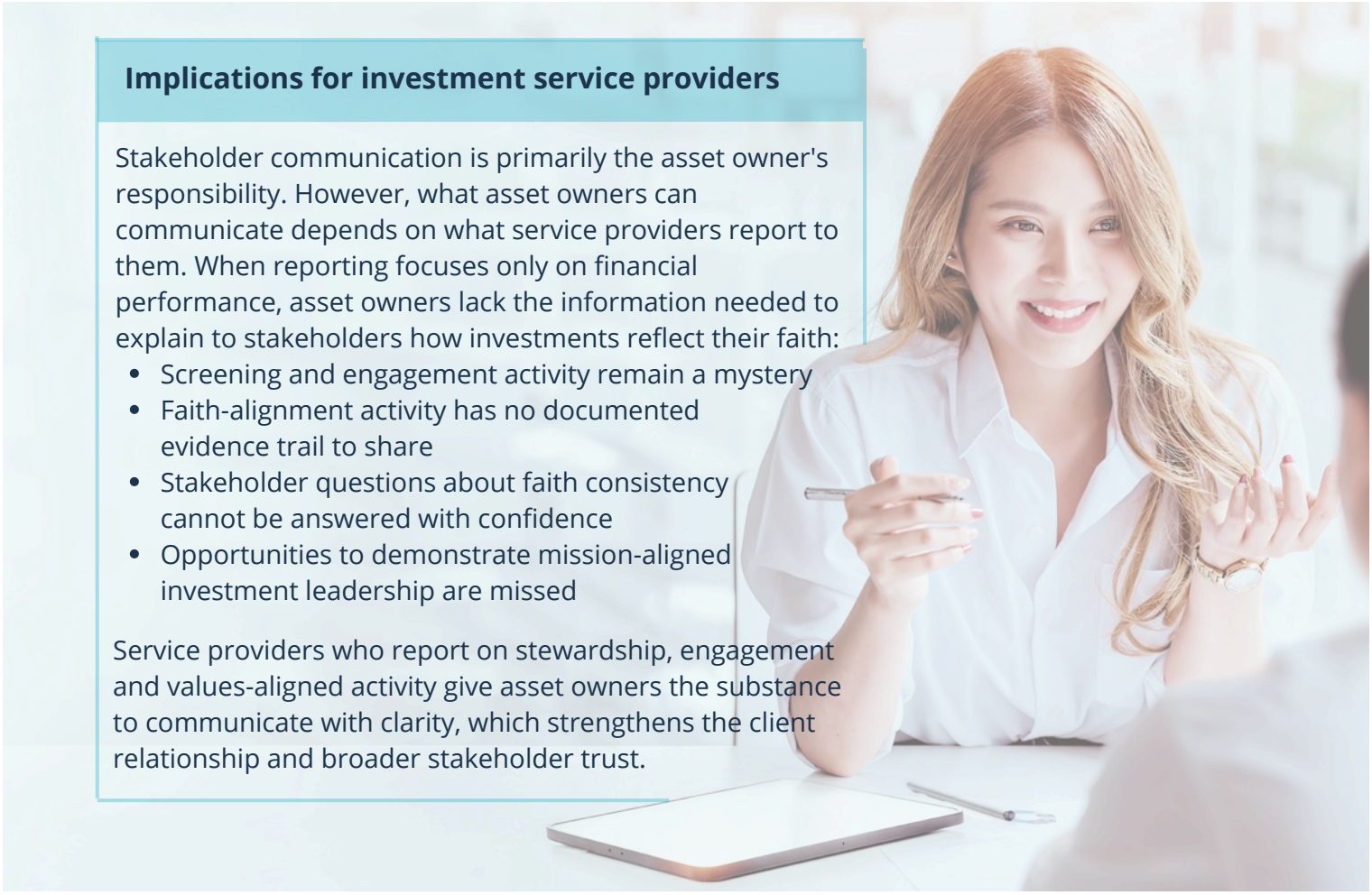
Across the assessment, many organisations appear to undertake responsible investment activities, but these efforts are not always clearly communicated beyond internal governance structures.

Implications for investment service providers

Stakeholder communication is primarily the asset owner's responsibility. However, what asset owners can communicate depends on what service providers report to them. When reporting focuses only on financial performance, asset owners lack the information needed to explain to stakeholders how investments reflect their faith:

- Screening and engagement activity remain a mystery
- Faith-alignment activity has no documented evidence trail to share
- Stakeholder questions about faith consistency cannot be answered with confidence
- Opportunities to demonstrate mission-aligned investment leadership are missed

Service providers who report on stewardship, engagement and values-aligned activity give asset owners the substance to communicate with clarity, which strengthens the client relationship and broader stakeholder trust.



06:1 What the assessment reveals about stakeholder communication

Across 275 assessed organisations, Criterion 6 received an average score of **2.2 out of 5**.

Score	Count (%)	Description
0	5 (2%)	No stakeholder communication framework
1	39 (14%)	Minimal stakeholder communication
2	139 (51%)	Basic stakeholder communication
3	82 (30%)	Moderate stakeholder communication
4	9 (3%)	Strong stakeholder communication
5	1 (0.4%)	Outstanding stakeholder communication

Table 25: Overall distribution of scores for stakeholder communication (Criterion 06)

Average score: 2.2 points

- Two-thirds of organisations **(68%) scored 2 or below**. Only one achieved a comprehensive framework.
- Results suggest that **while financial reporting is widespread, values reporting is not**.

Most organisations maintain robust governance reporting structures; quarterly performance summaries, annual financial statements, and committee reports are standard. However, these communications overwhelmingly focus on returns, asset allocation, and benchmark performance. Only a minority (around 3%) integrate systematic reporting on:

- Exclusion compliance
- Positive investment allocations
- Investment stewardship outcomes
- Proxy voting activity
- Engagement initiatives

Even fewer provide accessible explanations for non-specialist audiences. The effect is subtle but significant and reflects a recurring theme: **Faith-consistent investing is implemented as a technical governance process rather than a shared institutional narrative.**

The assessment reveals that communication practices tend to follow organisational hierarchy rather than communal identity. Reporting flows upward to boards, bishops, finance councils, trustees. It rarely flows outward to congregations, donors, beneficiaries, or the wider public. In diocesan structures, for example, investment committees often report to

finance councils but not to parish communities. In foundations, detailed reporting is provided to boards but rarely translated into accessible summaries for donors. In congregational contexts, annual meetings may include high-level financial updates but seldom explain how faith values shape investment selection.

06:2 Patterns by faith tradition

Most traditions cluster **between 2.0 and 2.4**, indicating that communication is generally descriptive rather than outcome-focused. Although policies commonly affirm ethical commitments and outline screening approaches at a high level, they less frequently:

- Report measurable stewardship outcomes.
- Provide portfolio-level compliance data.
- Offer structured updates on implementation.

The relatively narrow range across traditions suggests that differences are driven more by institutional capacity and reporting infrastructure than by theology.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	3.0	Moderate
Mainline Protestant	95	34.5%	2.4	Basic
Anglican / Episcopal	51	18.5%	2.4	Basic
Non-denominational Christian	11	4.0%	2.2	Basic
Other Christian traditions	7	2.5%	2.2	Basic
Catholic	64	23.3%	2.1	Basic
Evangelical / Baptist	19	6.9%	2.0	Basic
Interfaith / faith-based service	9	3.3%	1.9	Minimal-Basic
Jewish organisations	13	4.7%	1.7	Minimal-Basic
Other faith traditions	2	0.7%	1.0	Minimal

Table 26: Patterns by faith tradition (Criterion 06). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Quaker organisations (average score 3.0) demonstrate comparatively stronger communication practices. Policies are more likely to explain how faith principles shape investment decisions and to link portfolio activity to religious testimonies.

Mainline Protestant and ***Anglican/Episcopal*** organisations (both 2.4) fall at the upper end of the basic range. Investment policies are generally accessible and screening approaches are described, but structured reporting on stewardship outcomes or measurable alignment is less common.

Non-denominational Christian (2.2) and ***Other Christian Traditions*** (2.2) also fall within the basic range. Ethical commitments are usually summarised, though regular reporting or formal transparency frameworks are uncommon.

Catholic organisations (2.1) cluster near the overall average. Many reference Catholic Social Teaching in policy language, but fewer provide systematic public reporting on how these principles are implemented in practice.

