



The Church of England and fossil fuel divestment

What is fossil fuel divestment?





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EXECUTIVE SUMMARY

Amidst a depressing era in the race against climate change—with killer fires and titanic storms, political stalemate and corporate greenwashing—the fossil fuel divestment movement is a source for tremendous optimism.

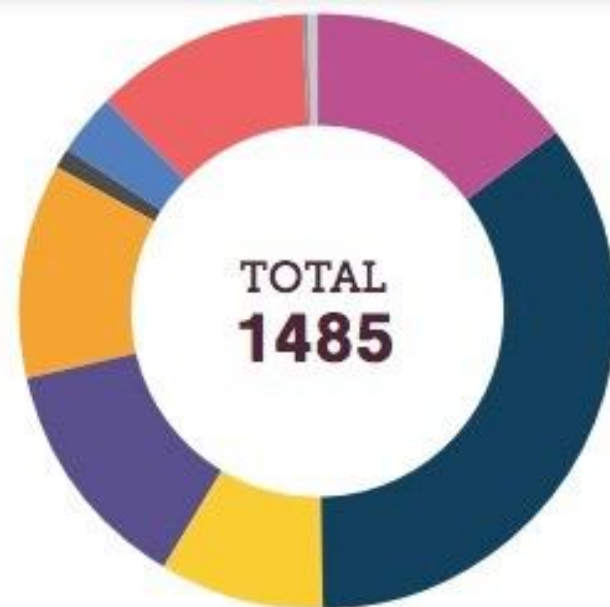
Ten years in, the divestment movement has grown to become a major global influence on energy policy. There are now **1,485** institutions publicly committed to at least some form of fossil fuel divestment, representing an enormous **\$39.2 trillion of assets under management**. That's as if the two biggest economies in the world, the United States and China, combined, chose to divest from fossil fuels.

A BROADER AND DEEPER MOVEMENT

While the overall growth of the movement is clear by the growing number of commitments, the depth and breadth of the movement has also expanded.

There are now institutions committed to fossil fuel divestment in 71 countries, up from the 37 recorded in the movement's most recent report from 2018.²² In 2014, only 22 percent of divesting institutions were based outside of the U.S. But by 2021, that has climbed to 69 percent, signifying the globalization of the movement.²³ The diversity of institutions and their average size has also grown, and now includes more and more high-profile institutions. Large insurance companies, pension funds, and universities with massive endowments have driven the biggest increases in assets under management committed to divestment, while faith and philanthropic institutions have driven the largest increases in the number of commitments in recent years.

The philanthropic sector has stepped up its commitments significantly. The Divest-Invest Philanthropy coalition first launched in January 2014 with 17 foundations, holding combined assets of nearly \$2 billion, publicly committing to both divest from all fossil fuels and invest at least 5 percent of their portfolio in climate solutions. As of October 2021, there are 192 foundations and family funds with assets over \$125 billion committed to divestment in some form.



DIVESTMENT BY SECTORS

Fossil fuel divest-invest commitments by
type of institution

Faith-based Organization	521
Educational Institution	220
Philanthropic Foundation	192
Government	166
Pension Fund	164
For Profit Corporation	132
NGO	51
Healthcare Institution	17
Other	5
Cultural Institution	4

Source: Global Divestment Commitments Database

What's the problem with fossil fuels?



Fossil fuels literally fuel the climate crisis. As we burn oil, gas and coal, carbon is released into the atmosphere. Carbon emissions amplify the ‘greenhouse effect’ which warms the planet.

The dangerous warming we’re seeing is ‘unequivocally’ the result of human activity, as stated by the Intergovernmental Panel on Climate Change. These planet-warming activities – namely, the burning of fossil fuels – produce more **wildfires, flooding, sea-level rise, droughts and other climate disasters.**



But don't we need fossil fuels?

In 2021, the International Energy Agency (IEA) announced the world has more than enough oil and gas already – more than we can even afford to safely burn as we make the global transition to renewable energy – and that **all new oil/gas developments must be stopped.**



The Intergovernmental Panel on Climate Change (IPCC) has said that for the world to limit global warming to 1.5°C, and thus avoid the worst impacts of the climate crisis, **carbon emissions must be halved by the end of this decade.**

But what about the price of energy?

