



General Board

Pension and Health Benefits

Caring For Those Who Serve



Global Ministries

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May 1, 2014

Dear United Methodist Church Members,

We are happy to enclose the first draft of a report from the Human Rights and Investment Ethics Task Force that was convened last year by the two of us “to identify resources, principles and procedures that express our commitment to human rights, taking into account fiduciary responsibility and ministry priorities, consistent with the global mission and ethical standards of The United Methodist Church.” Please read through it and, if you are inclined, provide comments on or before June 1, 2014 at HRIEreport@gbophb.org.

As the top executives of the General Boards of Pension and Health Benefits and Global Ministries within our United Methodist connection, we are both committed to honing a synergy between finance and mission. We believe it is vitally important to find congruency between meeting the needs of our constituents and responding to the call to be faithful Christians.

Issues and Impetus

The issues addressed in the report are broad in scope, but the impetus for the task force came from specific situations, including consideration of United Methodist investments in the Middle East at the 2012 General Conference. As we hope you know, General Conference 2012 amended a resolution on aligning United Methodist investments in Palestine/Israel and called “on the General Board of Pension and Health Benefits to explore serious peacemaking strategies in Israel and Palestine, including positive economic and financial investment in Palestine.”

Holy Land Visit

In recent months, we have thoughtfully journeyed to this intersection of mission and finance in Israel/Palestine. As part of a Methodist delegation to the Holy Land in November 2012, we spent time grappling with the complexities of the Israeli and Palestinian relationship. We walked through the Bethlehem checkpoint at 5 a.m. with hundreds of Palestinians who were going to work, and visited the struggling Palestinian community in Wadi Fuquin. Meeting with Palestinian Christians provided a unique lens to view issues in a land to which we as Christians feel deeply connected. We met with leadership and constituency and advocacy groups in both Israel and Palestine to learn about the impact of the Israeli occupation.

The relatively short visit helped us to learn firsthand about some of the issues of justice, dignity and fairness affecting those who live together in the Holy Land. Our visit provided us with a wealth of information as we explore ways to accomplish our work in an informed, responsible and credible way.

We both agree that beyond Palestine/Israel we needed to develop a system for addressing human rights and ethical concerns as we consider resource investment while conducting our mission. Late last spring, we convened a 13-member task force on Human Rights and Investment Ethics, chaired by Bishop Kenneth H. Carter Jr. of the Florida Episcopal Area. The task force developed the attached report and recommendations to help us move forward in ways that are consistent with our theological commitment to share God’s grace in the world by protecting and enhancing the well-being of all people.

Task Force Focus

The focus of the task force aligns with a human rights resolution adopted by General Conference 2012 that “asks that all United Methodist general boards and agencies prayerfully consider advocating that all companies formally recognize and adopt into their Codes of Conduct the United Nations’ Guiding Principles on Business and Human Rights (also known as the Ruggie Principles) and that boards and agencies prayerfully consider economic sanctions with companies that refuse to recognize and adopt the Principles.”

Our task force met five times over the past year and explored theological implications and case studies in the context of the missions of the general agencies. The attached report and recommendations are the result. Our agencies’ boards of directors have reviewed the report, and now we are sharing it more widely with an opportunity for comments from you and others who are also concerned with these issues. The final document will be presented at our agencies’ fall 2014 board meetings.

We value the collective opinions from among our denomination’s members, and look forward to your response to this document. Our collaboration has been a joy for our two agencies as we worked together, finding common ground as parts of the body of Christ through The United Methodist Church.

In mission and ministry together,



Thomas Kemper
General Secretary
Global Ministries



Barbara Boigegrain
General Secretary
Pension and Health Benefits

Human Rights and Investment Ethics Task Force

Report and Recommendations

February 3, 2014

Comments: HRIEreport@gbophb.org

DRAFT

Introduction

The United Methodist Church has a long history of commitment to human rights and has struggled for clarity on the implications of this commitment. In response to the 2012 Resolution “Aligning UMC Investments with Resolutions on Israel/Palestine,” a delegation from the General Board of Pension and Health Benefits and the General Board of Global Ministries traveled to Palestine to secure a better understanding of the dynamics of the region and their impact on Palestinian human rights. Subsequent to their fact-finding mission, the general secretaries of the two agencies co-convened the Human Rights and Investment Ethics Task Force (HRIE TF) to explore how the Church should address mission and investment considerations where human rights abuses exist. The Task Force is comprised of (see list in appendices):

