

Just Energy 4 All – United Women of Faith, March 6th, 2024, Notes

Ilka Vega – Director of Economic and Environment Action for UWF

Judy Smith – Fossil Free UMC – divestment movement to reinvest in sustainable energy sources

- put in place a similar screen as for alcohol, tobacco, etc. add “fossil fuels” to the list for General Conference action

Lois Knowlton – also with United Women in Faith effort to pass this measure in GC 2024

- contact our delegates on this matter
- get Wespath to invest fossil free

<https://fossilfreeumc.net/>

Calling The United Methodist Church to Divest from Fossil Fuels

To: The Delegates of 2024 General Conference of the United Methodist Church
The General Board of Pension and Health Benefits of The United Methodist Church “Wespath”
General Council for Finance and Administration of The United Methodist Church
United Methodist aligned Faith Foundations

In Christ’s Name, We Pray:

WHEREAS United Methodists are called to live by our faith commitments: In the context of widespread environmental damage, abuse of people, land, ecosystems, and earth’s climate, we condemn the pursuit of profit at the expense of life, wellbeing, and justice. How we as Christians behave is a witness to our faith. Our lives are a testimony. With continued investment in fossil fuels, we bear false witness against God.

WHEREAS United Methodists are called to ‘do no harm’ and act on faithful conviction: In ceasing to finance the fossil fuel industry and invest instead in healthful community and clean energy, United Methodist investment behaviors will realign with our teachings and liturgies.

WHEREAS United Methodists must not provide moral cover for bad actors: The decades-long strategy of engagement with coal, oil, and gas corporations has not proved to be effective. It has instead allowed faith-laundering, allying us as shareholders with companies that lie about the danger of their products, lobby against climate legislation, and delay a just transition to a clean future.

WHEREAS United Methodists must stop reaping profits that cost millions of lives, destroy homes and communities, and endanger all current and future generations. The world’s children, all future generations, and especially Black, Brown, and Indigenous people have experienced and will continue to experience the ongoing loss of health, livelihoods, and sovereignty even with immediate cessation of fossil fuel pollution.

WHEREAS True engagement is divestment, public policy, and moral action. While corporate shareholder engagement has been shown *not* to bring necessary results, what has been effective is policy engagement and enforcement. True engagement is not in the boardroom. It rises instead from moral voices in prayer, lifting hymns, and demanding just policies for a new era of clean energy.

THEREFORE We ask United Methodists to divest from fossil fuels. We ask the delegates of the 2024 General Conference to pass Petition 20981-GA-9717 amending United Methodist investment screens so as to screen out 'fossil fuels.'

* * *

For a deeper explanation of all of Fossil Free UMC's talking points, go to [Ten Reasons Why the United Methodist Church Should Divest from Fossil Fuels](#), [Ten Reasons for Central Conferences to Support Fossil Fuel Divestment](#), [Ten Reasons for Wespath to Support Fossil Fuel Divestment](#), [Engagement & Divestment](#), [Four Key Points](#), and [Plain Talk: This is what's at Stake](#). See fossilfreeumc.net.

As of December 2023, 1,600 institutions and organizations have chosen divestment. Estimated divested funds total \$41 trillion dollars, with faith-based organizations representing a full 35.7% of that total.

Where your treasure is, there your hearts will be also.

Matthew 6:21

Below find ten reasons to divest—centering the efforts and concerns of Wespath. As United Methodists, we rely on Wespath to invest the gifts of the members and donors of the denomination and its supporters with faithful stewardship. Not just Wespath, but foundations and local congregations across the denomination continue to invest in fossil fuels [despite the stakes](#). This creates a 'robbing Peter to pay Paul' challenge at the expense of the poorest communities on the planet.

Below find 10 reasons for Wespath to divest. Look also at our 10 reasons for the [United Methodist Church](#) and [Central Conferences](#) to seek divestment.