Evangelical/Baptist organisations (2.0) typically communicate exclusions clearly, though broader disclosure of engagement activity or portfolio-level monitoring is less evident. ***Interfaith/Faith-based Service*** organisations (1.9) and ***Jewish*** organisations (1.8) fall within the minimal–basic range. Communication often focuses on general mission alignment rather than detailed explanation of implementation.

Other Faith Traditions (1.0), based on a very small sample, show limited formal communication beyond general ethical statements.

06:3 Patterns by organisation type

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	2.4	Basic
Dioceses & regional church bodies	76	27.6%	2.3	Basic
Foundations & educational institutions	107	38.9%	2.3	Basic
Congregational endowments	60	21.8%	2.0	Basic

Table 27: Patterns by organisation type (Criterion 06)

Stakeholder communication practices vary across organisation types. Denominational investment pools tend to demonstrate stronger transparency, often reporting on

engagement activities and how investments align with stated values. Foundations and universities generally maintain professional reporting standards but focus primarily on financial performance. Congregational endowments show mixed practice, with some providing accessible mission-linked reporting while others rely on technical financial updates.

06:4 What strong stakeholder communication looks like

Higher-scoring organisations share several characteristics:

- Integrated financial and faith-based reporting
- Accessible summaries for non-specialist audiences
- Public availability of policies and guidelines
- Structured opportunities for stakeholder input
- Educational initiatives connecting faith teaching to investment practice

Website transparency was one of the clearest differences between higher- and lower-scoring organisations. Higher-performing institutions did not rely solely on internal reports to boards or committees. Instead, they made information publicly accessible by posting performance summaries and explanations of their faith-based investment approach on their websites.

Overall, communication systems for financial oversight are well developed. The gap lies less in reporting structures than in the breadth and depth of values-based communication.

Standout examples

Organisation	Score	Summary of practice
Church Commissioners for the Church of England	5	Comprehensive public reporting integrating financial and ethical performance, with transparent disclosures and systematic engagement with church governance and wider institutional structures. Stewardship is communicated as part of theological mission.
Grace Episcopal Church, Gainesville	4	Annual congregational reporting and transparent distribution decisions demonstrate integration of governance oversight with community engagement, showing strong practice at local scale.
Wespath Benefits and Investments	4	Comprehensive reporting for United Methodist stakeholders that explains engagement and values-based investment activity in accessible language and links it to measurable results.

Table 28: Stand out examples of best practice stakeholder communication (Criterion 06)

06:5 Common gaps and weaknesses

- **The values communication void:** The most pervasive weakness is the failure to communicate values-alignment outcomes. Many organisations apply screening frameworks and undertake shareholder engagement in practice, but do not communicate these activities beyond internal governance structures. As a result, values-alignment work is carried out operationally yet remains largely unseen by the wider community.
- **Missing educational initiatives:** The vast majority of policies contain no provision for educating stakeholders about faith-consistent investing. Without explanation or formation, congregants, donors, and beneficiaries may not understand how faith commitments shape investment decisions.
- **Absence of feedback mechanisms:** Very few organisations provide structured opportunities for stakeholder input on investment values. Without feedback channels, institutions cannot assess whether their approach reflects evolving theological reflection or community priorities.
- **One-way communication culture:** Where communication does occur, it is usually limited to distributing reports or presenting summaries of financial and, occasionally, values-related activity. Information flows outward from investment committees to stakeholders, but there are rarely structured opportunities for questions, discussion, or input. Stakeholders are informed about decisions after they have been made, rather than invited into reflection about priorities or emerging concerns.

Practical recommendations for faith-based asset owners

- **For organisations scoring 0–1:** Establish any communication beyond internal governance reporting. This can include acknowledging the faith-based investment approach in annual reports and taking steps to make basic values-alignment information available to donors and beneficiaries.
- **For organisations scoring 2:** Integrate values content into financial reporting. Adding information about exclusions, positive priorities and faith-based objectives to regular updates strengthens transparency.
- **For organisations scoring 3:** Shift to structured values reporting and stakeholder education. This includes producing annual investment stewardship reports, explaining faith-consistent investing in accessible language, and creating opportunities for stakeholder input.
- **For organisations scoring 4:** Move toward full integration of transparency and stakeholder engagement. This includes establishing formal channels for feedback, providing regular education on the organisation's investment approach, and publicly disclosing how investment strategy, engagement activity, and stated values priorities are implemented in practice.

Practical recommendations for investment service providers

Service providers can support stronger stakeholder communication by:

- Translating investment stewardship and proxy voting activity into accessible language suitable for public distribution.
- Offering briefing sessions for boards and congregations explaining how faith values are operationalised.
- Integrating values reporting into quarterly review processes, not as an optional supplement but as a standard element.

By supporting communication, service providers strengthen governance and deepen mandate clarity.



Key takeaways for Criterion 06: Stakeholder communication

- **Financial reporting is strong; values reporting is weak:** Most organisations communicate performance consistently through governance channels but rarely report on how investments align with faith commitments.
- **Implementation often happens behind closed doors:** Many institutions demonstrate thoughtful values-based investing in practice yet fail to communicate this work to their communities.
- **Education and feedback mechanisms are largely absent:** Many policies lack educational initiatives and stakeholder input channels, limiting community understanding and participation in shaping investment priorities.
- **Communication is a matter of accountability, not marketing:** Faith-consistent investing is an expression of communal responsibility. Transparency, dialogue, and public reporting strengthen integrity and reinforce the connection between mission and money.



Chapter 13

Criterion 07: Education and expertise

Forming the stewards of faith-based capital

Criterion 07 examines whether those responsible for investment oversight have the knowledge and support needed to interpret and apply faith-consistent investing in practice. It considers whether trustees and investment committees are equipped to translate documented faith commitments into informed decision-making within real financial markets.

Faith traditions contain extensive ethical reflection on economic life, justice, stewardship, and responsibility. However, applying these principles within investment portfolios requires specialised understanding of financial tools and responsible investment practices. Without access to appropriate expertise or training, investment committees may rely heavily on external advisers for interpretation. While professional advice is valuable, this can shift the practical interpretation of faith commitments away from the faith community and toward financial intermediaries.

Why education and expertise matters for investment service providers

Service providers often become informal educators. Advisers explain screening methodologies, investment stewardship frameworks, and emerging ESG developments. In doing so, they inform committees' adoption of faith commitment guidelines.

Those who integrate short educational components into review meetings, provide practical solutions for aligning with denominational guidance, and encourage peer-network engagement contribute to institutional maturity.

In the long term, capacity-building benefits advisers as well as clients.



The Sultan Ahmad Shah Mosque, Kuantan, Pahang State, Malaysia.

07:1 What the overall assessment reveals about education and expertise

Across the dataset, education and expertise requirements represent one of the weakest dimensions of policy maturity.

Score	Count (%)	Description
0	17 (6%)	No faith-integrated governance
1	143 (52%)	Minimal governance structure
2	93 (33%)	Basic governance with limited faith integration
3	17 (6%)	Moderate governance with basic faith integration
4	7 (3%)	Strong faith-integrated governance
5	0 (0%)	Exemplary faith-integrated governance

Table 29: Overall distribution of scores for education and expertise (Criterion 07)

Average score: 1.4 points

- More than half of organisations include no structured education requirement beyond generic fiduciary language.
- Even where professional development is mentioned, it typically refers to financial literacy rather than faith-consistent investing expertise.
- The absence of explicit formation requirements may reflect the historical development of investment governance. Financial oversight frameworks matured over decades within regulatory and fiduciary systems. Faith-consistent investing, by contrast, is comparatively recent as a formalised discipline.

07:2 Patterns across faith traditions

Scores for Criterion 07 are consistently low across nearly all traditions. Unlike some other criteria, there is little variation between denominations. In practical terms, this means that most organisations:

- Define governance roles.
- Expect financial oversight competence.
- Delegate technical investment functions to professionals.

They rarely:

- Require trustees to understand denominational ethical frameworks in depth.
- Establish structured training pathways for investment committees.
- Embed faith-consistent investing education within governance cycles.

