



CHRISTIAN

METHODIST CHURCH IN BRITAIN AND THE WESLEY GROUP

There are some 1,600 active Methodist ministers in the UK, 4,552 places of worship and around 195,000 members. Around £1billion of Methodist money is invested in stocks, shares, bonds and other schemes. This money comes from individual churches and circuits, as well as national funds. All the money is invested in line with ethical principles. As at 31 August 2016, the Methodist Church held fixed asset investments with a market value of £164 million (US\$216m). Methodists have their own investment agency, the Central Finance Board (CFB), which has the job to manage the funds and get good returns on their investments whilst making sure that the investments are in line with the moral and ethical teaching of the Church - such as not investing in companies that profit from alcohol, gambling, pornography or the arms trade.

From its base in the City of London, the CFB is a Christian witness in the investment community. By acting as shareholders of major companies, including some listed on the FTSE-100, it can influence decisions and vote in shareholder meetings. This provides Methodists with a powerful voice at the heart of economic life in one of the world's most important financial centres.

This document has been prepared in collaboration with The Wesley Group (MIC Ltd), which has financial assets of around £50 million (US\$65m). The Wesley group manages the Wesley Euston Hotel and Conference Centre, “the first ethical hotel in London”, and in 2012 became the only London hotel to earn the Social Enterprise Mark. It picks Fair Trade suppliers, is registered to the City of London Climate Pledge, observes ISO 14001 standards, has

improved water efficiency, has waste segregation programmes, sources most of its food locally, uses only free range eggs and meat (as minimum standards) and only uses ingredients from sustainable suppliers. “We don’t just take our suppliers’ word for it. Instead, we background check every vendor and personally visit the farms.”

Principles of Investment

John Wesley, the cofounder of Methodism was born in 1703, the 13th of 18 children (of whom nine survived). They struggled for money and Wesley once saw his father, an Anglican priest, arrested and taken gaol for his debts. As he grew up Wesley thought a great deal about money and what it meant. He came to believe that when income increased, what should increase was not your standard of living but your standard of giving. He gave a sermon titled “Use of Money”, in which he said: “The love of money,” we know, “is the root of all evil;” but not the thing itself. The fault does not lie in the money, but in them that use it. It may be used ill; And what may not? But it may likewise be used well.” In that sermon there were three rules about money.

1. “Gain all you can...”

But what we “ought not do is gain money at the expense of life, nor (which is in effect the same thing) at the expense of our health.” He said that no idea of making a profit should induce us to enter into any employment which impairs our constitution, giving as an example those employments “which imply the dealing much with arsenic, or other equally hurtful minerals, or the breathing of an air tainted with steams of melting lead, which must at length destroy the firmest constitution”. He thus prohibited gaining money through industries that pollute the environment or endanger workers. He also prohibited pawn-broking, selling goods below the market price (“we cannot study to ruin our neighbour’s trade, in order to advance our own”), selling anything which impairs health, in particular spirituous liquor

2. “Save all you can”

When people spend money on things they do not really need, they begin to want more things they do not need. Instead of satisfying their desires, they only increase them: "Nothing can be more certain than this. Daily experience shows that the more they are indulged, they increase the more." He especially warned against buying too much for children. People who would never waste

money on themselves might be more indulgent with their children. "Why should you purchase for them more pride or lust, more vanity or foolish and hurtful desires?"

3. *"Give all you can"*

Tithe your money and then give more. And invest well what you keep. "Nor, indeed, can a man properly be said to save anything, if he only lays it up. You may as well throw your money into the sea, as bury it in the earth. And you may as well bury it in the earth, as in your chest, or in the bank of England. Not to use, is effectually to throw it away."

In 2000 Methodists adopted the Methodist Environmental policy, which affirming challenging all Methodists "to care for the earth by following sustainable practice and taking into account global and local environmental considerations for present and future generations: in the conservation and use of resources in the Church and at home; in helping to develop more sustainable lifestyles; in active involvement in Local Agenda 21 and other community initiatives; in concerns for action on global environmental initiatives."

Negative screening

Methodist organisations, including MIC, do not conduct business with, or invest in, companies that are wholly or mainly involved in alcohol, gambling, high interest lending, tobacco or pornography.

Positive screening

During 2015/2016 the Joint Advisory Committee on the Ethics of Investment (JACEI) advised the Methodist CFB on a wide range of ethical issues including: organising a fossil fuel roundtable meeting; assessing oil and gas companies against the Climate change: Implications for different fuels' policy leading to divestment from three companies and listing of a further six for exclusion from investment; leading an investor coalition in co-filing a shareholder resolution at the Anglo American AGM on carbon disclosure and transparency on policy positions in relation to climate change; meeting with mining companies to discuss community relations and environmental issues; engaging with Dignity, the largest UK provider of funerals asking them to support the Fair Funerals Pledge. Recently the CFB has been working with the

Carbon Disclosure Project and is a founding partner of the Transition Pathway Initiative that assesses companies' expected future performance on carbon emissions.

Case study: The Living Wage

In 2011 the Methodist Church was the first UK church denomination to pay the Living Wage. That same year the Central Finance Board began a programme of engagement with UK companies on the subject. The Living Wage is based on the cost of living in the UK. In contrast the new compulsory minimum wage for staff aged over 25, which the government has confusingly called the National Living Wage, relates to labour market conditions rather than a family's need and is calculated on the basis of what the market might be able to bear without significant disruption. Over the past five years the CFB's engagement with companies has had considerable success. Of 19 companies originally targeted, 12 (including Lloyds, HSBC and Pearson) have either become Living Wage employers or have moved significantly towards adoption.

The Wesley Hotels section was compiled by trustees Stuart Burgess and John Nyota. The wider Methodist Church in Great Britain details were taken from the Methodist Church Consolidated Financial Statements September 2015–August 2016 and www.cfbmethodistchurch.org.uk/ethics/ and www.methodist.org.uk