1. We are called to faithful investing.
2. Shareholder advocacy with fossil fuel companies is disproportionate to the magnitude of the climate crisis.
3. Fossil fuel investments have underperformed; they pose a financial risk.
4. The 'Sustainable Economic Framework' is not a ecologically sustainable.
5. Wespath can turn the goal of Net Zero into reality through divestment.
6. Later is too late! Wespath's Transition-Ready Portfolio is not designed to lower emissions now.
7. Other ethical investment screens have not harmed our UMC pension fund.
8. Advocating for plugging methane leaks is commendable, but not enough.
9. Engaging with fossil fuel corporations gives them a veneer of legitimacy.
10. The first shall be last? So many churches have divested—why not the UMC?



Photo by Christian Climate Action, used with permission.

1. We are called to faithful investing.

As United Methodists, we are called to be faithful to God, including in our investments. God's creation is a treasure that has been bequeathed to us and to the whole community of life, yet we invest money in the fossil fuels that wreak havoc on creation through climate change. As a denomination, we can't address climate change with integrity while benefiting from fossil fuel profits. When our denomination and our retirees are dependent on fossil fuel profits, we turn our backs on vulnerable people and places worldwide, now and for generations to come.

If anyone does not receive you or listen to what you have to say, leave that house or town and, once outside it, shake its dust from your feet.

Matthew 10:14

Major coal, oil, and gas companies have demonstrated entrenched resistance to phasing out fossil fuels through [intentionally deceptive lobbying against climate legislation](#). A rapid shift away from a carbon-intensive future won't occur without intense, sustained public pressure. When we continue to invest in the success of these companies, then coal dust, tar sands, and fracking byproducts cling to our feet, and we leave those dirty footprints in our places of ministry all around the world.

"It's clear that while companies are quick to showcase their climate commitments, too many of them are not backing that up with support for positive government policy on climate. Not only are many companies choosing to undermine

their own climate commitments by lobbying against climate action, their net zero commitments are simply not credible."

~Catherine McKenna, CEO of Climate and Nature Solutions, Chair of UN Secretary-General's High-level Expert Group on Net-Zero Commitments, former Canadian Minister of Environment and Climate Change. [Source](#).

Screening out fossil fuel investments means walking away from the companies that are most resistant to addressing the climate challenge and toward those that are working on solutions.

2. Shareholder advocacy is a disproportionate response

Shareholder engagement is a valuable tool that works well in many situations by pushing companies to adopt more just, and sustainable policies for workers, communities, and the world. For example, Wespeth's engagement strategy on climate with energy utility WEC and engine manufacturer Cummins helps drive the transition to a just and sustainable future.

But engagement with fossil fuel companies is a vastly under-proportionate response to the magnitude of the climate crisis. This path prioritizes corporate profits over those whose lives are upended by fossil fuel disasters. We cannot prop up fossil fuel companies, whether publicly traded, privately owned, or government owned, in the face of the breadth of the present and future destruction to humanity and God's beloved earth.

The [International Energy Agency \(IEA\)](#) and the [UN](#) have warned against new fossil fuel projects anywhere in the world. Scientists say [we cannot safely burn the vast majority of fossil fuels still in the ground](#). The deadly effects of climate change require an immediate phaseout of fossil fuels.

Wespath has spent two decades at the table of corporate boardrooms engaging with fossil fuel corporations, including Chevron, Exxon Mobil, and Occidental Petroleum, yet they are among the [20 fossil fuel companies moving ahead with expansion plans totaling \\$932 billion](#) that would push the world past 1.5°C of heating.

Successful engagement with these companies would mean convincing them to cancel new coal, oil, and gas projects and convert to renewables, but Wespath's climate "Engagement Focus Areas" are limited. They include urging fossil fuel companies to improve disclosure, add climate expertise to corporate boards, set strong decarbonization targets, reduce methane emissions, and align corporate lobbying practices with their stated goals.^[1]

Pressuring fossil fuel companies to make small, incremental changes is a disproportionate response to the magnitude of harm caused by climate change. Corporate engagement will not convince fossil fuel corporations to transition away from their primary products: coal, oil, and gas.