- ❑ **New oil and gas projects will only worsen the energy problem in the UK**, which is over-reliant on gas. More fossil fuel-drilling won't lower household bills, as even UK Business Minister Greg Hands has admitted ("It's the global price [of gas] that sets the UK price").
- ❑ **To lower energy bills, the government needs to redirect new investment into more affordable, domestically-produced renewables and better insulation** for British homes. It's now cheaper to generate electricity from renewables than it is from gas.



Oil companies planning to increase fossil fuel production

Oil company 'ambitions'



Reality

Plans to increase oil and gas production

'We will also sell more gas...'

Shell website: *'What is Shell's net carbon footprint ambition?'*



No indication of shifting away from fossil fuels

Between 2009 and 2020, none of the four companies generated renewable energy on a scale that would "indicate a shift away from fossil fuels", despite all showing a significant increase in references to "climate change", "transition", "emissions" and "low carbon energy" in their annual reporting.

According to the research, ExxonMobil generated no electricity from clean energy sources between 2009 and 2020. Chevron generated just 65.5 megawatts.

Of the four, BP generated the most with around 2,000 megawatts, or "the equivalent of around two large gas-fired power-plants", the researchers said.

In energy equivalent terms, this pales in comparison to the 2 million or more barrels per day each company produced on average during the study period.



Cat's Powering Progress | #MakeTheFuture



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‘Even more worrying is the continued search for new fossil fuel reserves, whereas the Paris Agreement clearly urged keeping most fossil fuels underground...Civilisation requires energy, but energy use must not destroy civilisation!’

Pope Francis to oil company executives in the Vatican, 9 June 2018

Major oil companies lobbying against climate action

Oil companies



‘Committed to... Paris Agreement’

Reality

Lobbying against climate action

Five oil majors:
\$200m per year to block,
control and delay climate
policies

Guardian, March 2019



7 Jul 2021

Revealed: Fossil fuel companies lobby UK government for gas 'compromise' ahead of COP26

