

PRESS RELEASE

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Methodist ethical investment committee announces Nestlé decision

The Methodist Church's Joint Advisory Committee on Ethical Investment (JACEI) has cleared the way for the Church's investment agency the Central Finance Board to invest in Nestlé if it wishes to do so. The Committee said that, while there are still areas of ethical concern relating to marketing and promotion of breast milk substitute issues, there is no suggestion that the nature of Nestlé's business is inherently unethical, and there are insufficient reasons to avoid an investment in Nestlé on ethical grounds. The decision of the Committee does not mean that CFB will make an immediate investment in Nestlé.

Anthea Cox, Methodist Co-ordinating Secretary for Public Life and Social Justice, said, "We do not believe that Nestlé are perfect by any means. But we think that the option of making a financial investment in the company will enable CFB to press Nestlé further than the Church could achieve by other means."

The Methodist Church has sought to listen to and engage positively with both Nestlé and campaigners such as Baby Milk Action. For example, the Methodist Relief and Development Fund (MRDF) has in the recent past given grants to Baby Milk Action to support specific projects, and Anthea Cox paid tribute to its work. "Baby Milk Action and other groups have performed a great service in researching Nestlé's activities and keeping this issue in the public eye," she said. "If CFB did invest, one consequence would be to allow closer scrutiny of Nestlé."

The Committee recommended that the CFB should seek to meet the CEO of Nestlé, and also that it should have annual meetings with senior executives to continue addressing the company's record. The CFB, which is independent of the Church and has funds of about £1 billion under its control, pursues a policy of active engagement as part of its ethical investment, under which it uses its position as a shareholder to demand improvements in companies' attitudes towards development, fair trade, the environment and workers' rights.

After initiating a review process in 2002, the Committee held a consultation in November 2004 to consider the ethical suitability of holding shares in Nestlé. As part of its work, the Committee heard submissions from both sides of the debate. Both Nestlé and Baby Milk Action took part in the consultation, offering their advice and response to the briefing paper and the committee is grateful for their contributions.

Anthea Cox: "This is not a decision the Committee made lightly or without thorough investigation. We are fully aware of Nestlé's record in the past, and that, despite improvements, there are still reported violations of the WHO Code on the sale and marketing of baby milk. But companies are accountable to their shareholders, and if CFB invests it will, as usual, use that actively to press the company not only on the issue of baby milk, but in other areas as well. We encourage people to continue to be aware of the issues and to act accordingly. In our continued work on this issue we will consult with a number of groups and as a member of the Interagency Group on Breastfeeding Monitoring."