The data suggests that education is not yet viewed as a formal governance responsibility within most traditions.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	1.8	Minimal-Basic
Jewish organisations	13	4.7%	1.6	Minimal-Basic
Catholic	64	23.3%	1.5	Minimal-Basic
Mainline Protestant	95	34.5%	1.5	Minimal-Basic
Evangelical / Baptist	19	6.9%	1.4	Minimal
Anglican / Episcopal	51	18.5%	1.4	Minimal
Interfaith / faith-based service	9	3.3%	1.4	Minimal
Non-denominational Christian	11	4.0%	1.3	Minimal
Other Christian traditions	7	2.5%	1.0	Minimal
Other faith traditions	2	0.7%	0.5	Minimal

Table 30: Patterns by faith tradition (Criterion 07). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Quaker organisations (average score 1.8) sit at the upper end of the minimal–basic range. In these cases, policies are somewhat more likely to reference shared responsibility for faith alignment and, occasionally, participation in wider networks. However, even here, structured education requirements are not consistently formalised.

Jewish (1.6), ***Catholic*** (1.5), and ***Mainline Protestant*** (1.5) organisations cluster within the minimal–basic range. In these traditions, policies typically expect fiduciary competence and financial prudence, but rarely require:

- Formal training in denominational investment guidance.
- Ongoing development in faith-based screening or stewardship.
- Structured participation in faith-consistent investing networks.

Theological traditions in these communities are often well developed, yet policies do not consistently mandate education on how those teachings apply to investment governance.

Evangelical/Baptist, ***Anglican/Episcopal*** and ***Interfaith*** service organisations (each with an average score of 1.4) fall within the minimal range. In these cases, governance frameworks generally assume that trustees will exercise care and skill, but do not specify educational expectations related to faith-aligned investing.

Non-denominational Christian organisations (1.3) and ***Other Christian Traditions*** (1.0) similarly show limited evidence of structured formation in this area.

Other Faith Traditions (0.5), based on a very small sample, show minimal reference to education or expertis erequirements within policy documents.

07:3 Patterns by organisation type

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	1.9	Minimal-Basic
Dioceses & regional church bodies	76	27.6%	1.4	Minimal
Foundations & educational institutions	107	38.9%	1.4	Minimal
Congregational endowments	60	21.8%	1.1	Minimal

Table 31: Patterns by organisation type (Criterion 07)

Education and expertise represent one of the least developed areas across the sample. Few policies establish training expectations or capacity-building for investment committee members. Where expertise is referenced, it generally relates to financial governance rather than faith-consistent investing.

07:4 What stronger educational formation looks like

Stronger-performing organisations demonstrates intentionality. They may provide:

- Structured orientation sessions for new trustees
- Required review of denominational investment guidance
- Participation in faith-based investor networks
- Periodic consultation with theological advisers
- Ongoing discussion of evolving ethical questions

The common feature is an acknowledgement that faith-consistent investing requires informed discernment. Education strengthens confidence and it enables committees to interrogate adviser recommendations constructively rather than defer reflexively.

Standout examples

Organisation	Score	Summary of practice
United Methodist General Council on Finance and Administration	4	Strong denominational integration, with engagement of qualified advisers and encouragement to consult wider faith-based investment and governance networks. Education is embedded through denominational teaching and ethical principles.
Mennonite Education Agency Investment Fund	4	Partnership with an external faith-based investment service provider supports stewardship reporting and education sessions, enabling ongoing formation in faith-consistent investing and applied learning on issues such as climate and social equity.

Table 32: Standout examples of best practice education and expertise (Criterion 07)

07:5 Common gaps and weaknesses

- **The universal education gap:** The most pervasive weakness across traditions and organisation types is the absence of education requirements for faith-consistent investing. The overwhelming majority of policies contain no expectations for trustee formation, denominational literacy, or ongoing professional development in values-based investing. Committees are expected to oversee faith alignment without being equipped to interpret it.
- **No theological literacy expectations:** Few policies require committee members to understand their own tradition's investment guidance or ethical framework. Catholic Social Teaching, Methodist Social Principles, Presbyterian social witness, and similar resources may be referenced, but rarely is familiarity with them required.
- **Missing network engagement and continuing formation:** Participation in denominational investor networks, conferences, or collaborative learning platforms is almost never required. Ongoing education mechanisms are largely absent, leaving committees without structured ways to stay current as ethical guidance and best practice evolve.
- **Fiduciary formation without faith formation:** Many organisations establish strong fiduciary education expectations while omitting faith-based learning requirements. Committee members are trained to understand financial duty, but not theological responsibility in investment decision-making.
- **Structural and cultural causes**: Several factors contribute to these gaps: the assumption that shared faith identity equates to investment literacy; the tendency to treat investment as a purely technical function; reliance on generic policy templates; and limited awareness of available denominational education resources.



Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Establish a clear expectation that committee members understand the organisation's faith-based investment approach.
- Introduce basic orientation on faith-consistent investing principles and identify relevant denominational guidance or resources.

For organisations scoring 2:

- Move beyond general professional development by explicitly integrating faith-consistent investing into education plans.
- Encourage participation in denominational investment networks and include periodic review of faith guidance as part of committee learning.

For organisations scoring 3:

- Develop a structured, ongoing education framework.
- Formalise engagement with faith-based investment conferences, theological advisors, and peer learning within the same tradition.

- **For organisations scoring 4:** Aim for full integration and sector leadership. Establish partnerships with theological institutions, contribute to denominational knowledge development, and document education practices that can be shared or replicated by peers.

Practical recommendations for investment service providers

- **Strengthen faith literacy within advisory teams:** Ensure relationship managers and investment professionals understand the theological and denominational context of their faith-based clients. Provide internal training so advice reflects faith conviction, not just compliance.
- **Enhance transparency and reporting:** Offer clear reporting that links investment activity to stated faith commitments, including examples of engagement, voting decisions, exclusions, and positive allocations, so clients can evidence alignment.
- **Support collaborative and coalition action:** Facilitate coordinated engagement across faith clients where appropriate, helping translate shared convictions into collective influence that can shape corporate behaviour and capital markets more effectively.



Key takeaways for Criterion 07: Education & expertise

- **Education is the weakest dimension of faith-consistent investing:** With the lowest average score of all ten criteria, the vast majority of organisations provide little or no structured formation for those overseeing faith-aligned investments.
- **Committees are financially competent but theologically under-equipped:** Most policies require fiduciary knowledge, but almost none require understanding of denominational teachings or faith-consistent investing principles. Faith alignment is expected without training.
- **The gap is universal across traditions:** Education deficiencies appear across Catholic, Protestant, Anglican, and Jewish institutions alike. No tradition has meaningfully solved the formation challenge.
- **Modest steps could significantly strengthen oversight:** Simple measures such as trustee orientation, engagement with denominational investment networks, and periodic review of faith guidance would materially improve confidence, consistency, and integrity in faith-based investment governance.



Chapter 14

Criterion 08: Professional guidance

Clarifying the mandate of external expertise

Criterion 08 examines whether external advisers and asset managers are explicitly required to implement faith commitments as part of their professional mandate. Many faith-based asset owners delegate portfolio management to external professionals, which is often necessary given the complexity of financial markets. This criterion therefore considers whether faith alignment is clearly incorporated into those delegated responsibilities.

Investment professionals typically operate within frameworks that prioritise risk management, return optimisation, and regulatory compliance. Unless faith commitments are clearly defined within mandates or advisory agreements, they may remain secondary considerations in portfolio implementation.

While managers are generally expected to deliver competitive financial performance, they are not always required to demonstrate expertise in faith-consistent investing. Without explicit expectations, faith commitments may gradually recede from day-to-day investment decisions, particularly during periods of market pressure.

08:1 What the overall assessment reveals about professional guidance

Criterion 08 displays moderate overall performance, yet the depth of performance is uneven.

Score	Count (%)	Description
0	3 (1%)	No faith-integrated governance
1	39 (14%)	Minimal governance structure
2	93 (34%)	Basic governance with limited faith integration
3	103 (37%	Moderate governance with basic faith integration
4	36 (13%)	Strong faith-integrated governance
5	1 (<1%)	Outstanding faith-integrated governance

Table 33: Overall distribution of scores for professional guidance (Criterion 08)

Average score: 2.5 points

Most organisations **(71%) fall within the middle range, scoring 2 or 3**, indicating basic to moderate professional guidance.

- Only **14% demonstrate strong or comprehensive** faith-integrated requirements (scores 4–5), while **15% provide minimal or no faith-specific** professional expectations 0–1).

At first glance, this suggests that most organisations have established some form of professional oversight. However, this finding requires careful interpretation. The concentration at scores 2–3 may reflect strong secular fiduciary frameworks rather than genuinely faith-integrated professional mandates. Many organisations demonstrate detailed manager selection processes, quarterly performance monitoring, and robust compliance structures, yet do not explicitly require investment professionals to understand or implement faith-consistent investing principles.

