

Theological Reflections on Climate Change and Divestment

Bruce Gregersen
bgregersen@united-church.ca

Summary

The General Secretary of General Council requested a briefing paper on theological issues surrounding climate change and divestment from fossil fuel companies. What is offered is an overview of key issues and concepts for use as background material by committees and commissioners to General Council 42.

The reality of climate change and global warming has been widely accepted by a large majority of climate scientists. Estimates for an increase in global temperature ranging from 2 to 4 degrees C have the potential to severely impact the global environment. The burning of fossil fuels is understood to be a major factor in this potential increase in temperature. Staying at the lower limit of temperature increase will require significant reductions in carbon emissions. Divestment from fossil fuel companies is proposed as one mechanism to signal the irresponsible behaviour of companies that continue to search for and expand their reserves of fossil fuels well beyond what can ultimately be consumed.

Churches throughout the world have initiated various actions in support of transitions away from fossil fuels. Theological reflections on these initiatives point to the connection between climate change and the belief in economic growth as necessary for human welfare. The changes that will be required mean a profound conversion to seeing humanity as intimately connected to all of creation. In this context the most significant meaning of theology is a truth telling about God's world and humanity's place within it.

Because fossil fuel companies have different practices, an approach that involves identifying best practices is suggested as a possible alternative to universal divestment.

1. Introduction

This paper assumes the reality of anthropocentric climate change and accepts the assessments of the Intergovernmental Panel on Climate Change (IPCC) including those found in the Synthesis Report (the final section of the Fifth Assessment Report) released in December 2014. While there is significant publicity given to climate change denial and those who argue that the work of the IPCC is manipulated and inaccurate; an overwhelming body of scientific consensus has supported the assessments of the IPCC, the reality of climate change and its potential impact on the world.

2. What Is Theology?

The classic definition of theology is faith seeking understanding. Making sense of our faith, especially in the midst of increasingly secularism, is an important task. But faith itself is always embodied and lived out in a particular time and context. So also is theology.

Another way of thinking about theology is as truth telling. To speak of God is to speak of God's purposes and actions in creation, history and relationship. Theology therefore is about the world and God. The prophets were theologians who told the truth of their time. Modern day prophets as theologians include the confessing church of Germany in the time of the Nazis. We'll return to this specific example later, but at that time there was no greater responsibility for the church then to tell the truth of what was happening. Worship, also is about truth telling. It is why in its fullest form, worship includes confession, the proclamation of the Word and communion. Each in its own way reflects truth telling about our world, ourselves and our community.

From this connection of theology with truth telling, a simple process of ethical decision making that has emerged from Catholic social teaching is SEE JUDGE ACT. SEE. What is happening in the world, why it is happening, and who is being affected? JUDGE. Ask what this reality says about our values, faith, beliefs and what we think should be happening. And ACT. What needs to be changed? What action will we take?

3. Fossil Fuel Divestment Movement

The fossil fuel divestment movement began in 2010 in Swarthmore College in Pennsylvania, as a campaign to divest the school's endowments from coal mining. It has expanded from a small number of US colleges to over 500 campaigns globally, urging churches, cities, pension funds and other institutions to divest from all fossil fuel related companies.

A leader in the campaign is Bill McKibben (an active member of the United Methodist Church who links his faith with his environmental consciousness) and his 350.org organization. McKibben's 2012 article in Rolling Stone outlined three key numbers that have been widely accepted as the foundational arguments of the divestment movement:

2° Celsius. The Copenhagen Accord (2009), in spite of its widespread assumption of failure, formally recognized the scientific view that the increase in global temperature should be below two degrees Celsius over pre-industrial times, and that "deep cuts in global emissions are required..." The current global temperature rise is now estimated at .08°. Significant debate exists about whether the 2° limit is too high with some climate scientists believing that even this level is a "prescription for long-term disaster." Many scientists currently believe that the 2° goal is unachievable and the potential exists for global temperature increases of a much higher level.

