



Wespath

BENEFITS | INVESTMENTS

General Conference — Wespath Priorities

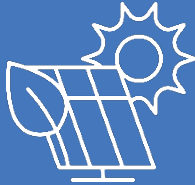
Central Conference Pension Forum
November 2023



Wespath General Conference Priorities



**Benefit plans
legislation**



**717
proposals/
sustainable
investment**



Regionalization

Primary Benefits Proposal



A new retirement plan: Compass

- Seeks to uphold a longstanding value of providing lifetime retirement income
- Does not add long-term liability for annual conferences



What's Different with Compass?

CURRENT PLAN

Hybrid plan: pension
+ account-based

PROPOSED PLAN (Compass)

Account-based
plan only

Other Benefits-Related Legislation

Objective: optimize benefits and sustainability



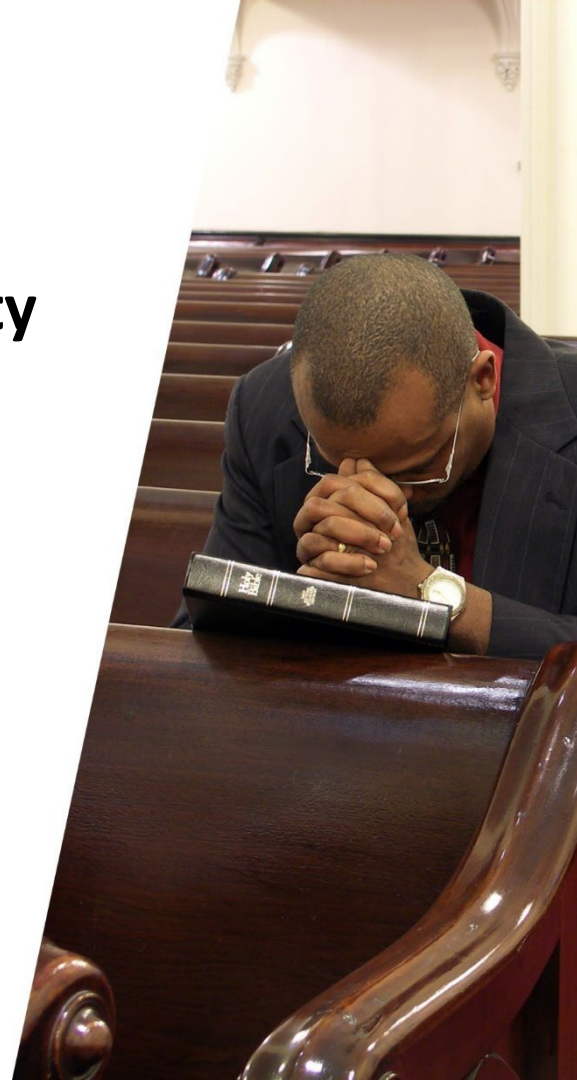
**Plan
Changes**



***Discipline*
Updates**



**Wespath
Services**





Other Top Priorities for General Conference



**Investment
Ethics**



**Wespath
Governance**



¶717: Sustainable and Socially Responsible Investments

Shared concerns,
different approaches

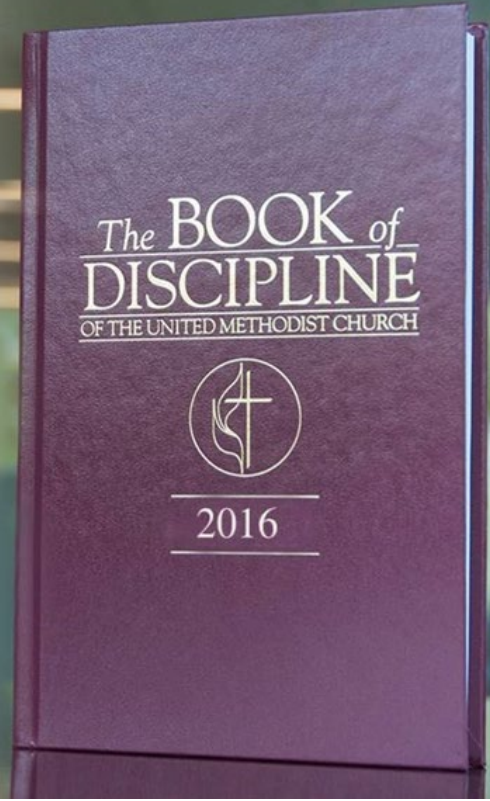
UMC Investment Directives

¶1504.14

“...discharge its fiduciary duties... solely in the interest of the participants and beneficiaries... with care, skill, prudence and diligence...”

