

CHURCH INVESTMENT IN CLIMATE SOLUTIONS

Across the world, people are experiencing the increasingly severe impacts of the climate emergency - with those in marginalised communities who have done the least to cause it the most affected.

Europe is currently experiencing its worst drought in at least 500 years. In England and Wales, reservoirs are at their lowest level for this time of year since modern records began. The time for action is now.

Most UK Churches have now made commitments to divest from fossil fuel companies. As well as divesting from fossil fuel producers, it is vital for Churches to increase investment in climate solutions such as renewable energy and energy efficiency, which reduce the demand for fossil fuels.



Impact investing describes investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.

Reasons for Churches and faith institutions to invest in climate solutions:

- 1. Investment in climate solutions**, such as renewable energy, battery storage and energy efficiency, **is urgently needed in order to cut the demand for fossil fuels** and thus reduce carbon emissions.
- 2. Many of the solutions to the climate crisis exist and the costs of clean technologies are falling rapidly.** Renewable energy is cheaper than fossil fuels: according to Carbon Brief, UK offshore wind was eight times cheaper than gas in July.
- 3. Global investment in renewable energy needs to treble to at least \$4 trillion a year until 2030** to allow us to reach net-zero emissions by 2050. According to the UN, investment in renewables creates three times more jobs than fossil fuels.
- 4. The Church can act justly and prophetically by investing in climate solutions and help to bring about a fair and fast transition from fossil fuels to clean energy.** By leading the way in this area it sends a strong message to other major investors and the wider financial ecosystem about the need for urgent action. It can also inspire other investors to do the same.
- 5. Churches can make good returns from investments in climate solutions.** The International Energy Agency (IEA) and Imperial College Business School found in a 2021 report that across all portfolios, renewable energy investments had generated higher returns than fossil fuels over a 10-year period. The volatility of renewable energy investments was also lower than fossil fuels in the global and advanced economies' portfolios.

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How to encourage your Church, diocese or faith institution to invest in climate solutions:

1. Learn more about the issues by visiting Operation Noah's Bright Now website (www.brightnow.org.uk), where you can find case studies, resources and webinars.
2. Read and share Operation Noah's report on Church investment in climate solutions and join the launch webinar on Tuesday 22 November. Sign up to the Operation Noah newsletter for updates and opportunities to get involved.
3. Write to your Church leaders (bishops and equivalents) and those responsible for finance and investments in your faith institution to ask whether they are already investing in climate solutions and encourage more investment in this area.

You do not need to be a financial expert in order to engage with your Church on these issues!

Diocese of Truro case study

The Diocese of Truro (CofE) reviewed its investment portfolio in 2020, which was aligned with the ethical investment policy of the CofE's Ethical Investment Advisory Group. The Investment Committee wanted to go further in response to the Church of England's 2030 net zero target. As a first step, the diocese decided to no longer invest in fossil fuel companies.

The diocese initially sold £1 million of investments with one of its existing fund managers and reinvested these funds across three infrastructure companies/funds, which included onshore and offshore wind, Solar PV and battery storage. In early 2021, it invested an additional £0.75m in three new companies focused on renewable energy.

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The answer lies in renewables – for climate action, for energy security, and for providing clean electricity to the hundreds of millions of people who currently lack it. Renewables are a triple win.

Antonio Guterres Secretary-General of the United Nations



For more information on how you can get involved:

Contact Julia Corcoran (Bright Now Campaign Manager at Operation Noah) on julia.corcoran@operationnoah.org to learn more and keep us updated on progress in your Church or faith institution.