

## **Title: Resolution on Fossil Fuel Divestment**

*Budget Implications:* There are no financial implications to the Conference operating budget but conference investments will be realigned if the desired action is taken by the General Board of Pensions and Health Benefits or the General Conference.

*Implications for the Conference:* The conference would join a growing list of churches, religious, educational, student, governmental bodies, and individuals calling for divestment and/or divesting from fossil fuel.

*Submitted by:* Melissa Brice and Jeff Jones, Lay Members to Annual Conference, Urban Village Church.

### *Rationale:*

Whereas the General Board of Pension and Health Benefits (GBOPHB) manages more than \$20 billion in assets on behalf of United Methodist clergy, staff, agencies, churches, and other institutions; and

Whereas The United Methodist Church has acknowledged the risks of fossil fuel dependence for the last 35 years through its Energy Policy Statement in the *Book of Resolutions* para. 1001; and

Whereas the investment policy goals of The United Methodist Church as outlined in the *Book of Resolutions* para. 4071 include investing in corporations, companies, institutions or funds making a positive contribution to the realization of the goals outlined in the Social Principles and the *Book of Resolutions*, and exclude investing in companies that violate church values; and

Whereas the Social Principles state that climate change will bring “severe environmental, economic, and social implications,” which will “disproportionately affect individuals and nations least responsible for the emissions;” and

Whereas, despite a strong commitment to the Social Principles, none of the GBOPHB’s investment screens speak to the climate concerns named in the Natural World section of the Social Principles; and

Whereas the GBOPHB maintains significant holdings in petroleum, coal and natural gas companies; and

Whereas while shareholder advocacy can be effective in pressuring industries to change practices, it cannot change fossil fuel companies’ core business model, which is to produce fossil fuels; and

Whereas fossil fuel companies are spending up to \$600 billion each year to seek additional reserves while governments worldwide spend another \$600 billion each year subsidizing fossil fuel consumption;<sup>[1]</sup> and

Whereas the processes and byproducts related to the extraction of petroleum, coal and natural gas are damaging to the health of people who work in these industries as well as those who live on or near extraction sites; and

Whereas the extraction and burning of petroleum, coal and natural gas exacerbates climate change;<sup>[2]</sup> and

Whereas limiting the warming of the earth to 2-degrees Celsius, the internationally agreed upon limit for human survival, requires that the vast majority of the world's fossil fuels be left in the ground;<sup>[3]</sup> and

Whereas avoiding the worst impacts of climate change urgently requires a transition to sustainable energy; and

Whereas United Methodists live and serve on the front lines of disasters like Hurricane Sandy, Typhoon Haiyan, prolonged droughts, devastating floods, massive wildfires, and other extreme weather events, which will increase in frequency and severity with climate change;<sup>[4]</sup> and

Whereas continued investment in fossil fuel companies undermines The United Methodist Church's ministries to the most vulnerable among us--including those who are hungry, sick and/or living in poverty; and

Whereas continued investment in fossil fuel companies signals a grave disregard for the lives of young people;

Therefore be it resolved that the Conference Secretary on behalf of The Northern Illinois Conference file the following three petitions to the General Conference of 2016

### **Petition # 1 for General Conference**

**Total Number of Pages: 1**

**Suggested Title: Create a Fossil Fuel Investment Screen**

**General Church Budget Implications: None**

**Global Implications: Yes**

**Action:** Be it resolved that the General Conference of The United Methodist Church petitions the General Board of Pension and Health Benefits of The United Methodist Church to adopt the following policy: Investments shall not knowingly be made in any company or entity whose core business activity involves the production of petroleum, coal, or natural gas. Core business activity refers to a company's primary, or central focus of activity and is an essential element in the company's economic success. A "core business" is one that accounts for 10% or more of a company's revenue derived from the objectionable products and/or services.

**Rationale:** United Methodists serve on the front lines of extreme weather events that will increase in frequency and severity with climate change. Limiting climate change requires that most fossil fuel reserves stay underground. Continued investment in fossil fuels undermines The United Methodist Church's ministries with young people and vulnerable people.

Date:

**Petition # 2 for General Conference**

**Total Number of Pages: 1**

**Suggested Title: Avoid Investment in the Production of Petroleum, Coal and Natural Gas**

***Discipline* para 717**

**General Church Budget Implications: None**

**Global Implications: Yes**

**Action:** Be it resolved that the *Book of Discipline* para. 717 be amended as follows:

It shall be the policy of The United Methodist Church that all general boards and agencies, including the General Board of Pension and Health Benefits, and all administrative agencies and institutions, including hospitals, homes, educational institutions, annual conferences, foundations, and local churches, shall, in the investment of money, make a conscious effort to invest in institutions, companies, corporations, or funds whose practices are consistent with the goals outlined in the Social Principles; and shall endeavor to avoid investments that appear likely, directly or indirectly, to support racial discrimination, violation of human rights, sweatshop or forced labor, gambling, or the production of petroleum, coal, natural gas, nuclear armaments, alcoholic beverages or tobacco, or companies dealing in pornography. The boards and agencies are to give careful consideration to shareholder advocacy, including advocacy of corporate disinvestment.

**Rationale:** United Methodists serve on the front lines of extreme weather events that will increase in frequency and severity with climate change. Limiting climate change requires that most fossil fuel reserves stay underground. Continued investment in fossil fuels undermines The United Methodist Church's ministries with young people and vulnerable people.

**Petition # 3 for General Conference**

**Total Number of Pages: 1**

**Suggested Title: Investment Screen for Petroleum, Coal or Natural Gas**

***Resolution* #4071**

**General Church Budget Implications: None**

**Global Implications: Yes**

Be it resolved that the *Book of Resolutions* section 4071, *Socially Responsible Investing Strategies*, 1. *Portfolio screening*, be amended as follows:

### *Socially Responsible Investing Strategies*

The Church shall pursue its investment policy goals through widely practiced socially responsible investing tools such as:

#### 1. Portfolio screening

Based on long-standing United Methodist values, the Church does not invest in companies deriving significant revenue (usually 10 percent or more) from:

- alcoholic beverages
- tobacco products;
- gambling equipment or enterprises;
- pornography;
- operating or managing prison facilities;
- the production of coal, oil, or natural gas;
- antipersonnel weapons, armaments, ammunition, or weapons-related systems provided for commercial and private markets and nuclear weapons.

**Rationale:** United Methodists serve on the front lines of extreme weather events that will increase in frequency and severity with climate change. Limiting climate change requires that most fossil fuel reserves stay underground. Continued investment in fossil fuels undermines The United Methodist Church's ministries with young people and vulnerable people.

[1] Justin Gillis, "U.N. Panel Issues its Starkest Warning Yet on Climate Change," *The New York Times*, November 2, 2014, accessed November 24, 2014, [http://www.nytimes.com/2014/11/03/world/europe/global-warming-un-intergovernmental-panel-on-climate-change.html?\\_r=0](http://www.nytimes.com/2014/11/03/world/europe/global-warming-un-intergovernmental-panel-on-climate-change.html?_r=0).

[2] "Causes of Climate Change," United States Environmental Protection Agency, accessed November 24, 2014, <http://www.epa.gov/climatechange/science/causes.html>.

[3] Bill McKibben, "Global Warming's Terrifying New Math," *Rolling Stone*, July 19, 2012, accessed November 24, 2014, <http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719>.

[4] Gillis, "Starkest Warning Yet."