565 Gigatons. Scientists estimate that humans can release roughly 565 more gigatons of carbon dioxide into the atmosphere by midcentury and still have some reasonable hope of staying below two degrees. Computer models calculate however that even if CO₂ emissions stopped now, the temperature would likely still rise another 0.8 degrees, as

previously released carbon continues to overheat the atmosphere. That means we're already three-quarters of the way to the two-degree threshold.

2,795 Gigatons. The number describes the amount of carbon already contained in the proven coal and oil and gas reserves of the fossil-fuel companies, and the country owned and operated reserves. It is the fossil fuel we're currently planning to burn. McKibben's central point is that this number is five times higher than 565.

McKibben argues therefore, that there is five times as much oil and coal and gas on the books as climate scientists think is safe to burn. But this coal and gas and oil is figured into share prices, companies borrow money against it, nations are basing their budgets on the presumed returns. It is also why the fossil-fuel companies have fought so hard to prevent the regulation of carbon emissions, those reserves are their primary asset, the holding that gives their companies their value. Of critical concern as well, is the intention of these companies to continue to explore and develop new reserves, well beyond the current 2,795 gigatons already available in known reserves.

McKibben further argues that initiatives that have been used “have so far produced only gradual, halting shifts. A rapid, transformative change would require building a movement and movements require enemies... what all these climate numbers make painfully, usefully clear is that the planet does indeed have an enemy – one far more committed to action than governments or individuals. Given this hard math, we need to view the fossil-fuel industry in a new light. It has become a rogue industry, reckless like no other force on Earth. It is Public Enemy Number One to the survival of our planetary civilization. ‘Lots of companies do rotten things in the course of their business – pay terrible wages, make people work in sweatshops – and we pressure them to change those practices,’ says veteran anti-corporate leader Naomi Klein... But these numbers make clear that with the fossil-fuel industry, wrecking the planet is their business model. It's what they do.”

The International Energy Agency (IEA) in its World Energy Outlook of 2012 published a slightly lower figure of fossil fuel reserves that would have to be left in the ground to achieve the 2°C goal, estimating that no more than one-third of proven reserves of fossil fuels can be consumed prior to 2050 unless carbon capture and storage technology is widely deployed.

The IPCC (2013) found that to hold warming to a maximum of 2°C, total emissions cannot exceed 1,000 gigatons (one trillion tons) of carbon from pre-industrial levels. Yet by 2011, more than half of that total “allowance” – 531 gigatons – had already been emitted. Other key findings in the report included:

- Atmospheric concentrations of carbon dioxide, methane and nitrous oxide are now at levels “unprecedented in at least the last 800,000 years.”
- Global temperatures are likely to rise by 0.3C to 4.8C by the end of the century depending on how much governments control carbon emissions.
- Sea levels are expected to rise a further 26-82cm (10-32in) by 2100. The wide variation in part reflects the difficulty scientists still have in predicting sea level rises.
- The oceans have acidified, having absorbed about a third of the carbon dioxide emitted.

A recent study (2015) by Christophe McGlade and Paul Ekins, University College London's Institute for Sustainable Resources argues that 82 percent of today's reserves must be left underground to avoid 5°C of global warming. The study estimates that 35 percent of the world's oil reserves, 52 percent of its gas reserves and 88 percent of its coal reserves must be left underground. (If methods of carbon capture and sequestration are implemented to limit the amount of CO₂ released in the atmosphere, this will only slightly help (33 percent, 49 percent and 82 percent, respectively).

Increasingly scientists warn that four degrees is the future the world is heading into. The IEA reports that current emission levels are on course for an increase in global temperature of 4°. In 2012 the World Bank produced a report entitled "Why a 4° Warmer World Must be Avoided." Said Dr. Jim Yong Kim, President of the World Bank: "all our work, all our thinking, is designed with the threat of a 4°C world in mind." One senior climate scientist said that it is hard to find any scientist who considers four degrees "as anything other than catastrophic for both human society and ecosystems."

The World Bank study found that 4°C global warming would push some countries or regions to the brink of collapse. "A 4°C world is likely to be one in which communities, cities and countries would experience severe disruptions, damage and dislocation... All regions of the world would suffer, but the poor will suffer the most", and "There is no certainty that adaptation to a 4°C world is possible."

