



Church Decisions on Care for Creation, Climate Change and Responsible Investment

A commitment to ecological sustainability through transitions to low carbon economies is an essential part of the church's discipleship. Churches have an ethical responsibility to integrate care for the integrity of creation into all aspects of worship, and decision-making.

The Conference Decision in 2013 was:

That church groups, synods and parishes use 2014 to review and consider the [Methodist] position on global warming and the benefits of a low carbon economy including practical steps the Connexion can take.

The main challenge of climate change is to reduce carbon emissions, and this decision gives the church the opportunity to show leadership and integrity in taking practical steps to reduce emissions.

Prior to this decision the church had investigated Responsible Investment as a form of socially and environmentally conscious investment of capital funds which seek both financial return and social and environmental benefit. Responsible investment, or sustainable investment, encourages corporate practices that promote ecological stewardship, social responsibility such as human rights, fair non-exploitative employment conditions, and non-discrimination of ethnic and sexual diversity.

John Wesley was an early leader in socially responsible investing. In his sermon on 'The Use of Money' he set out principles of doing no harm to your neighbour, and avoiding business which have damaging effects on health, such as tobacco. Surely he would include avoiding businesses which exploit child labour. Historically investment in the industrial era was done with no account of climate risk or of the impacts of pollution.



The 1989 Social Principles of the Methodist church placed employment, fair conditions with a healthy working environment alongside advocacy for social and industrial reform, showing the individual and community interests of the church alongside regard for social justice in policy reform and law. Prophetically the Social Principles included 'wise use and careful conservation of the world's physical resources' (No. 6).

The Investment Advisory Board distributed a discussion document to review Socially Responsible Investment and the Methodist conference adopted the guidelines in 2012. It is an extensive exploration and discussion of principles of SRI with guidelines with a theological discussion appended (Pp. D23-29).

In particular environmental and social guidelines include:

- No. 6 Uphold the elimination of discrimination in respect of employment and occupation.
- No. 7 Support a precautionary approach to environmental decision-making
- No. 8 Undertake initiatives to promote greater environmental responsibility
- No. 9 Encourage development and diffusion of environmentally friendly technologies

The Investment Advisory Board referred to the UK Methodist Church, to Wesleyan thinking on economics and wealth, as well as the Australian Responsible Investment Association and the UN Principles for Responsible Investment (the UN Global Compact), to develop Guidelines.

At the 2013 Conference a further Report drew attention to increasing focus on investments in companies involved in fossil fuel extraction and production by faith based organizations, and notably, by the 350.Org. 350 is an international youth-led NGO with the singular purpose of keeping emissions down to 350 part per million of CO2 in the atmosphere, which is the same as no more than 2 degrees warming.

That report refers to Anglican moves towards divestment decisions, and also to the UK Church Investors Group and is cautious about the benefits of the church selling its shares in fossil fuel companies, divesting, possibly anticipating the caution in the November 2013 CIG Statement:

We caution against over-simplifying climate change as an ethical investment issue. As church investors, we have stewardship responsibilities towards creation, and responsibilities towards the global poor and vulnerable who will be less able to adapt to climate change. But we also have a responsibility to acknowledge that the world's economy cannot function without energy and that the transition to a low carbon economy is a process that will take time.

MTA is a member of the UK Church Investors Group. The CIG paper 'Climate Change and Church Investors: Framing the Debate' was circulated at Conference 2013, and available at <http://www.churchinvestorsgroup.org.uk/>. The IAB Report also refers to the US based Interfaith Centre on Corporate Responsibility www.iccr.org

Principles of Investing

Investors have a duty to act in the best long term interests of their beneficiaries or stakeholders. This fiduciary role of includes financial best interests which take account of environmental, social and corporate governance practices, as these can affect the performance of investment

portfolios. This approach aligns financial investment with social and environmental objectives



<http://quaker.org.nz/qiet-quaker-investment-ethical-trust>

Further Considerations for Investing

Ethical investment or responsible investment recognizes that financing is fundamental incentive to business activity and development. These are guidelines for assessing ethical investment:

1. Respect for indigenous interests including territory, intellectual property, sacred sites, and safeguards against displacement
2. Payment of fair wages
3. Industry that mitigates environmental impacts
4. Responsible use of natural resources and respect for habitats and ecosystems. Extraction within renewable capacity of resources
5. Long term sustainability, with regard to intergenerational equity



Investment

Price fixing by energy companies is unethical in so far as it generates income for investors / shareholders; it is unethical because the poor are exploited.

Investment in the fossil fuel economy contributes to carbon emissions and to climate change. Moving investments from fossil fuel investments brings an opportunity to invest in renewable energy and low carbon industries