Over the course of five meetings, Task Force members gathered information about Human Rights protocols; studied UMC teachings and policies related to human rights and investments; discussed case studies on Palestine/Israel, the Democratic Republic of Congo, and Tibet; shared strategies for socially responsible investment; and engaged theologians in conversation about readings related to theology and human rights. Throughout its work, the Task Force maintained a commitment to inclusiveness and a multidisciplinary perspective. The case studies, for example, incorporated perspectives from advocates, missionary personnel, universities, governments, and corporations. The theological readings prompted substantial reflection on theological foundations for human rights *and* the ways in which one brings language of faith into the political and financial discussions. The human rights protocols and socially responsible investment strategies prompted careful consideration of the alignment and the points of tension within the UMC’s commitments to mission, justice, and investment. In three of the five meetings, the Task Force invited guests to provide insight on the case studies, socially responsible investment, theology, scripture, and leadership. This commitment to hearing a diversity of perspectives enriched the work of the Task Force and became a guiding principle for the processes it recommends.

The following document commends processes under the subheadings of external and internal coherence. The Task Force used these terms to address the dual nature of the challenge. External coherence refers to alignment between beliefs and actions, between values and policy. The points under this heading focus on the ways in which the UMC carries forth its mission in the world. Because this diverse Church is also a multifaceted institution, the boards and agencies have their own mandates and priorities, which are sometimes in tension with one another. Internal coherence refers to practices and processes that enhance cooperation, communication, and mutual respect within the Church.

The processes for external and internal coherence rest on values and theological convictions to ensure that this pragmatic leadership is also principled leadership. The document identifies values and theological affirmations that are core to United Methodist heritage and also secure a theological foundation for human rights. The human rights-related resolutions that fill our *Book of Discipline* reflect a profound theological commitment to share God’s grace in the world by protecting and enhancing the wellbeing of all persons. This document reflects the efforts of the HRIE TF to respond to this calling by working constructively with our internal diversity and maintaining a focus on our common mission.

Mission of the Church

The mission of the Church is to make disciples of Jesus Christ for the transformation of the world.

Purpose of the Task Force

The purpose of the Human Rights and Investment Ethics Task Force is to identify resources, principles, and procedures that express our commitment to human rights, taking into account fiduciary responsibility and ministry priorities, consistent with the global mission of The United Methodist Church.

Section 1: Value Statement

In keeping with our Social Principles, United Methodist entities have an obligation to support human rights. Although there are many definitions of human rights, fundamentally it refers to access to wellbeing. Our Social Creed calls us to “commit ourselves to the rights of men, women, children, youth, young adults, the aging, and people with disabilities; to improvement of the quality of life; and to the rights and dignity of all persons.” According to ¶162 of the Social Principles,

We affirm all persons as equally valuable in the sight of God. We therefore work toward societies in which each person’s value is recognized, maintained, and strengthened. We support the basic rights of all persons to equal access to housing, education, communication, employment, medical care, legal redress for grievances, and physical protection. We deplore acts of hate or violence against groups or persons based on race, color, national origin, ethnicity, age, gender, disability, status, economic condition, sexual orientation, gender identity, or religious affiliation. Our respect for the inherent dignity of all persons leads us to call for the recognition, protection, and implementation of the principles of *The Universal Declaration of Human Rights* so that communities and individuals may claim and enjoy their universal, indivisible, and inalienable rights. (Social Principles, ¶162.III “The Social Community”)

We affirm the appropriateness of human rights as an important consideration of fiduciary duty, missional priorities, and the associated policies and practices. As United Methodists, we make investments in socially responsible ways in accordance with ¶717 of *The Book of Discipline, 2012*:

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 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 divestment.