In other words, professional financial competence is often well defined, whereas faith-specific competence is not. **The apparent strength in this criterion may therefore mask a deeper gap between financial professionalism and theological integration.**

08:2 Patterns across faith traditions

Faith tradition	n	% of sample	Average score	Assessment category
Evangelical / Baptist	19	6.9%	2.8	Basic-Moderate
Interfaith / faith-based service	9	3.3%	2.8	Basic-Moderate
Quaker	4	1.5%	2.8	Basic-Moderate
Catholic	64	23.3%	2.6	Basic-Moderate
Anglican / Episcopal	51	18.5%	2.5	Basic-Moderate
Mainline Protestant	95	34.5%	2.5	Basic-Moderate
Jewish organisations	13	4.7%	2.4	Basic
Non-denominational Christian	11	4.0%	2.4	Basic
Other Christian traditions	7	2.5%	2.3	Basic
Other faith traditions	2	0.7%	1.5	Minimal-Basic

Table 34: Patterns by faith tradition (Criterion 08). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Most traditions cluster between 2.3 and 2.8, indicating that professional delegation is structured financially but only partially structured in faith terms.

In practice, many policies:

- Define advisor qualifications clearly.
- Establish reporting expectations on financial performance.

Fewer specify:

- Explicit integration of denominational screening frameworks.
- Proxy voting expectations aligned with theological commitments.
- Regular reporting on faith-alignment compliance.

The relatively narrow range across traditions suggests that this is **not primarily a theological difference, but a structural one.**

Evangelical/Baptist, ***Interfaith/Faith-based Service***, and ***Quaker*** organisations (each with an average score of 2.8) fall at the upper end of the basic–moderate range. In these cases, policies are more likely to articulate expectations that advisors respect screening criteria or consider ethical alignment. However, contractual clarity and structured reporting requirements are not always fully developed.

Catholic (2.6), ***Anglican/Episcopal*** (2.5) and ***Mainline Protestant*** organisations (2.5) cluster around the overall average. Professional qualifications and financial reporting expectations are typically well defined. Explicit requirements that managers demonstrate familiarity with denominational guidance or provide structured faith-alignment reporting are less consistently specified.

Jewish and, ***Non-denominational Christian*** (each 2.4), and ***Other Christian Traditions*** (2.3) fall within the basic range. Delegation to external professionals is common, but faith integration is often assumed rather than formally embedded within mandates or oversight frameworks.

Other Faith Traditions (1.5), based on a small sample, show limited evidence of explicit faith-based requirements within professional mandates.



08:3 Patterns across organisation types

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	3.2	Basic-Moderate
Dioceses & regional church bodies	76	27.6%	2.7	Basic
Foundations & educational institutions	107	38.9%	2.4	Basic
Congregational endowments	60	21.8%	1.9	Minimal-Basic

Table 35: Patterns by organisation type (Criterion 08)

Professional guidance frameworks tend to strengthen with institutional scale rather than denominational identity. Denominational investment pools and pension funds demonstrate the most structured expectations for professional expertise and stewardship practices.

Dioceses, foundations, and universities often maintain strong fiduciary standards but less explicit requirements for faith-consistent investing expertise. Congregational endowments generally rely on external funds or informal oversight, with fewer defined professional or values-based expectations.

08:4 What stronger mandate clarity looks like

Higher-performing policies typically include:

- Requirement that managers demonstrate experience in faith-consistent investing
- Explicit compliance verification procedures
- Clear proxy voting guidelines
- Structured stewardship reporting expectations
- Preference hierarchies for faith-aligned providers



The elephant-headed Hindu deity, Ganesh

Stand out examples

Organisation	Score	Summary of practice
Domestic and Foreign Missionary Society (The Episcopal Church)	4	Integrated professional guidance with retained proxy voting authority, Society-developed voting guidelines, quarterly reporting, ESG monitoring, and active ICCR participation. Stewardship embedded within governance.
Wespath Benefits and Investments	4	Contractual ESG integration requirements for managers, annual assessment of compliance, comprehensive proxy voting guidelines, and active shareholder advocacy aligned with denominational principles.
United Church Funds	4	Requires manager compliance with UCF policies and denominational sensitivity; employs shareholder advocacy, intentional proxy voting, ICCR engagement, and integrates ESG and DEI criteria into professional selection.

Table 36: Standout examples of best practice professional guidance (Criterion 08)

08:5 Common gaps and weaknesses

Across traditions and organisation types, several recurring weaknesses emerge in relation to professional guidance and mandate clarity.

- **No requirement for faith-based expertise:** The most significant gap is the absence of values-specific professional requirements. While policies routinely specify financial credentials and fiduciary standards, most do not require advisers or managers to demonstrate understanding of faith-consistent investing or denominational guidance. Values are stated but are not necessarily operationalised through capability expectations.
- **Stewardship is underdeveloped or delegated without guidance:** Proxy voting and corporate engagement are frequently absent. Where mentioned, they are often delegated to managers without instruction to align voting or engagement with faith commitments. This reflects limited understanding of stewardship as an active tool of mission.
- **No preference for faith-aligned providers**: Most organisations do not prioritise managers with faith-based investing experience, even where denominational options exist. Vehicle and adviser selection is often treated as purely financial rather than theological.
- **Separation of finance and values:** Many policies implicitly divide financial management from ethical oversight. Professionals optimise performance; governance bodies monitor

values separately. Without integration, alignment becomes reactive rather than embedded.

- **Template-driven policy design:** Some policies appear adapted from generic investment templates, with detailed financial provisions but only minimal faith integration. Compliance structures are strong; theological translation is weak.
- **Limited denominational literacy expectations**: Even where compliance with denominational guidelines is required, few policies expect advisers to understand the theological foundations behind those guidelines. Alignment risks becoming procedural rather than principled.

Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Make faith expectations visible within professional mandates.
- Policies should require advisers and managers to understand and support the organisation's faith-based investment approach, include values compliance within reporting structures, and consider values-implementation capability in manager selection.

For organisations scoring 2:

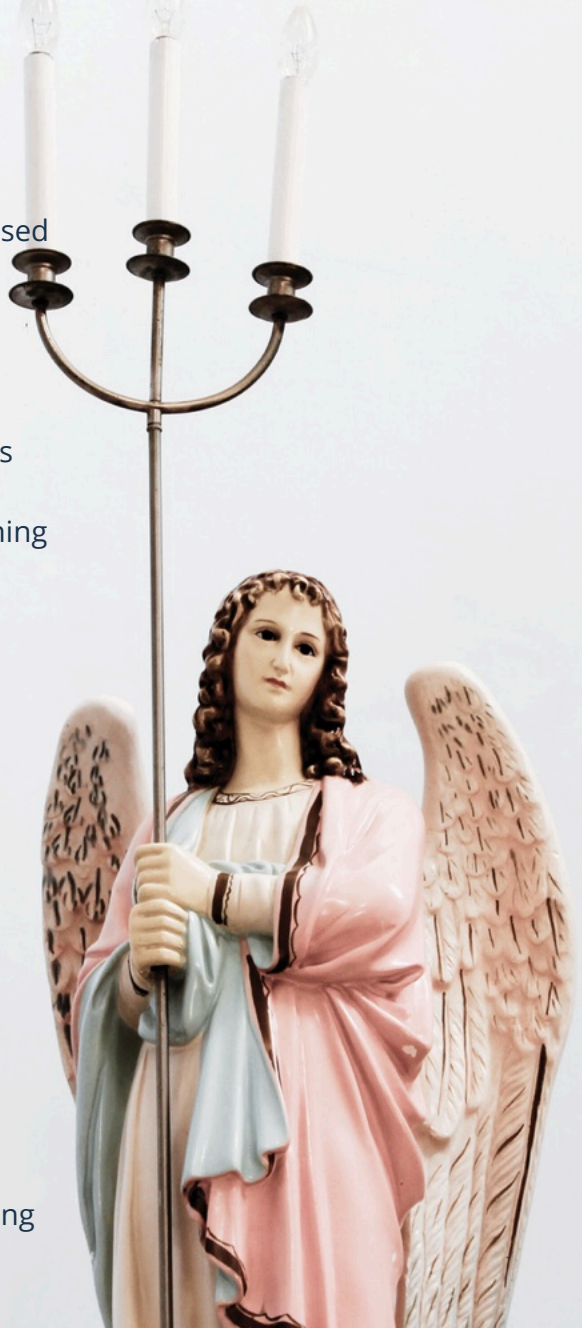
- Clarify how values are implemented in practice. This includes defining what alignment requires operationally, requiring regular reporting on screening compliance and challenges, and establishing proxy voting expectations consistent with stated faith commitments.