Regardless of the differences in estimates of what proportion of fossil fuel reserves must remain unused, significant and unexpected voices are supporting the reality that a large proportion of fossil fuel reserves must remain in the ground. Mark Carney, Governor of the Bank of England warned recently that the "vast majority of reserves are unburnable." The President of the World Bank Jim Yong Kim recently said to the Davos Forum, "It's simple self-interest. Every company, investor and bank that screens new and existing investments for climate risk is simply being pragmatic" Hank Paulson, secretary of the Treasury under George W. Bush; "Each of us must recognise that the risks are personal. We've seen and felt the costs of underestimating the financial bubble. Let's not ignore the climate bubble."

The focus on divestment acknowledges that there is continuity between the wellhead (exploration, development and production of fossil fuels) and the tailpipe (combustion and emissions.) The crisis the world is facing requires policy interventions at both ends and at all stages of the system. The focus on emissions (cap and trade, carbon pricing etc.) has been the major focus in government interventions. The focus on divestment is on the wellhead, on beginning a movement to restrict the access to fossil fuels that cannot in the end be developed and used without destroying the planet.

4. Moral Arguments for Divestment

The arguments for divestment are both moral and financial. The moral argument sees divestment from fossil fuels consistent with earlier campaigns around tobacco, arms industry, apartheid South Africa, and even slavery.

Divestment has a long history in religious based activism. GreenFaith, a US based interfaith environmental action group, outlines three general reasons for divestment action: responding to intentional, grave, large-scale harm, responding to intractable resistance, and redefining society's moral code. The traditional social screens used in ethical investment decisions such as tobacco and arms are now widely accepted, rarely controversial and their application not seen to violate the fiduciary responsibility of pension boards and other investment trusts. However their initial development and application was complex. Fossil fuels provide a similar challenge. Yet they are also a more complex issue because of the widespread benefit that modern civilization has received from their development. However, the critical juncture is clarity that continued expansion of the use of fossil fuels will result in "intentional, large-scale, systematic, and grave (global) harm."

Generally, GreenFaith suggests, religious communities consider divestment only as a last resort, believing that the priority must be given to efforts of dialogue, shareholder actions and legislative and regulatory change. Holding shares allows for shareholder resolutions and other actions which have in the past worked to change harmful corporate behavior. However, GreenFaith notes, shareholder dialogues and resolutions have been underway for over 20 years and fossil fuel companies have shown little willingness to change. Many companies lobby against regulation of carbon emissions and some companies have funded activities designed to discredit scientific research. Fossil fuel companies are governed by market pressures, fiduciary concerns and short term returns. Exxon, for example, has just responded to a shareholders resolution reaffirming its intention to develop and market all of its reserves. Fossil fuel companies will therefore carry on business as usual unless something intervenes. Much of this corporate resistance to regulatory action seems similar to those of tobacco companies of the last century.

Ultimately, the processes and public engagement involved in divestment is a way of delegitimizing the companies or governments involved in the activity being challenged. In other words, divestment isn't just about religious investors maintaining integrity, nor is it simply to walk away from an industry's unwillingness to change practices. It is finally a way of sending a clear message that the behavior involved is unacceptable. It involves therefore what has traditionally been seen as shaming as part of a process of changing social norms. For example, the South African divestment campaign of the 1980s forced leaders to defend why it was acceptable for their institutions to profit from apartheid. Most saw apartheid as wrong if not evil, but argued that divestment would hurt black South Africans, that it would have little effect, or that fiduciary responsibilities prevented them from taking action. These arguments soon unraveled. In the end, what made the difference in the divestment campaign was the change in public opinion that made it unacceptable and damaging to a company's reputation to benefit from apartheid. While the ending of apartheid was a result of many factors, leaders such as Desmond Tutu have argued that the campaign against apartheid could not have succeeded without the widespread support of boycott and divestment campaigns.

In summary, it is argued that divestment is the only action that can firmly repudiate the unsustainable and destructive practices of the fossil fuel industry.