We acknowledge the challenge and complexity in decision-making at the intersection of mission, justice, and investments. We recognize that our boards and agencies have their own mandates and that these mandates are sometimes in tension with one another. Acknowledging our common mission and purpose, our shared values and policy, and the challenging differences in our work, we also affirm our connection: “The outreach of the church springs from the working of the Spirit. As United Methodists, we respond to that working through a connectional polity based upon mutual responsiveness and accountability. Connectional ties bind us together in faith and service in our global witness, enabling faith to become active in love and intensifying our desire for peace and justice in the world.” (*The Book of Discipline*, ¶102)

[n.b. Blue text indicates source materials from publications noted.]

Section 2: Theological Underpinnings

We affirm the inherent dignity of every person. “God has endowed us with dignity and freedom and has summoned us to responsibility for our lives and the life of the world.” (*The Book of Discipline*, ¶102) In our Wesleyan tradition, dignity is theologically rooted not only in the *imago dei*, but also in our understanding of prevenient grace, “the divine love that surrounds all humanity.” (*The Book of Discipline*, ¶102) We understand ourselves to be in a process of restoring the image of God in a broken and fallen world. This process is initiated by God, sustained by the Holy Spirit, and fulfilled in Jesus Christ. “In God’s self-revelation, Jesus Christ, we see the splendor of our true humanity.” (*The Book of Discipline*, ¶102)

In keeping with our Wesleyan tradition, expressed in the Social Principles, we practice social holiness by respecting the inherent dignity of all persons. “We insist that personal salvation always involves Christian mission and service to the world. By joining heart and hand, we assert that personal religion, evangelical witness, and Christian social action are reciprocal and mutually reinforcing.” (*The Book of Discipline*, ¶102) We receive God’s grace and channel it out into the world through concrete actions: ministering to the downtrodden, advocating on behalf of the vulnerable, standing in solidarity with those on the margins, and giving what we can to those in need. We recognize our responsibility to work with the Holy Spirit for the restoration of freedom and wellbeing of all people. The “love of God is always linked with love of neighbor, a passion for justice and renewal in the life of the world.” (*The Book of Discipline*, ¶102)

God calls all Christians to express a special concern for those who are suffering; throughout our holy scriptures, the special concern is expressed particularly on behalf of the poor and oppressed. Jesus is anointed “to bring good news to the poor” and “to proclaim release to the captives and recovery of sight to the blind, to let the oppressed go free, to proclaim the year of the Lord’s favor.” (Luke 4:18-19) Jesus taught us to expect to be judged according to the way we treat the poor, hungry, naked, stranger, and prisoner (Matthew 25:31-46). Our world is full of injustice and inequality. Christian discipleship in such a world requires us to share God’s blessing with all *and* to prioritize the needs of the excluded, the neglected, the enslaved, and the downtrodden.

We were created for community; and we flourish in relationships that are loving and just and make visible the body of Christ and the beloved community. Protecting human rights requires affirmation of interrelatedness as well as respect for the individual. As Archbishop Desmond Tutu says, “We are created to exist in a delicate network of interdependence with fellow human beings and the rest of God’s creation.” We live in relationship with a vision of the community we are called to be. We have been made one in Christ and are called to put away our practices of greed, selfishness, and disregard for others. We make visible the body of Christ in the world as we labor with the Holy Spirit to transform the world. Our Wesleyan tradition understands transformation to include physical as well as spiritual restoration. In the tradition described by the prophet Isaiah, we too are called “to loose the bonds of injustice, to undo the thongs of the yoke, to let the oppressed go free, and to break every yoke.” (Isaiah 58:6) Working with one another, through the power of God and the Holy Spirit, following the example of Christ, we strive toward a vision in which no one will “labor in vain or bear children for calamity.” (Isaiah 65:23) *We are committed to “participat[ing] in Christ’s ministry of grace across the years and around the world” (The Book of Discipline, ¶128) for the health of all of creation.*