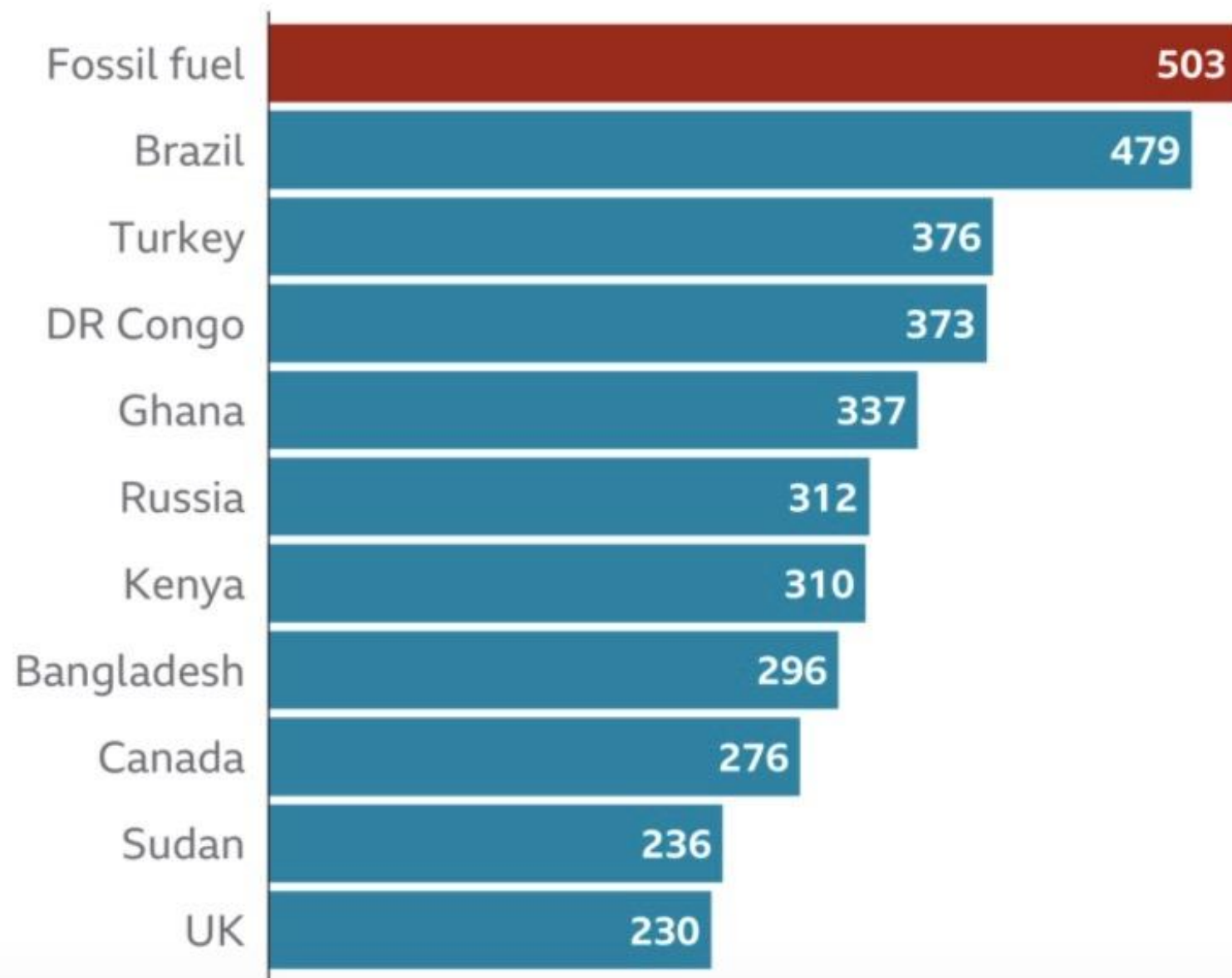


Siobhan Kennedy

Washington Correspondent

Some of the world's largest fossil fuel companies have lobbied the UK government to support a gas "compromise" ahead of the COP26 UN conference, Channel 4 News can reveal.

COP26 delegates associated with fossil fuel industries outnumber national delegations



Expenditure on fossil fuels vs renewables

Oil companies



Reality

Oil companies planned to spend an average of 3% of capital expenditure on low carbon projects in 2019

InfluenceMap

[Climate](#) > [News](#)

BP is planning to drill for fossil gas on edge of world's largest cold-water coral reef

Exclusive: Oil giant's plan to drill off west coast of Africa could raise the risk of biodiversity loss, further global heating and toxic fuel spills, an investigation reveals



STOP FUELLING
THE CLIMATE CRISIS

Daisy Dunne Climate Correspondent | @daisydunnesci | Monday 21 June 2021 16:23 | 70 comments



GLOBAL DIVESTMENT ANNOUNCEMENT

“Fossil fuel companies are seeing Africa as the next frontier for gas and oil exploration. Land rights are being ignored, scarce water supplies are threatened with pollution, environmental protection laws are flaunted and political destabilization is being caused. When we see our sisters and brothers divest from fossil fuels, it gives us hope that this new age of exploitation may yet be halted.



REVD DR RACHEL MASH
ENVIRONMENTAL COORDINATOR
OF THE ANGLICAN CHURCH OF SOUTHERN AFRICA (GREEN ANGLICANS)

GLOBAL DIVESTMENT ANNOUNCEMENT

“ Fossil fuel investments increase climate change and impacts on those most vulnerable, and also destabilise communities. We plead with the international community - take your money out of fossil fuels and invest in renewable energy which is decentralised, benefits local people and does not contribute to climate change.

RT REVD ERNESTO MANUEL
ANGLICAN BISHOP OF NAMPULA IN NORTHERN MOZAMBIQUE



Financial risk of fossil fuel investments

CHURCH TIMES

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Church fossil-fuel holdings are sold to the sound of no trumpets

by JOE WARE
10 JULY 2020



9
JUL
2020

Church of England fund managed by CCLA exits from fossil fuel investments

One of the Church of England's three National Investing Bodies, which is managed by investment management company CCLA, has recently sold its last remaining shares in fossil fuel companies.

CCLA, whose CBF funds manage investments on behalf of most Church of England dioceses and many local CofE churches, said it had dropped its investments in oil giants Shell and Total for financial reasons earlier this year.



Divestment works!