5. Financial Arguments for Divestment

Christiana Figueres, the Executive Secretary of the UN Framework Convention on Climate Change, has argued that “divestment may be a question of morality, but it is prudent too.” As an alumni of Swathmore College (above) she wrote to the college in support of the faculty and student led divestment campaign arguing that continued investments in fossil fuels is a “breach of fiduciary duty.” (Swarthmore College Board of Directors announced in May 2015 its decision not to divest from fossil fuel related companies.) Fiduciary concerns related to fossil fuel investments involve at least two main issues, concern for stranded assets, and the impact of divestment campaigns themselves.

Stranded Assets

If fossil fuel companies cannot, for the sake of the planet, be allowed to extract or develop a large proportion of the assets they own (Mark Carney: they are “unburnable”), then those assets will in time become valueless. Fiduciary responsibility for those managing endowments, pension funds and investment funds would entail divesting from these companies before the bubble bursts.

World Bank President Jim Yong Kim, in a press conference following the World Economic Forum in Davos (January 2013), said:

“This is the year to take action on climate change. There are no more excuses. If we fail, our children and grandchildren will ask us why we didn’t act when it was still possible to do so. We need leaders who are not thinking about short-term returns or election cycles. We need leaders who are thinking foremost about taking care of the most vulnerable in this generation and the generations ahead. The good news is that there is action we all can take to turn economies around so they’re investing in what is clean and healthy and there are innovations that will bring future growth, jobs and competitiveness.

Through policy reforms, we can divest and tax that which we don’t want, the carbon that threatens development gains over the last 20 years. We called for a phase-out of harmful fossil fuel subsidies... the so-called “long-term investors” must recognize their fiduciary responsibility to future pension holders who will be affected by the decisions made today. Corporate leaders should not wait to act until market signals are right and national investment policies are in place... Rethink what fiduciary responsibility means in this changing world.”

One of the recent institutions to divest from fossil fuels is the Rockefeller Brothers fund, the philanthropic fund of the heirs of the American family dynasty built on oil.

Impact of Divestment Campaigns

A study from the University of Oxford compared the current fossil fuel divestment campaign to those against tobacco, apartheid, armaments, gambling and pornography and concludes that the direct financial impact of such campaigns on share prices or the ability to raise funds is small but the reputational damage can still have major financial consequences.

Stigmatisation, or shaming, in other words poses a far-reaching threat to fossil fuel companies far beyond the financial impacts divestment itself.

The report, part of a new research program on stranded assets, found that even if the maximum possible capital was divested by university endowments and public pension funds, “the total would be relatively small compared to the market capitalisation of traded fossil fuel companies and the size of state-owned enterprises.”

However, the report concludes: “The outcome of the stigmatisation process, which the fossil fuel divestment campaign has now triggered, poses the most far-reaching threat to fossil fuel companies and the vast energy value chain.”

Analysing previous campaigns, the researchers found examples of stigmatised companies being shunned by governments and being barred from public contracts or acquiring licences. “Stigma attached to merely one small area of a large company may threaten sales across the board.” The report also found instances when customers, suppliers and potential employees were scared off by stigma and where stigma had led shareholders to demand changes in the management of companies.

There are compelling arguments for divestment from fossil fuel companies from a fiduciary perspective, whether it is concern over stranded assets or the impact of the divestment campaigns themselves. However, to make a decision for divestment solely on the basis of maximizing financial returns seems ethically questionable given the stakes of climate change.

6. Shareholder Action

There have been a number of recent shareholder actions addressing climate change and major fossil fuel companies. A shareholder resolution to Exxon requested information “on the company’s strategy to address the risk of stranded assets presented by global climate change, including analysis of long and short term financial and operational risks to the company.” In a March 2015 statement in response, Exxon stated its assumptions that all of its present reserves along with substantial future investments will be needed to address global energy needs. The statement effectively says that the company does not think that policies to address global warming constitute a risk to the company’s profitability, because global policy makers are not going to enact strict emissions limits before 2040.

