

**Methodist Church of New Zealand  
Te Hāhi Weteriana O Aotearoa**

**Administration Division**  
PO Box 931  
CHRISTCHURCH

**Information Leaflet No. 61**  
Updated to Conference 2012

**GUIDELINES**

**FOR**

**SOCIALLY RESPONSIBLE INVESTMENT**

The Methodist Church of New Zealand/Te Haahi Weteriana o Aotearoa, in all its parts, should seek the glory of God, the building up of the Church, and the well-being of society.

Each investment should ensure security of capital, the provision of a reasonable financial return and satisfy the Guidelines for Socially Responsible Investment.

### ***(The Positive Screen)***

Investments should promote the issues identified in the United National Global Compact (UNGC) and specifically should:

1. support and respect the protection of internationally proclaimed human rights;
2. ensure that they are not complicit in human rights abuses;
3. uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. uphold the elimination of all forms of forced and compulsory labour;
5. uphold the effective abolition of child labour;
6. uphold the elimination of discrimination in respect of employment and occupation;
7. support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility;
9. encourage the development and diffusion of environmentally friendly technologies;
10. work against corruption in all its forms, including extortion and bribery.

### ***(The Negative Screen)***

Investments should exclude businesses that clearly and manifestly fail to meet the issues identified in the UNGC and which specifically:

1. Prohibit or significantly impede the proclamation of the redeeming love of Jesus Christ to the world;
2. Produce or deal in armaments, tobaccos, gambling and pornography;
3. Employ child or slave labour or abuse the internationally recognised rights to freedom of association and collective bargaining;
4. Discriminate against individuals because of their race, gender, religion, socio-economic position or sexual orientation;
5. Seek to take an unfair position through the suppression of information, imposition of force, inappropriate advertising or the improper use of financial resources;
6. Promote the unsustainable use of natural resources or which pollute the environment.

### ***A practical test***

The Methodist Church of New Zealand operates in a secular world and is involved in normal and practical matters of commerce and business. With the world-wide interaction of businesses throughout the supply chain, absolute compliance with a set of guidelines is difficult to measure.

Some organisations, because of their particular focus include absolute prohibition on particular issues – hence the first item in the suggested negative screen where church funds are involved.

The Investment Advisory Board from its review of the Socially Responsible Investment guidelines of a wide range of church and social organisations offers a test on compliance: where a company or business organisation earns or holds 10% or more of either its gross income or invested capital in operations excluded by issues 2 – 6 of the negative screen as determined by either reference to its last published accounts or the result of independent

professional analysis and review then investment of Church funds in such organisation shall not be allowed unless such an investment is made to enable engagement with the organisation in an endeavour to change its modus operandi.

### ***Disinvestment***

Where a previously compliant investment is properly determined to no longer meet the Church's guidelines, the investment will be terminated:

1. at the maturity date of any term investment;
2. through the on market sale of the investment as soon as is practicable while endeavouring to maintain the invested capital.

### ***Engagement***

Investment in an organisation can provide status for discussion with the management or governance group over the operations of the organisation.

The Church as an investor may take the opportunity of engaging with any organisation through either attendance and voting at annual or special general meetings (by representation or by proxy) or by direct communication with the organisation.

### ***Guidelines as a Guide***

The Guidelines are produced as both a "light on the path" and a discussion document to aid Church members, those responsible for the investment of Church funds and those charged with the stewardship of Church property. No set of Guidelines can provide an absolute answer in all cases. Individual situations carry their own facts and nuances.

The Investment Advisory Board asks that all investments be measured against the spirit, ethos and intent of the Guidelines and in particular in the spirit of the guiding Conference question:

*"What is the spirit saying to the Church?"*

The Investment Advisory Board will be pleased to discuss these Guidelines or general investment questions with the Church.