‘Some groups are pressuring certain investors to divest their investments in fossil fuel companies.

If this were to continue, it could have a material adverse effect on the price of our securities and our ability to access equity capital markets...’

Shell annual report, 2018



German researchers find divestment works in first empirical study

RESPONSIBLE INVESTING

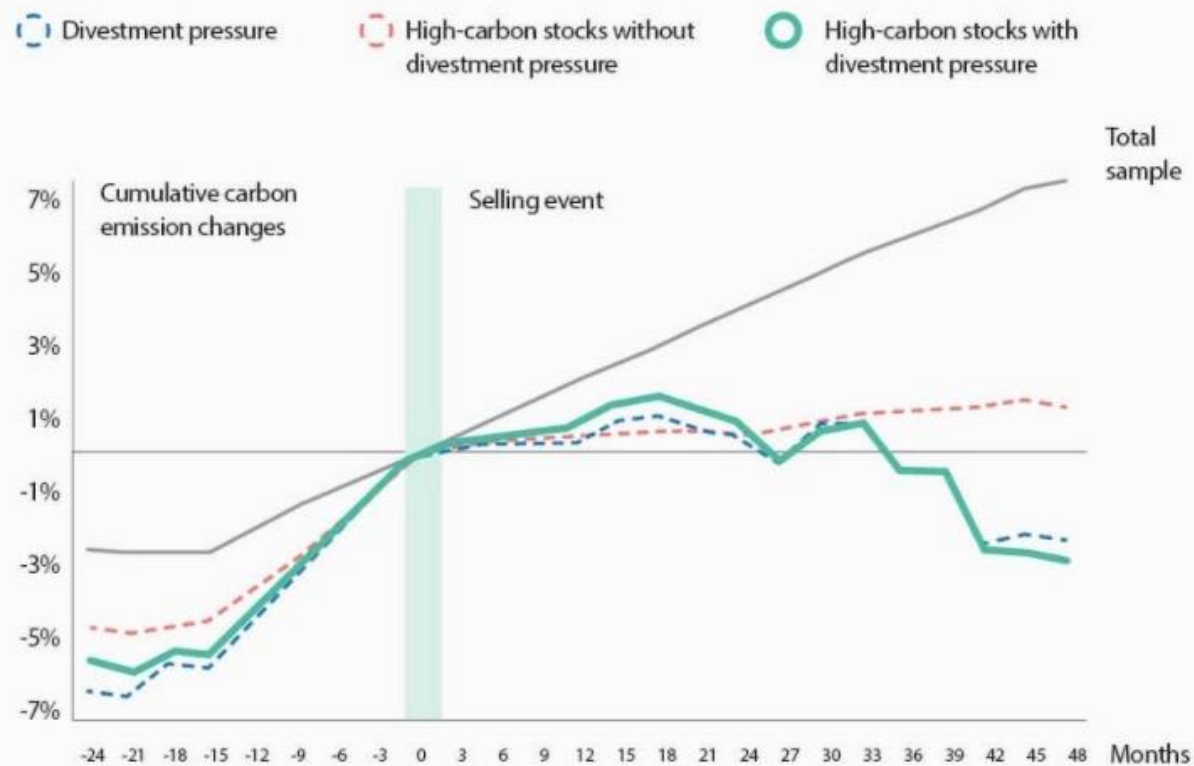
Divesting works: Study finds ditching fossil stocks lowers corporate footprints

Researchers have found that divestment isn't just chipping away at the fossil fuel sector's social capital

BY RICK SPENCE
FEBRUARY 9, 2022



Impacts of divestment on high-carbon stocks



Research from the University of Augsburg found that over a four-year period, divested firms reduced their carbon emissions, while non-divested firm emissions grew by 10%.

