

Investors should make tax an ethical issue

Published: January 13, 2026, 6:35 am

Investors who want to ensure their money supports ethical concerns should add tax behaviour to the criteria by which companies are judged, Christian Aid says today.

'Along with traditional concerns such as involvement in tobacco, weapons and environmental issues, a company should also be assessed on its tax practices,' says Dr David McNair, Christian Aid's Principal Adviser on Economic Justice.

'Companies should contribute to the societies in which they work. Paying tax is a major way in which they can do so, helping fund schools, hospitals and other essential public services.

'To qualify as an ethical investment, Christian Aid believes a company must pay its taxes in a transparent way. This includes paying the taxes they owe in the countries where the work which generated the profits actually took place.

'Some unscrupulous multinational corporations use the secrecy offered by the world's tax havens to avoid, or even evade, the tax they owe, which has a particularly damaging impact on the poorer countries where they operate.

'At present, we estimate that tax dodging by multinationals costs developing countries some \$160bn a year in lost tax revenue — one-and-a-half times the amount they receive from rich countries in aid. This harms millions of people living in poverty.'

In a [report published this week](#) calling for tax to be regarded as a corporate responsibility issue, Christian Aid warns that companies which pursue aggressive tax strategies face a higher risk of reputational damage than those that don't. They also risk costly legal action being taken against them by tax authorities.

The report argues that companies should consider implementing codes of conduct which rule out aggressive tax behaviour and include commitments such as:

- Income is held to be taxable in the country where it was generated.

- Tax planning will seek to comply with the spirit as well as the letter of the law.
- Tax planning will be consistently disclosed to all tax authorities it affects.
- Information about transactions will be consistently disclosed to all the tax authorities involved.