For organisations scoring 3:

- Managers should demonstrate capability in proxy voting, engagement, and ESG integration, with preference given to professionals experienced in faith-based investing.
- Participation in collaborative investor networks should be considered where appropriate.

For organisations scoring 4:

- Shift to depth and leadership. This includes formal expectations for denominational literacy among advisers, comprehensive stewardship reporting (voting records, engagement activity, alignment outcomes), and active contribution to shared learning within the faith-based investment community.



Practical recommendations for investment service providers

- **Ensure clarity in client faith directives:** Secure clearly documented guidelines for screening, ESG integration, proxy voting, and engagement and report on this regularly.
- **Demonstrate stewardship capability, not just screening compliance:** Be prepared to show structured proxy voting guidelines, corporate engagement. strategy, shareholder advocacy activity, and how these reflect the client's faith commitments.
- **Develop denominational literacy:** Understand the theological and ethical frameworks that shape each client's investment policy. This includes familiarity with denominational guidance (eg, USCCB, Methodist Social Principles, Presbyterian Mission Responsibility Through Investment) and the rationale behind them.
- **Proactively review asset owner expectations:** Periodically discuss evolving denominational values issues, explore emerging stewardship practices, and participate in collaborative investor networks where appropriate.



Key takeaways for Criterion 08: Professional guidance

- **Financial professionalism is strong; faith-integrated professionalism is weak:** Most organisations establish robust fiduciary oversight of advisers and managers yet fail to require faith-consistent investing expertise or denominational literacy from those professionals.
- **The active ownership gap is systemic:** Proxy voting, corporate engagement, and shareholder advocacy are absent or under-specified in most policies, limiting the organisation's ability to advance faith values through responsible ownership.
- **Alignment is often assumed rather than required:** Policies frequently contain theological foundations and screening criteria but do not mandate that investment professionals understand or implement them. Values remain declarative rather than operational.
- **Mandate clarity determines mission integrity:** Where organisations explicitly require compliance with denominational guidance, active ownership practices, and faith-based expertise, alignment strengthens. Where mandates remain generic, financial norms dominate by default.



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Chapter 15

Criterion 09: Regular review and monitoring

Ensuring alignment over time

Criterion 09 examines whether faith-based asset owners regularly review and monitor their investments to ensure they remain aligned with both financial objectives and faith commitments. It considers whether organisations have structured processes to verify that ethical guidelines and policy commitments are applied in practice over time, rather than relying solely on statements in policy documents.

Regular monitoring is important because investment portfolios change continuously. Holdings evolve, managers adjust strategies, and new risks emerge. Without structured review mechanisms, even well-designed faith-aligned portfolios can gradually drift from their intended values framework.

Effective monitoring therefore involves more than reviewing financial performance. It requires checking that exclusions are applied, engagement priorities are maintained, and investment decisions continue to reflect the organisation's faith commitments.

Implications for investment service providers

Service providers play a significant role in shaping monitoring culture. In practice, what trustees review and discuss is heavily influenced by how consultants structure their reporting.

- If reports focus primarily on performance metrics, benchmark comparisons, and asset allocation changes, those issues naturally dominate discussion. Faith alignment may still matter, but it may recede simply because it is not consistently visible.
- When values compliance is presented alongside financial performance, it becomes part of routine oversight rather than an occasional question.
- What is reported regularly is more likely to be discussed. What is discussed regularly is more likely to influence decision-making.
- Advisers therefore shape more than portfolios; they shape priorities. By determining what is measured and highlighted, service providers help define what counts as success.

Over time, what is measured and seen shapes investment behaviour.



09:1 What the overall assessment reveals about regular review & monitoring

Criterion 09 recorded the highest average score across the framework.

Score	Count (%)	Description
0	0 (0%)	No systematic review
1	7 (3%)	Minimal review
2	46 (17%)	Basic financial review only
3	125 (45%)	Moderate integrated review
4	95 (35%)	Strong integrated review
5	2 (1%)	Comprehensive, real-time monitoring

Table 37: Overall distribution of scores for regular review and monitoring (Criterion 09)

Average score: 3.1 points

- 81% of organisations scored 3 or above, with **45% concentrated at Score 3** and **35% achieving Score 4**, indicating that most institutions have at least moderate review and monitoring structures in place.
- Financial monitoring is well embedded: Quarterly performance reviews, annual policy assessments, and manager evaluations are standard fiduciary practice across faith-based institutions.
- While financial oversight is strong, assessment frequently noted the absence of:
    - Systematic verification of exclusion compliance
    - Reporting on faith-aligned positive allocations
    - Formal review of stewardship effectiveness
    - Documented procedures for values breaches
    - Integrated financial and faith dashboards

In many cases, faith criteria were articulated in policy but not embedded into monitoring systems. Faith organisations therefore know whether portfolios meet return targets. **Fewer know whether portfolios remain consistently aligned with stated faith commitments.**

This gap does not necessarily mean that organisations care less about faith alignment. In many cases, it reflects how investment governance has developed over time. Financial monitoring has long been part of standard practice. Trustees expect regular performance reports, benchmark comparisons, and clear compliance checks. Consultants and managers are set up to provide this as a matter of course.

Monitoring faith alignment is newer and less standardised. There is no off-the-shelf template for checking theological consistency. Screening approaches differ across traditions, and investment stewardship outcomes are harder to summarise than quarterly returns. As a result, values oversight often depends on informal assurance rather than structured review.

The challenge, therefore, is not about commitment but about systems. Financial performance is routinely measured because systems exist to measure it. **Faith alignment needs to be built into those same systems so that it is reviewed with equal clarity and consistency.**

09:2 Patterns across faith traditions

When examined by faith tradition, variation is present but relatively modest.

Faith tradition	n	% of sample	Average score	Assessment category
Catholic	64	23.3%	3.2	Moderate-Strong
Anglican / Episcopal	51	18.5%	3.2	Moderate-Strong
Mainline Protestant	95	34.5%	3.1	Moderate
Quaker	4	1.5%	3.0	Moderate
Evangelical / Baptist	19	6.9%	2.4	Basic
Non-denominational Christian	11	4.0%	2.3	Basic
Interfaith / faith-based service	9	3.3%	2.1	Basic
Other Christian traditions	7	2.5%	2.0	Basic
Jewish organisations	13	4.7%	1.9	Minimal-Basic
Other faith traditions	2	0.7%	1.2	Minimal

Table 38: Patterns by faith tradition (Criterion 09). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Most traditions cluster within a relatively narrow range between 2.8 and 3.2. ***Catholic*** and ***Anglican/Episcopal*** organisations score slightly above the overall average, while ***Mainline Protestant*** organisations align closely with it. These results indicate that formal review structures – including periodic performance assessment and governance oversight – are generally embedded in these traditions.

Scores decline more noticeably among traditions and organisation types where institutional infrastructure is less centralised. ***Evangelical/Baptist, Non-denominational Christian***, and ***Interfaith Service*** organisations fall within the basic range, indicating that review mechanisms exist but are typically focused on financial performance rather than systematic values verification.

Jewish organisations (average score 1.9) and ***Other Faith Traditions*** (1.2) fall in the minimal to basic range. In many of these cases, policies establish financial monitoring but lack structured mechanisms for verifying alignment with articulated ethical criteria. This reflects, in part, the absence of centralised denominational screening frameworks that might provide clear compliance benchmarks.

The overall pattern suggests that differences across traditions are less about theological intent and more about institutional structure. Where traditions provide centralised ethical guidelines, denominational investment pools or structured advisory bodies, monitoring systems are more likely to integrate values compliance into routine financial review.

Where such infrastructure is limited or decentralised, review processes tend to remain primarily financial in orientation. In short, this criterion reflects a relatively mature culture of financial oversight across traditions, but uneven integration of faith-alignment verification within those systems.

09:3 Patterns across organisation types

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	3.5	Basic-Moderate
Dioceses & regional church bodies	76	27.6%	3.2	Basic-Moderate
Foundations & educational institutions	107	38.9%	3.2	Basic-Moderate
Congregational endowments	60	21.8%	2.8	Basic

Table 39: Patterns by organisation type (Criterion 09)

Monitoring and review practices generally strengthen with organisational scale. Denominational investment pools and pension funds demonstrate the most systematic monitoring frameworks, often supported by formal screening lists or ethical oversight structures.