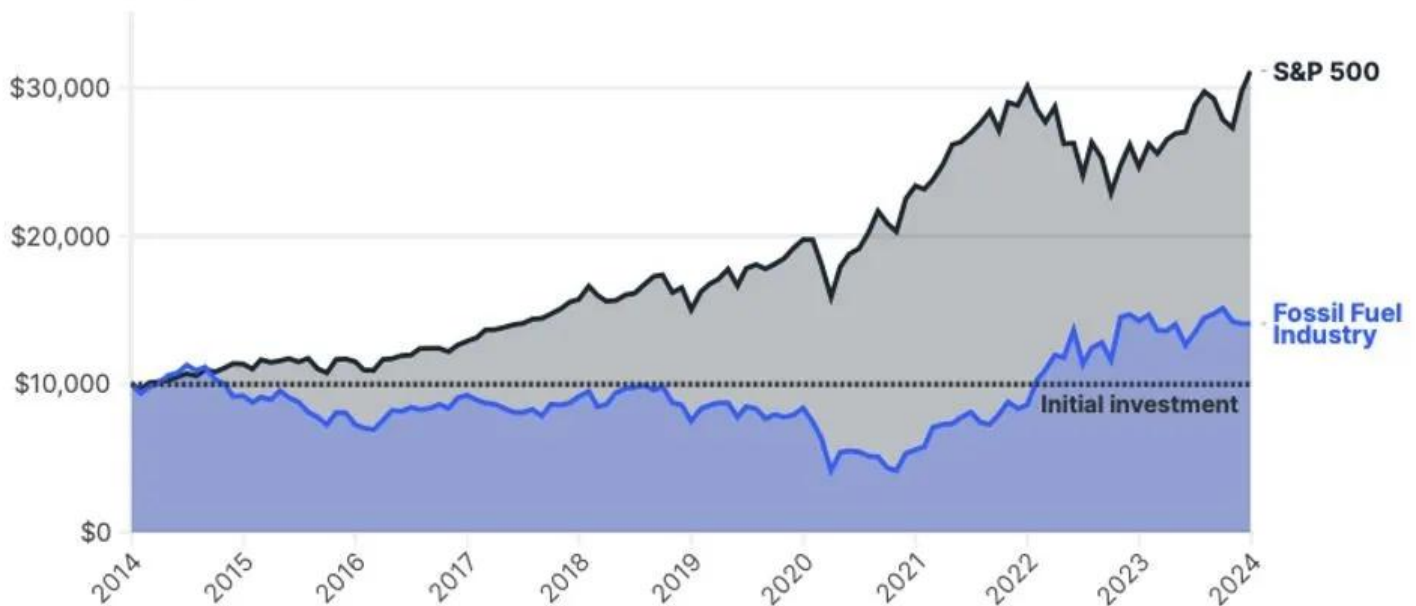


United Methodists gather during General Conference 2016 in Portland, Oregon, for a climate vigil and to call the denomination to protect creation and divest. Photo by Jim Quinn, with permission.

3. Fossil fuel investments have underperformed; They pose a financial risk.

According to a new report from the Institute for Energy Economic and Financial Analysis, [fossil fuel investments have underperformed in the stock market for a decade](#). Fossil fuels are a "volatile and unstable store of wealth," with a "negative long-term financial outlook."^[2] The report notes that "much of the optimism pinned on fossil fuels in recent years has been attached not to their stability, but to their volatility, depending on unpredictable crises and bad actors to deliver [shocks to the system](#). With competition from less volatile and cheaper renewable energy sources growing rapidly, hydrocarbon producers may find it increasingly difficult to offer managed shareholder value." ^[3] Meanwhile, new studies show that [portfolios that avoided investments in fossil fuels had higher returns](#).

Value of \$10,000 invested in 2014



Source: S&P • Rebased total return
Lower line represents the S&P 500 Energy Index

 Institute for Energy Economics
and Financial Analysis

Graph tracks returns from fossil free investments compared to oil and gas. Graph credit: Institute for Energy Economics and Financial Analysis, with permission.

Wespath prefers corporate engagement to divestment, but it does avoid investments that have been excluded on ethical grounds by General Conference. Wespath also excludes investments that pose “[excessive sustainability-related financial risk](#).” In other words, Wespath chooses to exclude certain investments related to climate change or human rights, but only if they pose a financial risk.

“Investing in new fossil fuels infrastructure is moral and economic madness. Such investments will soon be stranded assets — a blot on the landscape and a blight on investment portfolios.”

UN Secretary-General António Guterres. [Source](#).