Section 3: Achieving External Coherence

By “external coherence,” we mean consistency between the beliefs we hold as a Church and the ways we give expression to those beliefs through our actions in the world. The United Methodist Church has a long history of engaging the world. According to our Social Principles, “The Church should continually exert a strong ethical influence upon the state, supporting policies and programs deemed to be just and opposing policies and programs that are unjust.” (Social Principles, ¶164.B “The Political Community: Political Responsibility”) Our Church also has a strong legacy of linking social justice and fairness to business and economics. It is at the core of our social creed and a long-standing tradition of our denomination. The preface to the “Social Principles” begins by noting that “The United Methodist Church has a long history of concern for social justice. Its members have often taken forthright positions on controversial issues involving Christian principles. Early Methodists expressed their opposition to the slave trade, to smuggling, and to the cruel treatment of prisoners.” The Methodist Episcopal Church authored and adopted the 1908 Social Creed, which declared that Churches must stand for workers’ rights, the abolition of child labor, reduction of hours, and a living wage. (“The Social Creed of the Churches” adopted by the Federal Council of Churches, December 4, 1908)

We continue this tradition of defending the economic and political rights of persons through our Social Principles on the “Political Community” (¶164) and the “Economic Community” (¶163):

Basic Freedoms and Human Rights—We hold governments responsible for the protection of the rights of the people to free and fair elections and to the freedoms of speech, religion, assembly, communications media, and petition for redress of grievances without fear of reprisal; to the right to privacy; and to the guarantee of the rights to adequate food, clothing, shelter, education, and health care. The form and the leaders of all governments should be determined by exercise of the right to vote guaranteed to all adult citizens. We also strongly reject domestic surveillance and intimidation of political opponents by governments in power and all other misuses of elective or appointive offices. The use of detention and imprisonment for the harassment and elimination of political opponents or other dissidents violates fundamental human rights. Furthermore, the mistreatment or torture, and other cruel, inhumane, and degrading treatment or punishment of persons by governments for any purpose violates Christian teaching and must be condemned and/or opposed by Christians and churches wherever and whenever it occurs. (¶164.A)

Work and Leisure—Every person has the right to a job at a living wage. Where the private sector cannot or does not provide jobs for all who seek and need them, it is the responsibility of government to provide for the creation of such jobs. We support social measures that ensure the physical and mental safety of workers, that provide for the equitable division of products and services, and that encourage an increasing freedom in the way individuals may use their leisure time. ...We believe that persons come before profits. We deplore the selfish spirit that often pervades our economic life. (¶163.C)

Corporate Responsibility—Corporations are responsible not only to their stockholders, but also to other stakeholders: their workers, suppliers, vendors, customers, the communities in which they do business, and for the earth, which supports them. We support the public’s right to know what impact corporations have in these various arenas, so that people can make informed choices about which corporations to support....We applaud corporations that voluntarily comply with standards that promote human well-being and protect the environment. (¶163.I)

The United Methodist Church also maintains consistency between these long-standing beliefs and our current economic life through policies on socially responsible investing, most notably ¶1717 of *The Book of Discipline* quoted above and Resolution 4071 on Investment Ethics. Resolution 4071 (amended and readopted in 2012) articulates our Socially Responsible Investing Policy and identifies Socially Responsible Investing Strategies, which include:

- Portfolio screening (alcoholic beverages; tobacco products; gambling equipment or enterprises; pornography; operating or managing prison facilities; and anti-personnel weapons, armaments, ammunition, or weapons-related systems provided for commercial and private markets and nuclear weapons);
- Social impact investing (e.g., “construction of affordable housing, the renewal of neighborhoods, or the expansion of business ownership among those traditionally excluded from such ownership”);
- Shareholder advocacy;
- Strategic partnerships;
- Divestment; and
- Public policy initiatives.

Resolution 4071 “strongly urge[s]” “all organizations affiliated with The United Methodist Church, including annual conferences, local churches, foundations, health-care systems, colleges, and universities” to abide by these investment guidelines and to make public their specific investing policies.

As we seek external coherence between the beliefs/values of our United Methodist Church and the changing realities of our political and economic life, General Conference has generated many resolutions related to human rights. The most recent one has particular bearing on the work of this Task Force, namely the 2012 Resolution: “Aligning UMC Investments with Resolutions on Israel/Palestine.”

2012 General Conference Resolution

The 2012 General Conference calls on the General Board of Pension and Health Benefits to explore serious peacemaking strategies in Israel and Palestine including positive economic and financial investment in Palestine.