Dioceses, foundations, and universities typically maintain financial oversight but less consistent mechanisms for verifying faith alignment. Congregational endowments usually conduct periodic reviews but rarely include formal compliance checks beyond initial screening decisions.

09:4 What strong integrated monitoring looks like

Higher-scoring organisations share several characteristics:

- Values compliance incorporated into quarterly reviews
- Third-party screening verification
- Dedicated oversight committees for social responsibility
- Clear protocols for responding to breaches
- Integrated reporting on financial and faith performance
- Periodic reassessment of denominational guidance

The distinguishing feature is integration. Faith review is not an afterthought. It is embedded within governance cycles.

Standout examples

Organisation	Score	Summary of practice
A large Christian university in the United States	5	Comprehensive integration of financial monitoring with mission alignment, including ESG tracking, formal annual reviews, and structural integration of values within governance evaluation.
Catholic Foundation of Oklahoma	4	Third-party Catholic values screening to verify USCCB compliance alongside quarterly financial review, creating auditable faith-alignment processes, with the investment policy itself subject to an annual review.
Episcopal Diocese of Michigan	4	Dedicated Social Responsibility Committee conducting annual SRI compliance review, structurally integrating values oversight with financial governance.

Table 40: Standout examples of best practice review and monitoring (Criterion 09)

09.5: Common gaps and weaknesses

Overall, financial monitoring is well established. The weakness lies in embedding clear values criteria, integrating those criteria into routine oversight, and widening accountability beyond internal governance structures.

- **The values-monitoring void:** The most pervasive weakness is the absence of systematic monitoring of faith alignment. Many organisations maintain rigorous financial review processes but do not verify whether investments comply with stated faith commitments. In some cases, this reflects a deeper issue: where values criteria are not clearly defined, alignment cannot be monitored.

- **Lack of integrated assessment:** True integration, that is, reviewing financial performance and faith alignment within a single, structured process, remains rare. Most organisations operate parallel tracks: regular financial reviews and, at best, occasional or informal values checks. Fully integrated assessment frameworks are limited.

- **Limited stakeholder involvement in review processes:** Review and monitoring typically remain internal exercises conducted by committees and advisers. Few organisations incorporate stakeholder or denominational input into periodic reviews, reinforcing a governance-centric rather than community-oriented approach.

- **Minimal real-time compliance systems:** Most monitoring relies on quarterly or annual reviews. Automated or real-time systems that flag potential screening or compliance breaches as they occur are exceptionally uncommon.



Practical recommendations for faith-based asset owners

For organisations scoring 0–1:

- Establish a basic review framework.
- Commit to annual policy review, introduce quarterly or semi-annual performance monitoring, and report holdings and performance to governance bodies.
- Include at least a simple consideration of whether current investments align with organisational values.

For organisations scoring 2:

- Integrate values into existing financial reviews.
- Add a formal values-compliance check to quarterly or annual assessments.
- Where criteria do not exist, develop basic screening standards.
- Report on both financial performance and values alignment, even in simplified form.

For organisations scoring 3:

- Create integrated review processes.
- Evaluate financial and faith alignment together within unified meetings.
- Establish clear procedures for resolving screening breaches. Introduce stakeholder input mechanisms and consider periodic third-party verification of compliance.

For organisations scoring 4:

- Strengthen monitoring sophistication.
- Build denominational updates into review cycles.
- Formalise stakeholder engagement in review processes and establish clear response protocols for significant faith-alignment challenges.



Balinese god statue, Hindu temple, Bali

Practical recommendations for investment service providers

Investment service providers can be governance partners by:

- Integrating faith-alignment reporting into quarterly reviews.
- Offering third-party screening and compliance verification tools.
- Establishing clear escalation procedures for values breaches.
- Providing stewardship activity summaries alongside performance analysis.
- Conducting periodic mandate alignment reviews reflecting evolving denominational guidance.



Key takeaways for Criterion 09: Regular review & monitoring

- **This is the strongest-performing criterion, but strength is uneven:** Regular review and monitoring achieved the highest average score (3.1) across all ten criteria. Financial oversight systems are well established in most faith-based organisations.
- **Financial monitoring is mature, values monitoring is not:** Most institutions know whether their portfolios meet return targets. Far fewer can systematically verify whether investments comply with stated faith commitments.
- **Integration remains the central challenge:** True integrated assessment, ie, reviewing financial performance and faith alignment within a single, unified framework, is still rare. In many cases, values considerations are separate, occasional, or absent.
- **Clear criteria enable accountability:** Where faith-based screening frameworks are clearly defined, monitoring improves. Where values criteria are vague or absent, review processes default to purely financial assessment.



Chapter 16

Criterion 10: Continuous improvement framework

Sustaining faith alignment

Criterion 10 examines whether faith-based organisations treat faith-consistent investing as a practice that evolves over time rather than as a fixed policy framework. It considers whether organisations commit not only to maintaining alignment between investments and faith commitments, but also to reviewing and strengthening that alignment as circumstances change.

Continuous improvement matters because both faith traditions and financial systems develop over time. Ethical priorities may deepen, new risks and opportunities emerge, and responsible investment practices continue to evolve. Without periodic review and adaptation, investment policies can gradually become outdated. Regular reflection and policy development therefore help ensure that investment practice continues to reflect the organisation's faith commitments in a changing financial and social context.

Implications for investment service providers

Service providers play a significant role in shaping whether client mandates remain static or evolve over time. In practice, how advisers frame review conversations often determines whether policies are treated as fixed documents or living frameworks.

- If review meetings focus primarily on performance, compliance, and mandate maintenance, the policy naturally remains stable. Faith alignment may still be respected, but it is rarely strengthened.
- Over time, portfolios may drift out of step with evolving denominational guidance or emerging ethical concerns simply because those developments are not brought into the conversation.
- When advisers introduce periodic strategic reflection, adaptation becomes part of routine governance rather than a disruptive event. What is reviewed regularly is more likely to be refined. What is never revisited rarely improves.



10:1 What the overall assessment reveals about continuous improvement

Score	Count (%)	Description
0	2 (0.7%)	No improvement framework
1	49 (17.8%)	Minimal commitment
2	46 (23.6%)	Basic commitment to improvement
3	125 (45.5%)	Moderate improvement framework
4	17 (6.2%)	Strong improvement framework
5	0 (0%)	Innovation leadership

Table 41: Overall distribution of scores for continuous improvement (Criterion 10)

Average score: 2.2 points

- The largest proportion of organisations **(45.5%) scored 3**, indicating that basic review and amendment processes are relatively common.
- While many organisations commit to periodic policy review, most lack structured learning mechanisms, network engagement, or deliberate capability development required for stronger performance.
- **42% of organisations scored 2 or below**, demonstrating only minimal or basic commitment to continuous improvement.
- Only **6.2% achieved Score 4,** and **none reached Score 5**, indicating that systematic innovation, adaptive governance, and strategic development remain rare.



Gajah Mina statue, Bali, Indonesia

10:2 Patterns across faith traditions

When examined by faith tradition, variation is present but relatively modest.

Faith tradition	n	% of sample	Average score	Assessment category
Quaker	4	1.5%	3.0	Moderate
Anglican / Episcopal	51	18.5%	2.4	Basic
Evangelical / Baptist	19	6.9%	2.4	Basic
Mainline Protestant	95	34.5%	2.3	Basic
Non-denominational Christian	11	4.0%	2.3	Basic
Catholic	64	23.3%	2.2	Basic
Interfaith / faith-based service	9	3.3%	2.0	Basic
Other Christian traditions	7	2.5%	1.9	Minimal-Basic
Jewish organisations	13	4.7%	1.8	Minimal-Basic
Other faith traditions	2	0.7%	1.2	Minimal

Table 42: Patterns by faith tradition (Criterion 10). Percentages reflect proportion of total sample (n = 275). Results for smaller traditions should be interpreted cautiously due to limited sample size.

Across most traditions, average scores fall within a narrow band **between 2.0 and 2.4**. This indicates that the dominant pattern is a basic improvement orientation. In practical terms, this typically means:

- Policies include annual review language.
- Amendments are permitted when necessary.
- Governance structures allow for revision.