Using this criterion, Wespath should divest from fossil fuels that accelerate global heating and weather-related disasters. Fossil fuel companies pose the financial risks of volatile and uncertain returns, costs to comply with new regulations, costs for climate litigation, and stranded assets. **Not only will fossil fuel investments harm the climate, the climate will also harm fossil fuel investments.**

In short, [Fossil fuel investments are risky for the climate and for the bottom line](#). We risk

climate chaos leading to social breakdown, collapsing investment returns, or both. Either way, **investing in fossil fuels is a dead end**. It is time for The United Methodist Church to divest from fossil fuels.

4. The ‘Sustainable Economic Framework’ is not ecologically sustainable.

The “three pillars” of Wespath’s Sustainable Economic Framework are long-term prosperity for all, social cohesion, and environmental health: “We believe an economy aligned with these three pillars will develop healthy financial markets and resilient companies, thereby improving overall market outcomes and delivering exceptional investment returns over the long-term.”^[4] This vision sounds good, but business imperatives are often at odds with ecological sustainability.

Climate change makes a mockery of this Sustainable Economic Framework, which exists within a global economic system that creates vast inequality, social disruption, and catastrophic harm to our human family and the community of all creation, even as it generates massive wealth for the relative few. Prioritizing

“exceptional investment returns” above the need for an immediate transition away from fossil fuels signals Wespath’s uncritical acceptance of this system as the only framework for climate action and justifies Wespath staying invested in an industry that threatens life on earth.

Within the current free-market capitalist system, a sustainable economic framework does not guarantee a sustainable ecological framework. **Our investments will be more sustainable in the long run if we take the damage caused by climate change seriously enough to stop contributing to it through our investments.** Divesting from fossil fuels prioritizes our Wesleyan call to “do no harm” in our lives and in our investments by refusing to be held hostage to profits generated by fossil fuels.



Photo by Guarionex Delgado, with permission.

5. Wespath can turn the goal of NetZero into reality through divestment.

Wespath is a member of the Net Zero Owner Alliance (the Alliance), a group of 86 asset owners committed to transitioning their investment portfolios to net zero greenhouse gas emissions by 2050 by encouraging the companies they invest in to decarbonize. The Alliance’s updated protocols take a firm position on fossil fuel financing, urging all members to [end support for fossil fuel](#)

[expansion](#) and to engage with all financial institutions to do the same. It requires Alliance members to “support the phase-out of fossil fuels required by 1.5°C scenarios” and “not to provide new finance to infrastructure assets whose purpose or emissions cannot be aligned with the Alliance net-zero ambitions.”

The problem is that fossil fuel companies that Wespath engage with show no signs of decarbonizing—rather, [they are doubling down on fossil fuels](#). By pressuring them to make minor changes, Wespath justifies its financing of fossil fuel companies without putting meaningful pressure on them to decarbonize.

Wespath is also one of the United Methodist agencies in [the United Methodist Interagency Just and Equitable Net-Zero Coalition](#). The Coalition’s goal is for its members to work toward limiting their greenhouse gas emissions to “net zero” by 2050. Wespath could take strides toward their Net Zero commitment by divesting from fossil fuels. This would reduce Scope 3 emissions, [\[5\]](#) set an example by achieving short term goals, and be a step toward turning the goal of net zero into reality.

**6. Wespath’s Transition-Ready Portfolio is not designed to lower emissions now
Later is too late!**

[Wespath’s Transition-Ready Portfolio \(TRP\)](#) is an investment strategy developed in partnership with [Blackrock](#), a large asset investment manager that is under fire by climate activists [for reneging on its climate commitments and voting against climate-related resolutions](#). In February 2024, [Blackrock pulled out of Climate Action 100+](#), which was launched in 2017 by 225 investors, including Wespath. This is not a good partner for a United Methodist agency.



As activists insist on a livable climate, new legal challenges are rising over what measure of 'sustainable' should show up on annual reports. Companies are caught in [an increasingly politicized debate](#). Without follow-through commitments by companies like Blackrock to stay the course necessary for meaningful emissions reductions, United Methodist money is likely better divested and out of the fray. Photo from 2020, used with permission.