The 2012 General Conference:

- asks that all United Methodist general boards and agencies prayerfully consider advocating that all companies formally recognize and adopt into their Codes of conduct the United Nations Guiding Principles on Business and Human Rights (also known as the Ruggie Principles) and that the boards and agencies prayerfully consider economic sanctions with companies that refuse to recognize and adopt the Principles.
- requires all United Methodist general boards and agencies to provide updates on their websites regarding the process of corporate engagement with and/or divestment from companies that support the Israeli occupation.
- directs all United Methodist general boards and agencies to provide a report to the 2016 General Conference regarding their progress toward complying with this resolution.
- calls on United Methodist general boards and agencies, annual conferences, local churches and individuals to prayerfully consider corporate involvement in Israel's occupation when making investment decisions.
- encourages United Methodists to partner with Jews, Christians, Muslims and other people of conscience working for corporate accountability, human rights and an end to the occupation.

Rationale: *The Book of Discipline* discourages investment in companies “that directly or indirectly support the violation of human rights.” We should not invest in companies that sustain Israel’s illegal settlements, segregated roads, checkpoints, the separation wall, home demolitions, and other realities of occupation in Palestinian territory.

In response to this resolution and its surrounding conversation, a delegation from the General Board of Pension and Health Benefits and the General Board of Global Ministries visited Palestine, and the general secretaries of GBPHB and Global Ministries decided to co-convene the Human Rights and Investment Ethics Task Force. This focus on Palestine is appropriate given the gravity and urgency of the situation and our religious connection to the land. These factors and our additional concerns about security; self-determination; and the history of Jewish, Christian, and Muslim relations has also prompted a broader and deeper discussion about consistency between the beliefs of our Church and our political and economic behavior in the world. External coherence requires faithful application of our beliefs to changing circumstances, as well as consistency in terms of behavior across contexts. As we gather information about human rights violations and discern our response, we make these commitments:

- Practice respect and inclusiveness.
- Value diversity of experience and consider the views of all stakeholders.
- Engage with corporations and governments to identify common objectives recognizing that each entity’s objectives may or may not be compatible with those of other stakeholders, including the UMC.
- Make an intentional effort to consider the impact of decisions on those who are directly impacted but whose voices are not heard in planning, implementing, or evaluating initiatives; and do so in a spirit of cultural sensitivity, fairness, and justice.
- Explore the impact on the local community that is affected, particularly through the lens of local United Methodists and other mission partners; and raise awareness about this impact.
- Work in partnership with other organizations concerned about human rights and employ multiple verification systems when human rights abuses are alleged.
- Use language that bridges faith and secular worlds.
- Recognize the interfaith relationships and histories that shape each context, and engage in dialogue with the relevant faith communities.

Utilize the many different ways that The United Methodist Church engages the world to adopt a multifaceted approach as we advocate for human rights. There are many points of United Methodist influence, including boards and agencies, the annual conferences, and the local church. Collectively, the Church has different forms of influence, including governmental, ecumenical, corporate, community, prayer, public statement, resolutions, and symbolic action.

- Utilize a mix of strategies (such as investment, advocacy, dialogue, boycott, sanction, divestment, etc.).
- Place particular focus on protecting human rights and standing alongside the most vulnerable communities.
- Maintain relationships with communities that become isolated through diplomatic and economic sanctions.
- Communicate the socially responsible investing practices of the entities of the UMC, including screens, positive investments, and shareholder advocacy.
- Establish a baseline and set goals so that progress can be measured and communicated over the short and long term.
- Utilize the Toolkit for Human Rights Policy Criteria (Appendix C).

Section 4: Fostering Internal Coherence

Ours is a diverse Church with a variety of boards and agencies. We share a common mission: *to make disciples of Jesus Christ for the transformation of the world*. But that mission is a large umbrella that houses a diversity of theological and political viewpoints, a wonderful variety of cultures and people, and a wide range of tasks with priorities that are sometimes in tension.

Our shared purposes include mission and evangelism, social justice advocacy for people and the planet, and providing for the financial security of our clergy and institutions. Holding in tandem our missional presence, advocacy commitments, and fiduciary responsibilities is no small task. We need mechanisms in our diverse body for promoting internal coherence that complement our different mandates and experiences. The boards and agencies of our Church need procedures that enhance communication and understanding, respect our differences, and also allow us to constructively challenge one another. Striving toward internal coherence:

We affirm our shared purpose to make disciples of Christ for the transformation of the world and we recognize that the United Methodist boards and agencies fulfill this mission with unique mandates and priorities.