However, these provisions generally focus on maintaining the policy rather than deliberately strengthening it. **Only a small number of traditions or sub-groups demonstrate structured learning frameworks.**

Quaker organisations (3.0), though small in number, fall within the moderate range. In these cases, policies more commonly demonstrate documented evolution, engagement with peer networks, or explicit commitment to adapting practices over time.

Jewish organisations (average score 1.8) and ***Other Christian Traditions*** (1.9) fall within the minimal-to-basic range. In many of these cases, policies include periodic review language but lack reference to:

- Participation in denominational or interfaith investor networks
- Mechanisms for incorporating evolving theological guidance
- Strategic capability development
- Formal documentation of policy learning

It is important to interpret these results carefully. A lower score in this criterion does not mean that organisations are inactive or resistant to change. Rather, it indicates that learning and development are typically informal rather than structurally embedded.

The variation across traditions appears to reflect institutional structure more than theological emphasis. Traditions with strong denominational infrastructure, collaborative investment bodies and established investor networks are more likely to demonstrate structured improvement pathways.

Where governance is decentralised and capacity limited, particularly at congregational level, improvement tends to rely on occasional review rather than strategic development. In short, this criterion reflects a **relatively mature culture of financial oversight across traditions, but uneven integration of faith-alignment verification** within those systems.

10:3 Patterns across organisation types

Organisation type	n	% of sample	Average score	Assessment category
Denominational investment bodies and investment funds	32	11.6%	2.8	Basic
Dioceses & regional church bodies	76	27.6%	2.3	Basic
Foundations & educational institutions	107	38.9%	2.1	Basic
Congregational endowments	60	21.8%	1.8	Minimal-Basic

Table 43: Patterns by organisation type (Criterion 10)

Continuous improvement frameworks vary across organisation types and are influenced more by organisational scale and network engagement than by faith tradition. Denominational investment pools and pension funds demonstrate the strongest development, often embedding ongoing policy evolution and collaboration through

denominational or interfaith networks. Dioceses, foundations, and educational institutions but with limited structured learning mechanisms. Congregational endowments show the lowest levels of formal improvement frameworks, reflecting more limited institutional capacity.

10:4 What strong adapted governance looks like

- **Widespread commitment to periodic review:** High scoring policies include some form of annual or regular review commitment, with amendment procedures and acknowledgement that policies should be updated as circumstances evolve.
- **Evidence of policy evolution:** High scoring organisations demonstrate documented revision histories, showing that policies have been formally adopted and amended over time. This indicates that change does occur, even where structured improvement frameworks are limited.
- **General openness to adaptation:** High scoring organisations include language recognising that updates may be required as conditions change. While mechanisms are often informal, there is broad acknowledgement that investment policies should not remain static.

The distinguishing feature is integration. Faith review is not an afterthought. It is embedded within governance cycles.

Standout examples

Organisation	Score	Summary of practice
Mennonite Education Agency Investment Fund	4	Fourteen documented amendments over 13 years demonstrating deliberate evolution, supported by external expert consultation and systematic development.
United Reformed Church	4	Progressive policy enhancement responding to climate change and emerging issues, with active participation in Church Investors Group and related networks embedding collaborative learning.
Uniting Church in Australia SA Synod	4	Explicit commitment to improving ESG/SDG ratings over time, reinforced through structured review cycles and strategic enhancement.

Table 44: Standout examples of best practice continuous improvement (Criterion 10)

10:5 Common gaps and weaknesses

Across traditions and organisation types, several recurring weaknesses emerge in relation to professional guidance and mandate clarity.

- **The static policy syndrome:** Many organisations treat investment policies as documents to maintain rather than frameworks to strengthen. Annual review language is common, but the emphasis is on keeping policies current, not on making them more sophisticated over time.
- **Network isolation:** Engagement with denominational or interfaith investor networks is largely absent. Despite the availability of collaborative learning communities, most organisations operate independently and do not embed peer learning or shared guidance into their improvement processes.
- **Limited innovation and capability development:** Few policies include plans to expand organisational expertise, explore emerging approaches, or deepen faith-consistent investing competencies. Improvement is procedural rather than strategic.
- **Capacity limitations:** Smaller organisations, particularly congregational endowments, often lack resources for intentional improvement beyond basic oversight.
- **Weak learning documentation:** While policies may be revised periodically, organisations rarely document what they have learned or why changes were made. Without explicit reflection, learning remains informal and difficult to build upon.



Practical recommendations for faith-based asset owners

- **For organisations scoring 0–1:** Establish a clear commitment to periodic review, introduce at least an annual review schedule, and formally acknowledge that policies should adapt as circumstances or denominational guidance evolve.
- **For organisations scoring 2:** Link review processes to external learning by monitoring denominational or faith-based investment networks, incorporating evolving guidance into policy updates, and documenting the reasoning behind policy changes.
- **For organisations scoring 3:** Embed systematic learning by actively participating in faith-based investor networks, assessing emerging approaches, and sharing insights with peer organisations.
- **For organisations scoring 4:** Move toward sector leadership by contributing to field development, piloting innovative approaches, and formalising mechanisms to capture and disseminate institutional learning.

Practical recommendations for investment service providers

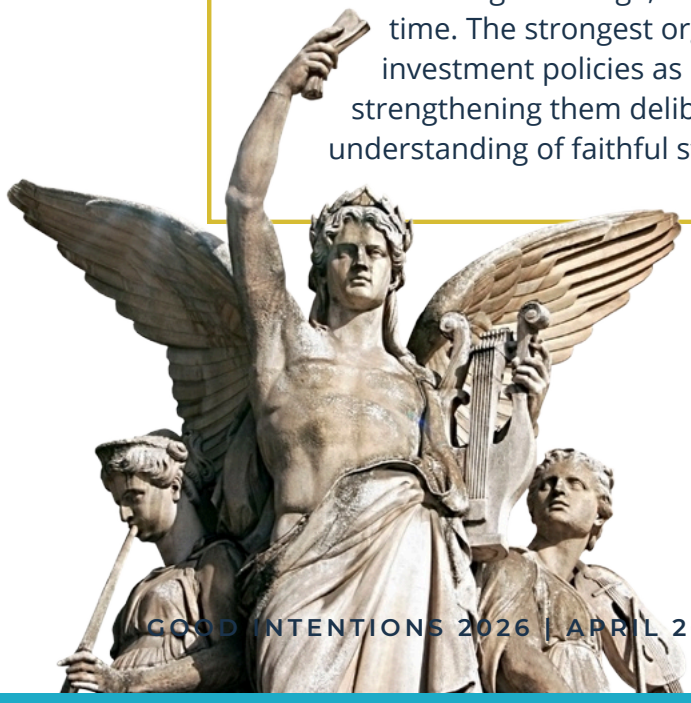
Advisers who embrace adaptive governance strengthen both client relationships and ecosystem development. They can:

- Schedule periodic strategic mandate reviews beyond annual compliance checks.
- Facilitate peer learning sessions among faith-based clients.
- Encourage participation in collaborative networks.
- Support structured pilot programmes that allow organisations to test and deepen their approach to investment oversight in a deliberate, contained way.



Key takeaways for Criterion 10: Continuous improvement

- **Review is common; improvement is rare.** Most faith-based organisations commit to periodic policy review. However, many policies are maintained to remain current rather than being strengthened to become more sophisticated over time.
- **The dominant gap is network isolation.** Organisations frequently operate in isolation, missing opportunities to benefit from shared expertise and collaborative advancement.
- **Faith-consistent investing cannot be approached as a policy that is written once and then simply maintained.** Faith traditions evolve, new ethical challenges emerge, and denominational guidance develops over time. The strongest organisations recognise this and treat their investment policies as living documents – reviewing, updating, and strengthening them deliberately as new issues arise and as their understanding of faithful stewardship deepens.



Chapter

17

The State of Faith-Consistent Investing in 2026

A consistent gap between commitments and practice

CONCLUSION

This report provides a detailed view of how faith-based organisations currently translate their beliefs, values, and mission priorities into investment policy. It reveals a landscape in which commitment to faith-consistent investing is evident, but a consistent gap remains between stated faith commitments and their translation into structured investment practice.

Most organisations demonstrate some level of engagement with faith-consistent investing. Investment policies frequently reference faith values, ethical considerations, or denominational guidance. Exclusion frameworks are common, governance structures are typically well developed, and financial monitoring systems are generally robust. These elements provide an important foundation for aligning investment practice with institutional mission. At the same time, fully integrated faith-consistent investment frameworks remain relatively uncommon.