Wespath's TRP is based on the conviction that "there is inefficiency in the market related to the low-carbon transition." It is designed to "maximize the opportunities and minimize the risks of this mispricing."^[6] Wespath's TRP strategy does not exclude fossil fuels companies, but rather "seeks to evaluate both the risks and opportunities associated with investing in these companies." The risks of which Wespath speaks are, of course, financial. Wespath assesses fossil fuel companies "most likely to thrive in a world becoming more reliant on cleaner sources of energy."^[7]

This strategy is not designed to lower carbon emissions now. It assumes that the market will eventually pick up cues and give higher value to companies that are prepared to transition to a low-carbon economy. This could happen, but the market is not neutral. It only picks up on financial cues, not social or environmental cues. Fossil fuel subsidies further distort the market and throw off correct pricing.

[Fossil Fuel Subsidies Surged to Record \\$7 Trillion](#)

**[—a rate of \\$13 million a minute—](#)
in 2022**

IMF Blog

Faith in the market is illusory. A strategy more aligned with our Wesleyan values would be divestment. It would be a loud and clear signal that The United Methodist Church is phasing out its financial support of fossil fuel companies for the sake of God's beloved world.

7. Other ethical investment screens have not harmed our UMC pension fund

As a church-related pension fund, Wespath is responsible to its shareholders, but also to other stakeholders: to churches, communities, our global neighbors, and creation itself.

Because Wespath is an agency of the United Methodist Church, it not only acts as a fiduciary but must also "make a conscious effort to invest... with the goals outlined in the Social Principles," as directed by the Book of Discipline. (P717) Our values help shape our investments. **Adding "fossil fuels" to our investment screens would align our investments with our calls for climate action in the Social Principles.**

The United Methodist Church already has a framework in place for such action. It screens out profitable but unethical investments, including "the production of anti-personnel weapons and armaments (both nuclear and conventional weapons), alcoholic beverages or tobacco; or that are involved in privately operated correctional facilities, gambling, pornography or other forms of exploitative adult entertainment."

These screens have been called for by action of the General Conference and have not resulted in financial harm or significantly diminished returns.

Wespath, as an agency of the United Methodist Church called to make decisions that align with the Social Principles, is held to these standards of ethical exclusion. We must add fossil fuels to our investment screens because they are the primary driver of climate change, outweighing the harm caused by any of our other exclusions except nuclear war.

8. Advocating for plugging methane leaks is commendable, but not enough

Wespath [claims](#) that working to convince fossil fuel corporations to limit methane emissions is “low-hanging fruit” that will benefit both investors and corporations. This involves improving infrastructure throughout the supply chain to reduce methane flaring and leaks. Corporations are encouraged to enact these improvements because leaks are bad for business: “if more [methane] is saved, there is more to sell.” This messaging reflects the market-based values of the dominant culture.

It is true that plugging methane leaks along the supply chain reduces climate-heating industrial methane emissions. However, when burned, methane produces CO₂. If the methane (and money) saved through infrastructure improvements is eventually sold and burned, it still produces greenhouse gas emissions that contribute to climate change.

The United States is the world’s largest gas exporter. [Gas exports from the United States](#) set a record high in 2023. Exports are [expected to more than double by 2027](#).

Wespath points to Chevron as a successful example of shareholder engagement, citing Chevron management’s support for a shareholder resolution to report on its management of methane. Yet Chevron’s [CEO Mike Wirth recently boasted](#), “In 2023, we returned more cash to shareholders and produced more oil and natural gas than any year in the company’s history.”

In addition, infrastructure improvements do not go far enough to protect people in marginalized neighborhoods, communities, and regions that are polluted as methane gas is extracted, transported, or processed. [These “sacrifice zones” are often in Indigenous, black, or brown communities or in formerly colonized countries.](#) The United Methodist Church, which has long advocated for environmental justice, should align itself with these impacted communities by divesting from fossil fuels.



Photo by Guarionex Delgado, with permission.

9. Engaging with fossil fuel corporations gives them a veneer of legitimacy.

Wespath prefers to have a seat at the table as investors in fossil fuel companies and claims that they would be happy to see Wespath divest and stop challenging them to change. The reality is that Chevron, Exxon Mobil, and other fossil fuel corporations gain credibility by having United Methodist institutions at their tables because it gives them greenwashing points. They agree to a few cost-saving and face-saving changes in exchange for a veneer of legitimacy. But Exxon Mobil and Chevron are among the top lobbyists against climate legislation, and Exxon Mobil recently [initiated a lawsuit](#) to prevent shareholders from submitting a resolution on climate.