Royal Dutch Shell, in contrast to Exxon, has decided to join more than 70 other companies in signing onto a non-binding document known as the “Trillion Ton Communique.” This document puts the signatories on the record as advocating for the development of ambitious greenhouse gas emissions reduction targets and timelines to bring global greenhouse gas emissions to “net zero” by the end of the century.

This was accompanied with Shell backing a shareholder resolution coordinated by ShareAction. The resolution, filed also with BP, and recently adopted by both companies, calls on Shell and BP to transparently stress-test their business models against the requirement to limit global warming to 2°C; reform their bonus systems so they no longer reward climate-harming activities; commit to reduce emissions and invest in renewable

energy and disclose how their public policy plans align with climate change mitigation and risk.

A senior executive of Shell wrote to shareholders in January supporting the resolution and saying, “We look forward to implementing the resolution should it be passed at the AGM.” The proposal passed with 98% support of the shareholders on May 19th.

“This is a huge victory for the climate, which demonstrates the power of positive shareholder engagement,” “We view Shell’s decision as a potential turning point in investor engagement with the industry on carbon asset risk,” were comments made by leaders of the shareholder action groups. It was also however noted that Shell has just announced it would proceed with drilling in the Alaskan Artic, one of the highest cost and highest risk projects on its books.

Following the outcome of this resolution will be important in any final decisions on divestment.

The different responses of Exxon and Shell point to investment strategies dependent on the specific actions of fossil fuel companies to climate change. This was behind a motion passed by the United Church of Christ in 2013 for proposing investment only in “best practice” companies.

GreenFaith notes that the energy provided by fossil fuels has benefited society and will be needed for years to come in the transitions to a different energy future. Because of this, it differs from divestment campaigns for example against apartheid and tobacco. GreenFaith therefore proposes three criteria for continuing investment in a fossil fuel company.

The first is repudiate denial. Companies should acknowledge scientific consensus, repudiate scientifically disreputable scepticism and commit to end funding to sceptic organizations. They should also widely publicize (similar to tobacco warnings) that fossil fuel use causes climate change.

The second is to become part of the solution. They should commit to reduce carbon emissions from their products consistent with the goal of a maximum of 2°C global warming. Companies should set interim targets and report on their progress through third party verified analysis.

Finally, fossil fuel companies should make restitution. One suggestion is to commit 1% of their gross annual revenue for a period of several decades to help the most vulnerable of countries adapt to a hotter, less stable world. Fossil fuel companies are the wealthiest companies in the world because they have not had to incorporate the cost of carbon emissions into their business models. It is now time for restitution to the most vulnerable peoples of the world, who now bear the cost of these emissions.

7. Theological Issues in Climate Change

There are a significant number of areas within Christian theology that warrant consideration in their relation to climate change. What is God concerned about? What is the purpose of the

church in the face of environmental devastation? Does it make a difference if the environmental crisis is really a spiritual crisis? Is there an eternal hope for creation separate from humanity? What place do non-human creatures occupy in God's plan for creation or for salvation? Is there a hierarchy in God's love for creation? Where are the lines between political and spiritual issues? How much can or should the church risk to be faithful to its beliefs? It is not possible to address all of these questions and many others, but there is one question that must be considered, "What does it mean to be truthful in this time?"

Michael Northcott, one of a number of theologians writing about the intersection of theology and climate change (*A Moral Climate: The Ethics of Global Warming; Systematic Theology and Climate Change*) writes:

"For the Hebrews and Greeks and early Christians, if the earth shows signs of stress, if the land loses its fertility, if the oceans flood the land, the prophets and sages of these ancient cultures read such events as indicative of something awry in the relations between creature and creator, between the rich and the poor. By contrast, most modern interpretations of the evidence that the earth's climate is changing focus exclusively on the material origins of global warming in the history and imperious spread of industrial civilization." (*A Moral Climate*)

There is, of course, an unmistakable connection between climate change and our industrial civilization, its foundations in the market economy and the requirement of continuous growth. Northcott argues, along with Naomi Klein (*This Changes Everything*), that global warming is the earth's judgement on the global market empire. The World Council of Churches says that it represents a radical challenge to the belief that progress defined as economic growth is inextricably connected to the welfare of humanity. The potential damage and loss that climate change presents does change everything we believe to be possible about our modern world. In this sense those opposed to the reality of climate change because they see it as a threat to the current economic order are right. The changes required are much more than reducing fossil fuel emissions or finding more renewable sources of energy.