The "basic effort" tier

Most organisations fall within what this report describes as the "basic effort" tier, indicating that many institutions have begun the work of alignment but have not yet developed the full governance, implementation, and learning structures required for consistent integration across the investment process.

Notably, no organisation in the assessment reached the highest tier of overall alignment. This does not suggest that strong practice is absent, but rather that comprehensive alignment across all dimensions of faith-consistent investing remains relatively rare.

Weak performance of mission-aligned investing

One of the clearest findings of the analysis is that faith-consistent investing is still expressed more strongly through the avoidance of harm than through the proactive deployment of capital toward positive outcomes. Many organisations have established ethical guardrails through exclusion frameworks and governance oversight, but far fewer have developed clear strategies for directing capital toward mission-aligned investment opportunities.

This is significant because exclusion frameworks help define the ethical boundaries of investment practice, but they do not in themselves mobilise capital toward the transformations that many faith traditions seek to advance. The relatively weak performance of positive and mission-aligned investment therefore points to one of the most important areas for future development within the field.

A second important pattern is that strong financial governance does not automatically translate into strong faith integration. Across the dataset, governance and financial oversight structures are often among the strongest elements of policy design.

However, faith commitments are not always embedded with the same consistency in investment analysis, manager selection, portfolio construction, or ongoing oversight. This suggests that for many organisations, the challenge is no longer whether faith should shape investment practice, but how that commitment is operationalised in practice.

The importance of size

The findings also suggest that differences in faith-consistent investing are shaped by institutional capacity and infrastructure. Organisations with access to specialised investment staff, denominational guidance, shared vehicles, or dedicated advisory support tend to demonstrate stronger policy structures.

These structures provide several advantages. They translate theological teaching into practical investment guidelines, create investment vehicles capable of implementing ethical frameworks, and provide a source of specialised expertise for trustees and committees. They also enable collaboration across institutions, allowing organisations to learn from each other's experience and refine their investment approaches over time.

By contrast, smaller and independent institutions often face practical constraints in translating strong ethical intentions into detailed investment frameworks. This is an important finding because it suggests that uneven performance across the dataset often reflects differences in available support and implementation capacity rather than differences in commitment. For these organisations, implementing faith-consistent investing can be more challenging. Policies may articulate strong ethical intentions, but the practical tools required to implement those commitments may be less readily available.

Where is the "middle tier"?

Another notable feature of the findings is the limited presence of a strong "middle tier" of development. A small number of organisations demonstrate relatively advanced frameworks, while many remain at an early or basic stage. Fewer appear to occupy the space in between, where faith-consistent investing is embedded more systematically but still developing.

This suggests that moving from basic ethical policy to more developed faith-consistent investing may require more than gradual policy improvement alone. In many cases, further progress appears to depend on access to practical guidance, suitable investment vehicles, trustee education, and collaborative support.

Without these enabling factors, organisations may struggle to move beyond basic alignment even where commitment is strong.

This has a wider implication for the future of faith-consistent investing. Its development will depend not only on the efforts of individual organisations, but also on the strength of the ecosystem that supports them. Where shared guidance, values-aligned investment products, educational resources, and collaborative networks exist, institutions are better positioned to translate faith commitments into investment practice.

Strengthening this wider ecosystem may therefore be as important as strengthening individual organisational policies. The findings of this report therefore point to an important conclusion: Strengthening the broader ecosystem of support for faith-consistent investing is likely to be as important as strengthening individual organisational policies.

Where additional support Is most needed

The analysis also highlights several areas where additional support could significantly strengthen the development of faith-consistent investing. One priority is the development of practical guidance and templates that help organisations translate faith commitments into operational investment policies. Many organisations express strong ethical intentions but lack clear examples of how these intentions can be implemented in portfolio construction, stewardship, or manager selection.

A second priority is education and formation for those responsible for investment oversight. Trustees and investment committee members often carry significant responsibility for aligning investments with organisational mission. Providing structured opportunities to deepen understanding of faith-consistent investing could strengthen decision-making and reduce reliance on informal interpretation.

A third area is the expansion of collaborative networks. The evidence suggests that institutions benefit from participation in denominational or multi-faith investment communities where experience, expertise, and practical tools can be shared.

Building institutional capacity

In this context, organisations such as FaithInvest can play an important role in strengthening the wider ecosystem that supports faith-consistent investing. Through initiatives such as research, policy frameworks, training programmes, and forums for dialogue between asset owners, advisers, and asset managers, FaithInvest and other ecosystem actors contribute to building the institutional capacity that many faith-based asset owners require to strengthen their investment practices.

In particular, cross-denominational initiatives can help smaller or independent organisations access resources that may otherwise only be available within large denominational investment structures.

By providing shared tools, educational opportunities, and collaborative networks, the wider faith-investment ecosystem can help institutions of all sizes move toward more systematic integration of faith commitments within investment governance and portfolio management.

Implications for key actors

The findings of this report also carry implications for several groups involved in FCI.



For governance bodies, the evidence suggests that faith commitments should be embedded structurally within investment oversight rather than assumed to be implicitly understood. Clear documentation, defined responsibilities, and regular review processes help ensure that mission considerations remain integrated into financial decision-making.



For investment committees, strengthening theological literacy and familiarity with faith-consistent investing practices may be an important next step. Committees that combine financial expertise with a deeper understanding of faith commitments are better equipped to guide investment strategy.



For asset managers and investment advisers, the findings indicate that generic responsible investment frameworks are often insufficient to meet the needs of faith-based clients. Faith traditions possess distinctive ethical priorities that may not be fully captured within standard ESG approaches. Developing the capacity to respond to these priorities can therefore improve alignment between investment services and client values.



For denominational leaders, the results highlight the importance of shared infrastructure. Investment guidance, pooled funds, and denominational advisory bodies can influence how effectively institutions translate faith commitments into investment practice.



Finally, **for FaithInvest and other ecosystem actors**, the findings suggest that high-leverage interventions include the development of practical guidance, educational resources, and opportunities for collaboration across institutions and traditions.

Looking forward

Faith-consistent investing should be understood as a practice that is still developing. Many faith-based organisations have already taken meaningful steps to align their investments with their values. The challenge now is to deepen that alignment so that faith commitments are reflected more consistently across the full investment process. With continued learning, stronger institutional support, and more developed collaborative infrastructure, faith-based investors will be increasingly well positioned not only to align capital with their ethical traditions, but to direct it toward the systemic social and environmental challenges they seek to address.

The findings of this report suggest that the future development of faith-consistent investing will depend not only on the intentions of individual organisations, but on the continued evolution of the investment ecosystem that supports them. Strengthening access to appropriate investment products, advisory expertise, and collaborative infrastructure will be critical to enabling institutions of all sizes to act on their commitments.

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Much of our work is free to faith groups. We have a library of resources, guides and case studies; our lively and active FCI Forum meets online every quarter to discuss issues facing faith-based investors; and we offer training on FCI as well as a range of tailored, one-on-one services. We do not provide investment advice or make investment recommendations to faith-based asset owners, and we are not here to take the place of your existing investment advisors.

Our Investment Policy and Guidelines (IP&G) Assessment Service

We are proud to offer a unique three-level IP&G assessment service. Our no-cost, confidential, 50-point **Level 1 IP&G assessment** is available to all faith groups, but is particularly suitable for those at an early stage of adopting FCI.

For those seeking more in-depth analysis, we have two fee-based options, with prices starting at under £2,000. Both the 75-point **Level 2** and 100-point **Level 3 assessments** offer significant value at costs that are considerably lower than if developed internally or with external consultants

What the service provides:

- *Professional evaluation* – Comprehensive analysis of how well your investment policy reflects your faith values
- *Expert recommendations* – Specific, actionable guidance tailored to your organisation's capacity
- *Implementation roadmap* – Clear priorities and practical next steps for improvement
- Plus *ongoing support* on a consultative basis to help implement our recommendations, if required.

What people say about us

> We had to go on a journey, and FaithInvest's role in the journey was a really critical part, giving us perspective at all steps along the way.
>
> John Stevens, Trustee, English Sangha Trust





> We were much more manager-led before engaging with FaithInvest. Our work together has given us greater capacity and understanding for dealing with managers.
>
> Sr Carmel Murtagh, European Province, SHCJ

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FaithInvest is an international, not-for-profit network for religious groups and faith-based institutional investors. Our aim is to grow the scale and impact of faith-consistent, values-driven investing worldwide for the benefit of people and planet. We work with all faith groups to help them align their investments with their values.

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