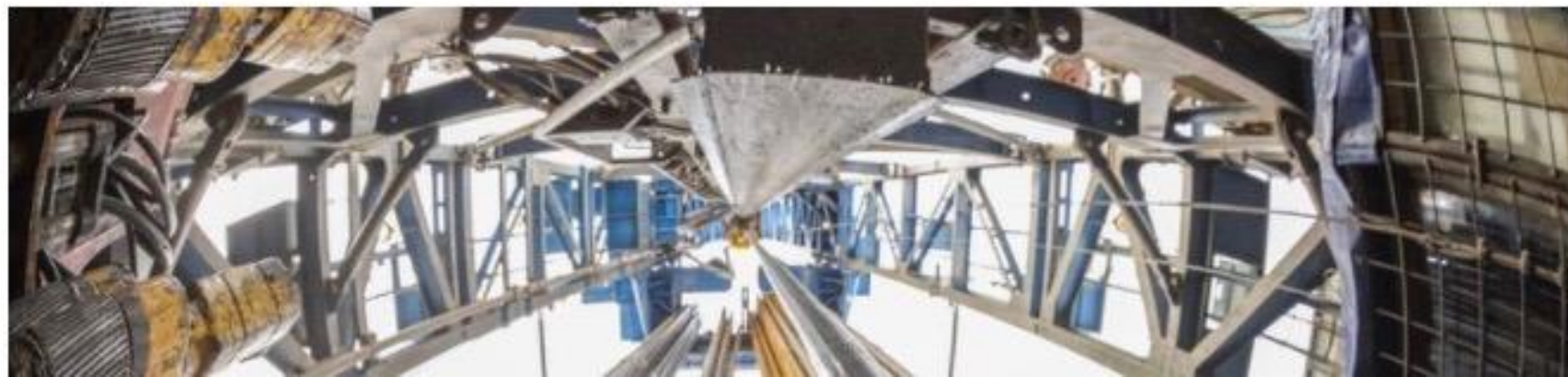
Finance

Cost of Capital Spikes for Fossil-Fuel Producers

Ten years ago, developing oil and gas projects was about the same as renewable endeavors. Not anymore.

By [Tim Quinson](#) [+Sign Up](#)

9 November 2021, 09:53 GMT



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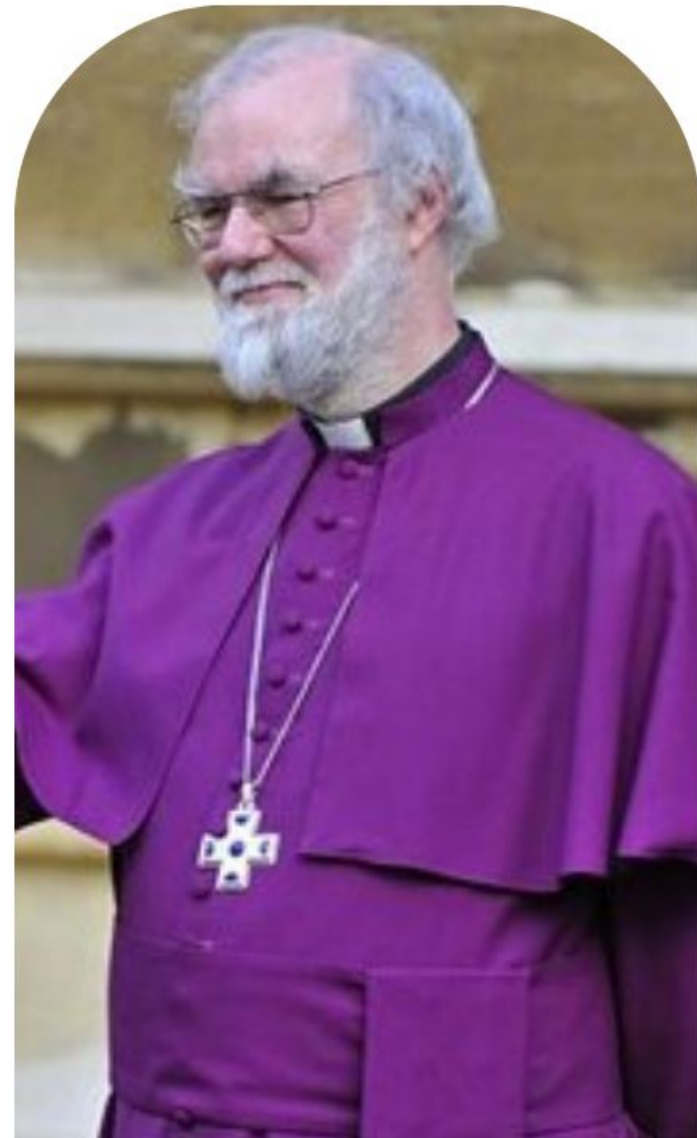


Divestment works!