We emphasize our connection. “The outreach of the church springs from the working of the Spirit. As United Methodists, we respond to that working through a connectional polity based upon mutual responsiveness and accountability. Connectional ties bind us together in faith and service in our global witness, enabling faith to become active in love and intensifying our desire for peace and justice in the world.” (*The Book of Discipline*, ¶102)

Internal coherence requires that we frequently engage in conversation with each other. The general secretaries of the general boards of Pension and Health Benefits, Global Ministries, Church and Society, and United Methodist Women are committed to forming a small working group of senior-level staff. The group commits to meet consistently, identify human rights and environmental concerns, and challenge each other to use a multifaceted approach to address the issues. The group intends to include issues related to environmental degradation in its future agenda items, because environmental degradation presents another confounding issue and impacts human rights. This human-rights and environmental-concerns mission and investment group will:

- Identify shared social-responsibility concerns.
 - As the presenting situation for the HRIE TF and as a complex pressing matter from General Conference, Palestine/Israel will be the initial issue that will be addressed.
 - The group will identify a method for agreeing on issues to be considered in the future, including taking account of issues around mission, justice, and investment being discussed by others in the connection.
- Invite broad input from diverse groups through listening sessions, exploring actions, and reviewing relevant resolutions.
- Develop a recommended action plan that includes complementary strategies for boards, agencies, and other interested UMC-affiliated institutions.
- Be responsible for identifying actions required to implement the recommendation and allocating the requisite resources accordingly, for boards that approve the group’s recommendation. The group affirms that the decision to implement any of the group’s recommendations can only be made by boards that will ultimately be held accountable for the results attained by implementing the recommendations.
- Commit to a three-year follow-up and evaluation of the process.

Call to Action

In summary, the HRIE TF commends the guidelines and procedures described in this document. We recognize a rich tradition marked by a commitment to human rights and social justice. We also know that our Church's progress on human rights concerns has required investigation, negotiation, and taking account of many different perspectives. We sometimes disagree about priorities, and we struggle to discern the best course of action given our various perspectives. Thus, rather than asserting a fixed policy, we commend these procedures to enhance external and internal coherence.

The members of the Task Force have learned a good deal from one another and from the materials consulted. The diversity of perspectives and a commitment to inclusiveness has enhanced our discernment process. We have persisted through these differences because of a shared and unwavering commitment to human rights. As people beloved by God and called to share God's love with the world, we must affirm human dignity and relationship, and boldly resist the violation of persons. We hope that this document facilitates our work together and also provokes necessary, difficult conversations. Finally, in keeping with ¶165 of *The Book of Discipline*, "We commit ourselves as a Church to the achievement of a world community that is a fellowship of persons who honestly love one another. We pledge ourselves to seek the meaning of the gospel in all issues that divide people and threaten the growth of world community." (The World Community, ¶165.VI)

Appendices

Appendix A: Human Rights and Investment Ethics Task Force—Members

Appendix B: International Human Rights Frameworks

Appendix C: Toolkit for Human Rights Policy Criteria

Appendix D: Bibliography of Theological-Ethical Resources

Appendix A: Human Rights and Investment Ethics Task Force—Members

Member	Title	Organization
Bishop Ken Carter, Chair	Bishop, Florida Area	Florida Annual Conference
Ms. Geeta B. Aiyer	President and Founder	Boston Common Asset Management, LLC
Ms. Barbara A. Boigegrain	General Secretary	General Board of Pension and Health Benefits
Rev. Dr. Susan Henry-Crowe	General Secretary	General Board of Church and Society
Mr. Samuel Jones	Assistant Director, Human Rights Program	The Carter Center
Mr. Thomas Kemper	General Secretary	General Board of Global Ministries
Dr. Jeffrey Kuan	President	Claremont School of Theology
Dr. Ellen Ott Marshall	Associate Professor of Christian Ethics	Candler School of Theology, Emory University
Ms. Harriett Olson	General Secretary and CEO	United Methodist Women
Rev. Chuck Savage	President/CEO	Georgia United Methodist Foundation
Rev. Dr. Ed Tomlinson	Pastor	Lanier United Methodist Church, Cumming, Georgia
Bishop Hope Morgan Ward	Bishop, Raleigh Area	North Carolina Annual Conference
Mr. Jim Winkler	General Secretary/President	National Council of Churches
Mr. David Zellner	Chief Investment Officer	General Board of Pension and Health Benefits