Wespath has said that divestment takes away the forum for engagement through which to voice concern about climate change and apply pressure for change. Divestment from fossil fuel corporations, however, is a form of corporate engagement. Walking away and shaking the dust from our feet through divestment makes clear that The United Methodist Church no longer aligns itself with intransigent fossil fuel companies that are doubling down on climate-heating products and practices.

Divesting oil-soaked funds and converting them to investments in justly-sourced clean energy is a loud and clear statement, and it meets our United Methodist climate goals far better. Divestment frees up time and energy for

our full investment in and engagement with companies that are aligned with true sustainability goals that lead us into a just and promising clean energy future.

10. The first shall be last? So many churches have divested—why not the UMC? The first shall be last?

The worldwide movement to divest from fossil fuels as a response to climate change has resulted to date in divestment by 1,613 institutions with the combined value of assets of \$40.63 trillion. According to the [Global Fossil Fuel Divestment Database](#), faith-based organizations account for 35 percent of these institutions.

“Today we announce our intention to disinvest from all remaining oil and gas holdings across our equity and debt portfolio, There is a significant misalignment between the long term interests of our pension fund and continued investment in companies seeking short term profit maximisation at the expense of the ambition needed to achieve the goals of the Paris Agreement.”

John Ball, Chief Executive Officer of the [Church of England Pensions Board](#)

Numerous faith-based groups around the world have divested in whole or in part from fossil fuels. These include religious orders, Catholic dioceses, and denominations such as the United Church of Christ, Episcopal Church, Unitarian Universalist Association, Presbyterian Church USA, the United Reformed Church, the Church of England, Quakers in Britain, Baptist Union of Great Britain, AND many more.

[The Methodist Church of Great Britain divested from all fossil fuel companies](#) in 2021. On July 5, 2022, [35 faith institutions from seven countries](#) announced their divestment from fossil fuel companies as a response to the fossil fuel industry’s dangerous expansion plans and increasingly empty rhetoric on climate. The announcement came at an event organized by the World Council of Churches, Operation Noah, Laudato Si’ Movement, Green Anglicans and GreenFaith.

Ironically, The United Methodist Church in its 1980 General Conference resolution on energy policy was the first denomination to link the burning of fossil fuels to what was then called “global warming,” and urged that nations and the church make renewable energy and conservation the main energy priorities. Let’s not be the last to divest.



The Church of Scotland [divested in 2021](#). In doing so it joined the growing ranks of faith-based organizations. Photo by Friends of the Earth Scotland, public domain.

Developed [by Fossil Free UMC](#) in preparation for General Conference. Please also see our general talking points, [Ten Reasons Why The United Methodist Church Should Divest from Fossil Fuels](#). For more talking points regarding Wespeth see: [Plain Talk: This is what's at stake](#) with climate change and [Ten Reasons why the United Methodist Church should divest from fossil fuels](#), especially #3 “To safeguard our investments and legacy” and #5 “To Stop Providing Moral Cover for Bad Actors.” See also [Ten Reasons for Central Conferences to support fossil fuel divestment](#), especially # 6 “Central Conference pastors deserve a stable pension and stable climate and #10 “Aligning United Methodist pension investments with sustainability goals requires divestment from fossil fuels.”

- [\[1\] Sustainable Investment Report, 2021-2022](#), Wespath, page 36,
- [\[2\] “The Financial Case for Fossil Fuel Divestment,”](#) *Institute for Energy Economic and Financial Analysis*.
- [\[3\]“Dumping Oil And Gas Stocks Improves Investment Returns: New Report,”](#) David Vetter, Feb.9, 2024, Forbes.
- [\[4\] Sustainable Investment Report, 2021-2022](#), Wespath, pages 6-7.
- [\[5\]](#) Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain.
- [\[6\] Sustainable Investment Report, 2021-2022](#), Wespath, page 11.
- [\[7\] “Wespath/Blackrock: Low-Carbon Economy Transition-Ready Investment Strategy,”](#) Wespath.