¶717

“...make a conscious effort to invest... with the goals outlined in the Social Principles”



Wespath's Investment Approach

Our framework of *Invest—Engage—Avoid* drives our activities.



Invest
in solutions
and impact



Engage
to enact
change



Avoid
risk when
prudent

What Is Engagement?

- Our investments grant us an ownership “stake” in many companies
- This “stake” gives us an “in” with corporate leadership, providing a unique opportunity to effect change from the inside-out
- We can also use our influence as investors to engage others—including governments

Engagement is our seat at the table!



ENGAGE

We engage companies, asset managers, and policymakers, urging them to adopt sustainable practices and policies

¶717 Petitions at General Conference

Shared concern and urgency for environmental well-being, human rights, and caring for creation

Wespath Petition	Non-Wespath Petitions
<ul style="list-style-type: none">• Emphasizes assertive and accountable engagement with fossil fuel companies• Prioritizes “just and equitable” transition to net-zero• Big-picture engagement approach, including with governments	<ol style="list-style-type: none">1) Exclude fossil fuels from all UMC investments2) Exclude government securities of countries conducting prolonged military occupations

Engagement Progress with Oil and Gas Companies



- First oil and gas company to recommend a vote *for* shareholder proposal on methane management
- Passed with 98% support



- First U.S. oil and gas company to commit to **net-zero emissions by 2050**
- Shareholders supported Wespath's **annual climate risk reporting proposal**



- Joined Methane Partnership 2.0 to **quantify & reduce methane emissions**
- Set goal to achieve **zero routine flaring by 2025**



Fossil Fuel Exclusion—Concerns

**Different
fundamentally
from other
exclusions**

**Removes
voice of
accountability**

**Does not
change the
real economy**



Our Hoped-for Outcome: Support for Wespath's ¶717 Petition

- Exclusion is limited.
 - A one-time witness only
 - Does not drive behavior change
 - Removes ability to influence change through engagement
- Engagement, for us, is more effective.
 - Ongoing efforts which yield change
 - Continued Wespath leadership in large coalitions of like-minded investors





Wespath Governance

Amendment of U.S. Clergy Plans

Permit Wespath Board of Directors to amend any U.S. clergy plan *if the change:*



- Does not reduce participant “benefits, rights or features”
- Does not add cost
- Is not prohibited by applicable law or Judicial Council ruling

WHY: Flexibility to amend U.S. clergy plans between General Conferences

- Current amendment authority is limited to changes required by law or the *Discipline*

Wespath's Board of Directors—Smaller

Reduce Board from 32 members to 25

10 members	Elected from U.S. jurisdictions 3 SE, 2 NE, 2 SC, 2 NC, 1 W
2 members	Bishops Elected from Council of Bishops
3 members	Elected by General Conference 2 from U.S., 1 from central conference
10 Members	For specialized knowledge Wespath Board Nominating Committee

WHY:

- **Cost savings**
(travel, administration)
- **Flexible** for changing needs
 - Most UMC general agencies have reduced board sizes in the last decade
 - **Increases specialized knowledge** in benefits, investments, law, etc.



A Christmas Covenant
Our Gift of Hope

A graphic featuring a bright sunburst with rays of light emanating from the center, set against a background of orange and yellow clouds. The text "A Christmas Covenant" and "Our Gift of Hope" is overlaid on the graphic in a bold, black font.

An Equitable Structure of Global Regionalism

Regionalization Proposals

Why a U.S. Regional Conference?



EFFICIENCY

- Much General Conference time and resources spent on matters **not relevant to the entire Connection**
- Many petitions pertain largely or only to the U.S.



