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Executive pay is a moral issue say Church investors

Report suggests theological backing for voting on company pay

“We have long expressed our objection to the natural injustice of many company pay policies by voting against significant numbers of them. Now we have firm theological foundations to support our stance on this issue of morality” said Bill Seddon, Chief Executive of the Central Finance Board of the Methodist Church. His comments were made at the launch of the Church Investors Group report, *The Ethics of Executive Remuneration: a Guide for Christian Investors*.

The report (www.churchinvestorsgroup.org.uk) was commissioned in response to the growing public concern at excessive pay awarded to many senior corporate executives. Despite comments on pay by church leaders, there was little theological backing for an ethical position on executive pay. Consequently, the Church Investors Group, which has representatives from a range of Church denominations in the UK and Ireland, commissioned leading theologians, Rev Dr Richard Higginson and Professor David Clough, to provide a specifically Christian contribution to public debate on the issue and to guide its own members. Individual denominations will now consider the report within their own governance structures.

John Cunningham, Financial secretary of the Roman Catholic Diocese of Plymouth and CIG Chair, stated; “This report will help bring theological insight into an area with which financial regulation alone is not equipped to deal. We hope that it will provide an accessible resource to help companies grapple with a problem threatening to alienate senior executives from the rest of society.”

Roger Short, trustee of the Baptist Missionary Society Pension Fund and CIG Steering Group member said “I am pleased that the report emphasised that concern for the poor should be the biggest concern for Church Investors. The call to narrow the growing differential between the highest and lowest paid employees is welcome.”

Bill Seddon added “Engagement with companies on pay will be given renewed impetus by this clear exposition of the ethical challenges surrounding pay. We will certainly press for simpler and more transparent remuneration policies and discourage those that incentivise high-risk behaviour.”

The report is being posted on 16 March to the heads of the various Church denominations; the Chairs of FTSE 100 companies; the leaders of the main political parties and the Chair of the FSA.

For further information:

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[Notes for editors - see next page](#)

Notes for editors

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The Church Investors Group represents many mainstream Church denominations and organisations in Britain and Ireland. Each member has its own investment policy but members work together on issues of common concern. It has 37 members with combined assets of around £12 billion. It has four key aims:

- to encourage the formulation of investment policies based on Christian ethical principles;
- to assist each other in putting such policies into practice;
- to encourage responsible business practices through engagement with company managements;
- to share information and views on ethical matters related to investment.

Membership is open to investment or trustee bodies representing the charitable and pension funds of denominations, dioceses (or their equivalent), religious orders and Christian-based charities

Members of the CIG include:

The Dominican Council	URC Trust
Congregation of Jesus Charitable Trust	USPG
Diocese of Hallam	Diocese of Plymouth
Society of Catholic Medical Missionaries	BMS World Mission
Diocese of Birmingham	Diocese of Southwark
Servite Friars	URC Ministers' Pension Trust
Diocese of Arundel & Brighton	Joseph Rowntree Charitable Trust
CIG South Africa	Methodist Ministers' Pension Scheme
Catholic Trust of England & Wales	Trustees for Roman Catholic Purposes (SJ)
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Christian Aid	The Church of Scotland Investors Trust
Diocese of Middlesbrough	The Salvation Army
Methodist Church in Ireland	The Baptist Union of Great Britain
The William Leech Foundation Limited	CFB Methodist Church

Further information is available on the website (www.churchinvestorsgroup.org.uk)