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Appendix B: International Human Rights Frameworks

UN Guiding Principles on Business and Human Rights

Developed by the Special Representative of the UN Secretary-General on the issue of human rights and transnational corporations, and approved in 2011. Since then, many businesses have incorporated the Guiding Principles into their human rights policies and procedures. This framework is mentioned in the resolution, *Aligning UMC Investments with Resolutions on Israel/Palestine*.

Source: Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework, United Nations Human Rights Office of the High Commissioner, June 2011.

UN Declaration of Human Rights

Adopted by the UN General Assembly in 1948, the declaration was the result of the experience of World War II. With the end of that war, and the creation of the United Nations, the international community vowed to never allow such atrocities to happen again. This declaration is supported in ¶162 of *The Book of Discipline*.

Source: The Universal Declaration of Human Rights, United Nations, December 1948. Found at <http://www.un.org/en/documents/udhr/history.shtml>

UN Global Compact

Launched in 2000, the UN Global Compact is a platform for the development, implementation and disclosure of responsible and sustainable corporate policies and practices. Endorsed by chief executives, it seeks to align business operations and strategies everywhere with 10 universally accepted principles in the areas of human rights, labor, environment, and anticorruption. The Global Compact is supported in Resolution 4071, Investment Ethics.

Source: United Nations Global Compact, United Nations, February 2011. Found at www.unglobalcompact.org

International Labour Organization (ILO) Core Conventions

Founded in 1919, the ILO is the international organization responsible for drawing up and overseeing international labor standards. It is the only 'tripartite' United Nations agency that brings together representatives of governments, employers, and workers to jointly shape policies and programs promoting decent work for all.

Source: Declaration on Fundamental Principles and Rights at Work, International Labour Organization, 1998. Found at <http://ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>

United Methodist Church Documents

The Social Principles of The United Methodist Church

Resolution 4071: Investment Ethics

Aligning UMC Investments with Resolutions on Israel/Palestine

List of Additional Resolutions on Human Rights and Investment Ethics

- Res. 1023: Environmental Justice
- Res. 1024: Environmental Law: The Precautionary Principle
- Res. 1025: Environmental Racism
- Res. 1029: Protection of Water
- Res. 3083: Eradicating Abusive Child Labor
- Res. 3181: New Developments in Genetic Science
- Res. 3262: Housing in the USA
- Res. 4052: Economic Justice for a New Millennium
- Res. 4058: Privatization
- Res. 4060: Global Living Wage
- Res. 4072: Divestment and Sudan
- Res. 4081: Economic Development for Native American People
- Res. 4136: Smithfield Foods, Inc. and Union Organizing
- Res. 6025: Globalization and Its Impact on Human Dignity and Human Rights
- Res. 6082: Democratic Republic of Congo: A New Beginning
- Res. 6084: Liberia
- Res. 6111: Opposition to Israeli Settlements in Palestinian Land
- Res. 6120: West Papua
- Res. 6128: Seeking Peace in Afghanistan
- Res. 6129.III: The United Methodist Church and Peace: The United Nations
- Res. 6129.IV: The United Methodist Church and Peace: World Trade & Economic Development

Excerpts from UMC Investment Policies

Investment Policies and Objectives of the General Board of Church and Society

Approved: June 30, 1996; Revised: May 2002

Statement of Administrative Investment Policy, General Board of Pension and Health Benefits of The United Methodist Church

Issued: March 21, 2003; Revised: December 21, 2011

Investment Guidelines of the General Council on Finance and Administration of The United Methodist Church

Revised: February 17, 2009

Appendix C: Toolkit for Human Rights Policy Criteria

The HRIE Task Force produced this toolkit as a resource to assist in the development of investment guidelines on human rights. It presents a set of discussions that can be used to create a process for managing the organization's investment portfolio.

Policy Options

Utilizing a top-down approach, the organization must first select an overall approach to human rights. Several options are described below.