CONSISTENCY

- Central conferences can amend the *Discipline* for their contexts
- No current venue exists for U.S.-specific matters

Wespath's Interest

- Enact benefit plans by the bodies to which they apply
- U.S. clergy plans depend on U.S. laws and tax codes
- An international body should not be burdened with benefit plans that apply only to the U.S.

Options for Regional Governance

1

U.S. Regional Conference: Connectional Table

- Wespath assisted Connectional Table with development
- Addresses only U.S. UMC
- Two-stage proposal
 - General Conference committee
 - U.S. Regional Conference

2

“Christmas Covenant”: Cavite Philippines Conference

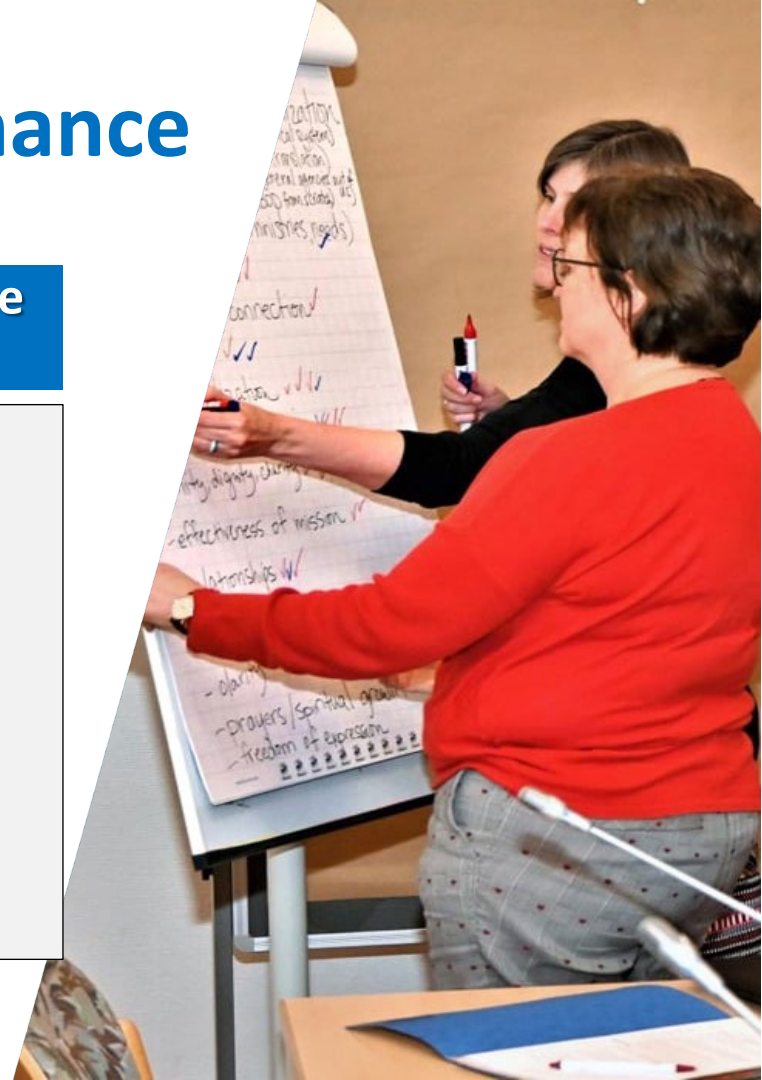
- Regional conferences throughout the worldwide UMC
 - Central conferences become regional conferences
 - New U.S. regional conference
- More Disciplinary changes and constitutional amendments

Options for Regional Governance

3

Standing Committee on Central Conference Matters and Connectional Table

- Developed by joint task force, five members from each body
- Seeks to combine U.S. Regional Conference and Christmas Covenant
- Approved by both bodies
- Standing Committee on Central Conference Matters submitted petitions



Connect with Wespath!

General Conference Webpage



wespath.org/GC2020

Social media



Facebook
[facebook.com/
Wespath](https://facebook.com/Wespath)



Instagram
[instagram.com/
Wespathbi](https://instagram.com/Wespathbi)



X (Twitter)
[twitter.com/
Wespath](https://twitter.com/Wespath)



Wespath

BENEFITS | INVESTMENTS

