Central Finance Board
of the Methodist Church

Alcohol related companies

1. Preamble: Biblical Tradition

1.1 Biblical teaching recognises the dual nature of alcohol: its capacity not only to give pleasure, but also to cause harm.

1.2 The Bible's teaching on alcohol would seem to indicate a consistent theme that the production and consumption of wine in moderation is a good, rather than a bad, thing.

1.3 However, there are also clear warnings against alcohol misuse including excessive drinking, that may encourage ills such as violence or promiscuity.

1.4 The biblical approach to alcohol therefore is one which embraces the paradox of alcohol being a gift from God to be consumed and enjoyed, whilst recognising that when used inappropriately it can cause great damage and harm. Emphasis is therefore placed on: the need for self control and the responsibility we bear to one another in relation to its use

1.5 This gives rise to the argument that products or locations which actively encourage heavy drinking and the consequent loss of self control that may accompany it, are unacceptable.

2. Precedents

2.1 The 1999 Position Paper '*Investment in Alcohol Related Companies*' reached two key conclusions deriving from Biblical teaching and the teachings of John Wesley:

- that alcohol was not a bad thing in itself;
- but that it was crucial to consider the ways in which it was used.

2.2 It also stated that there had been two important precedents:

- the CFB had divested from a food retailer on ethical grounds when the proportion of its sales from alcohol rose above 20%;
- a transport group was placed under review when alcohol sales were believed to be approaching 20%, but the holding was retained.

2.3 The CFB *Policy on Alcohol Related Companies* published in March 2002, stated that the CFB would:

- consider involvement in spirits and 'alcopops' more negatively than beer and wine;
- continue to avoid investment in companies with a significant exposure to the production and sale of alcohol;
- continue to avoid companies which control licensed premises whose commercial success is mainly linked to increased (volume) drinking. Investment in hotel chains or restaurants where alcohol is provided as an ancillary function to the main business should not be ruled out on this ground alone.

3. *A revised CFB position on alcohol*

A revised Position Paper published in November 2012, recognized that since the CFB articulated its ethical investment policy on alcohol in 2002, much has changed, principally

3.1 trends in consumption away from traditional licensed premises towards pre-loading and vertical drinking establishments;

3.2 the emergence of the major food retailers as the main location for consumers to buy alcohol and where it is often sold below cost price as a 'loss leader';

3.3 the significant increase in the alcoholic content of wine, and the growth in consumption of premium beers with a consequent increase in alcohol consumed per measure. The previous distinction between spirits/'alcopops' and beers/wines, though still relevant, may have become less significant;

3.4 the cost to society in terms of violence, crime and the health consequences of excessive alcohol consumption has continued to grow;

3.5 the impact of alcohol on children is of particular, and growing, concern;

3.6 the failure of producers and retailers adequately to accept their own complicity in, or attempt to curb, the worst excesses of alcohol consumption via the policing of sales or via pricing and health awareness campaigns;

3.7 There is an increased need for proactive engagement with those companies that have a significant, but not major, exposure to alcohol

4. *Policy Statement*

The CFB has adopted this revised Policy on investment in alcohol:

4.1 The CFB will continue to avoid investment in companies on the grounds of its exposure to the production and sale of alcohol;

4.2 The CFB will continue to avoid companies which control licensed premises whose commercial success is mainly linked to increased or excessive 'volume' drinking;

4.3 Previous CFB decisions to disinvest from companies with material exposure to alcohol remain important precedents;

4.4 Exposure to alcohol is not considered in isolation from other product lines which raise ethical concerns, such as tobacco, pornography and gambling;

4.5 The CFB will continue to be increasingly concerned with maintaining an investment in a company whose exposure to alcohol is material and growing;

4.6 Where applicable, companies exposed to high alcohol content products such as spirits, liqueurs and premium beers will be looked on less favourably than those involved with wine and beer with lower alcohol content;

4.7 Investment in hotels or restaurants where alcohol is served as an ancillary activity may be viewed as generally acceptable, whilst public houses, off-licenses and licensed bars where it is the primary activity, may not;

4.8 Engagement with large food retailers for whom alcohol is a significant, but not major, part of the business, is particularly required to ensure the criteria below are satisfactorily observed;

4.9 Products, such as 'alcopops', designed to encourage drinking by the young, under-aged and vulnerable are to be discouraged;

4.10 The CFB will continue to focus its proactive engagement with companies on business behaviour and responsible drinking practices, particularly:

- Supporting public and industry health awareness campaigns
- Supporting responsible drinking and awareness
- Ensuring advertising and marketing, including labelling, meets regulatory and responsibility 'best practice'
- Retailing alcohol in a responsible way that does not encourage excessive consumption
- Not targeting sales, advertising and offers at the young, under-aged or vulnerable

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