‘We won’t run out of oil and gas resources, but we could run out of funding to develop them.’

John Ardill, VP of Exploration, ExxonMobil, 2022

“Divestment will send a positive and hopeful message to the people of this country - and to those in vulnerable communities across the globe.”



**RT REVD DR ROWAN WILLIAMS
FORMER ARCHBISHOP OF CANTERBURY**



Faith-motivated. Science-informed. Hope-inspired.

Methodist Church divests from fossil fuels



Climate Capital Oil & Gas industry

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Methodist Church dumps Shell over 'inadequate' climate plans

Investor discord over oil major's decarbonisation strategy ahead of crucial shareholder vote

United Reformed Church votes for divestment





FULL DIVESTMENT FROM FOSSIL FUELS

Quakers in Britain - 2013

Church of Ireland - 2018

United Reformed Church - 2019

Methodist Church - 2021

Church of Scotland - 2021*

Church in Wales - 2021

Baptist Union - 2021

Catholic Church: 9 out of 22 dioceses in England & Wales - 2022

Church of England: 11 out of 42 dioceses - 2022

Presbyterian Church of Wales - 2021

Presbyterian Church of Ireland - 2021

Scottish Catholic Bishops' Conference - 2021

All 8 Catholic dioceses in Scotland - 2021

Scottish Episcopal Church - 2022

COAL AND TAR SANDS DIVESTMENT

Church of England - 2015

*Church of Scotland: Restrictions placed on future investment in oil and gas companies.

UK CHURCH DIVESTMENT



Faith-motivated. Science-informed. Hope-inspired.



Church of England: still invested in fossil fuels

Two of the Church of England's three national investment bodies – the Church Commissioners and Pensions Board – collectively have **approximately £55 million invested in fossil fuels**.

Some individual Church of England dioceses also still have fossil fuel investments. In fact, **only 10 of 42 Church of England dioceses have divested from fossil fuels and made a formal commitment never to invest in fossil fuels in the future**.

11

FULL DIVESTMENT COMMITMENT:

Birmingham	Bristol	Durham	Leicester
Newcastle	Oxford	Norwich	
Sodor and Man	Truro	Winchester	Worcester

19

NO FOSSIL FUEL INVESTMENTS / NO DIVESTMENT COMMITMENT YET:

Bath and Wells	Chelmsford	Gloucester	Portsmouth
Blackburn	Coventry	Leeds	Salisbury
Canterbury	Derby	Lincoln	Sheffield
Carlisle	Europe	Liverpool	St Edmundsbury
Chester	Exeter	Manchester	and Ipswich

CHURCH OF ENGLAND DIVESTMENT BY DIOCESES

12 STILL INVESTING IN FOSSIL FUEL COMPANIES:

Chichester	Lichfield	Southwark
Ely	London	Southwell and Nottingham
Guildford	Peterborough	St Albans
Hereford	Rochester	York

Divest Your Church or Diocese



While many individual CofE churches and dioceses do *not* have fossil fuel investments, **Church of England churches and dioceses can still make a resolution never to invest in fossil fuels** and join the divestment movement! It's also worth looking into who you bank with, and whether your bank funds fossil fuel projects.

CofE churches have joined Global Divestment Announcements and we're inviting churches and dioceses yet to make a formal commitment to **join an upcoming Global Divestment Announcement.**

72 FAITH INSTITUTIONS DIVEST

RECORD NUMBER OF FAITH INSTITUTIONS DIVEST FROM FOSSIL FUELS
IN GLOBAL DIVESTMENT ANNOUNCEMENT AHEAD OF COP26



**LAUDATO SI'
MOVEMENT**
formerly Global Catholic Climate Movement



**OPERATION
NOAH**

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**World Council
of Churches**



Green Anglicans
Anglican Church of Southern Africa Environmental Network

greenfaith



2 NOV
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JOIN THE NEXT
**GLOBAL
DIVESTMENT
ANNOUNCEMENT
AHEAD OF COP27**



**LAUDATO SI'
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**OPERATION
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**World Council
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greenfaith



Thank you!