1. *Broad policy with philosophical underpinnings, allowing for growth and change.*

This type of policy is aspirational in nature. It may be founded on theological principles that require little updating over time. The language reflects the general principles or goals and avoids being overly prescriptive. This policy gives a great deal of latitude, but it may be difficult to determine boundaries in day-to-day decision making.

2. *Broad policy based on pragmatic themes, allowing for flexibility in its application.*

This policy sets high-level goals, but acknowledges practical limitations in application by inserting phrases such as "to the extent possible" or "where feasible."

3. *Policy that is aligned with international norms, e.g., UN Global Compact, UN Guiding Principles on Business and Human Rights.*

This policy includes specific mention of international norms, although the level of adherence is determined by the organization. This policy will likely apply only when assessing companies with an international presence.

4. *Policy that is principles-based and focuses on particular issue areas under Human Rights.*

This policy can be constructed with either positive or negative language ("we seek to invest" or "we will avoid investments") and is based on a specific human-rights concern, e.g., child labor, forced labor, human trafficking, working conditions.

5. *Policy based on geographic areas.*

A geographic policy can be constructed with either positive or negative language and will mention specific areas with human rights sensitivities, e.g., Sudan, Israel/Palestine, China.

Implementation Strategies

After a general policy has been chosen, the organization should determine implementation strategies.

1. *Shareholder engagement only (either directly, outsourced, or through proxy voting).*

No screening of investments is employed, but the organization will use share ownership to engage companies in dialogue. Customized proxy-voting guidelines that reflect the organization's priorities will be adopted. The strategy can be managed in-house or outsourced to a third party, such as an investment manager.

2. *Positive search for superior actors (companies).*

Commonly described as “best-in-class” investing, this strategy seeks to invest in companies that meet a minimum set of criteria. The criteria may be relative or absolute. The organization will often subscribe to a specialized research service (e.g., EIRIS, Sustainalytics, MSCI) or use research provided by a reputable nongovernmental organization to assist in portfolio construction. In this strategy, the Church positions itself to become a positive force—not just to avoid worst companies but to promote human rights.

3. *Avoidance (and divestment).*

Avoiding lowest-ranked companies, if their business practices are not aligned with Church values or if the company exposes the Church to an unacceptable risk. Criteria for exclusion can be relative or absolute. An avoidance strategy may be applied to an industry (e.g., alcohol, tobacco, oil, gas), geography (e.g., country/government actions), company performance and disclosure (e.g., adoption of code of conduct, monitoring, remediation), and/or sensitivity to specific human rights issues (e.g., child labor, forced labor, indigenous people's rights, community relations, bribery, business ethics). This strategy may go so far as to name the criteria for selection, such as UN guidance, US Department of State rankings, Church sensitivity, etc., and decide whether to target all companies or only those considered strategically important.

4. *Alternative investment strategies.*

Encompassing non-equity asset classes and exploring ways to use other forms of capital to achieve investment objectives. Examples include:

- Using private equity placements to provide lower-risk funding in markets with elevated risk profiles;
- Screening sovereign debt of countries that do not meet minimum human-rights criteria;
- Using direct impact or microfinance investments.

5. *Supporting solutions.*

Looking beyond investment to other points of influence that have the ability to influence the investment markets. This includes participating in public policy initiatives, and strategic collaboration with mission-based entities to further the Church's strategic objectives on human rights.

Other Strategy Implementation Considerations

Additional decisions may be made regarding the appropriateness of:

- The level/frequency of reporting to and review by the Church;
- Engaging the services of a research vendor to develop a list of suitable companies;
- Relying on a reputable organization's published list regarding an issue area;
- Modifying an established index by over/underweighting, based on vendor research ratings;
- Devoting staff (or consultant) time to visit, research, create a list;
- Delegating policy implementation to investment managers;
- Developing proxy-voting guidelines that align with the investment philosophy;
- Conducting shareholder engagement through co-leading or leading corporate dialogues;
- Researching the costs of implementation and maintenance; and
- Defining the scope of the policy's application—deciding which asset classes will be affected.

Appendix D: Bibliography of Theological-Ethical Resources

Essays Consulted on Theology and Human Rights.

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