Climate change denial is therefore not hard to understand. There are those who believe that it will be possible to find a technical fix to the problem without undercutting the industrial society as we know it. Adaptation, for some, is the more logical path to follow; to delay taking action on carbon emissions for as long as possible until it is clear whether or not the harms are real. Some argue that climate warming is not caused by human based carbon emissions at all, that it is part of larger variations of climate cycles. For example, some argue that volcanoes put far more carbon emissions into the atmosphere than human emissions (scientifically untrue, volcanoes contribute about 2% yearly of human based carbon emissions.)

Christians also play a significant part in denial. There are those for example who believe that God's promises to Noah following the flood mean that humans will have or will be given the technological power to pull the climate back from disaster. In other words God, they believe will act to save humanity. At the source of many of these religious beliefs are theological claims that humans have been given dominion over all of creation, and that therefore God will not allow the planet to run out of control until the appointed time of judgement.

Perhaps the hardest truth for the church to speak is that God will not miraculously save our world apart from our willingness to choose a different path. By choosing wrongly we can and do have the potential to end our existence on this planet. What we do now will make a difference in the future survival of humanity.

What is clear, and this is at the heart of Northcott's and other theologians judgement of our time, is that we humans are now the strongest biological force on earth, but we are "strangers on earth" increasingly alienated from the earth and our fellow creatures.

Therefore not only do we have the potential to end our existence, we can and in fact are now destroying other species. A distinctive task for the church in addressing climate change is therefore speaking truthfully about of the place of humanity in relation to all of creation; that God has a relationship with creation separate from humanity. That all of creation is included in God's purposes.

The significance of reimagining the place of humans within creation can be tested in our consciousness by the question raised by John Cobb, a process theologian: "If humanity were to wipe itself out, could creation still be called good?"

Or in a test of biblical scholarship: What or who is the crown of creation?

The biblical witness is that it is not humans, Northcott writes, rather it is Sabbath rest. It is the Sabbath that links humanity to the "rest" of creation, leaving fields fallow to allow for their recovery, the restitution of land, the jubilee years. (A Moral Climate.)

Sallie McFague, another theologian with deep connections in the United Church, points to another aspect of truth telling. She has challenged traditional theology for decades with her invitation to see the world metaphorically as God's body. Her theological tradition places humanity in radical relationship with God and with all of creation. She writes (A New Climate for Theology) that:

"What climate change is telling us loud and clear is that the days of radical individualism and its consumer culture are over; it is time to return to the roots of religion and the roots of life: we are, all of us, in this together." "We must," she says, "undergo the deepest of all conversions, the conversion from egocentrism to theocentrism, a conversion to what we truly are: reflections of God as is everything in creation. The only difference between us and the rest of creation is that the others reflect God, tell of God, simply by being, whereas we must will it to be so. We must desire to be what we truly are – made in the image of God, and thus ably to live justly and sustainably on the earth with all other creatures."

This then brings us to the central question of truth telling, does climate change now present us with a "confessional time?" Tim Goringe in 2011, was one of the first, but not the only theologian to ask whether the church's response to climate change goes to the heart of our faith, or is simply something over which we can politely agree to disagree.

The phrase "confessional time" or more formally a "status confessionis" has a distinct meaning in Christian theology. In the 1930s the term was used to describe the Barmen

declaration which a large number of pastors signed, many at the risk of their lives, to declare their confessional stance against the idolatry of Nazism and in opposition to the established church of the day which supported Hitler. From that central defining example of the modern era, the term has periodically emerged to speak to various challenges of faith. The only other widely accepted use occurred however in the late 1970s in the widespread declaration of apartheid in South Africa as a heresy.

Gorringer suggests that there are three main components of a confessional stance. The first is that it is in response to an emergency that touches the very heart of what it means to be church. Second, it represents a decision that the time for free debate and discussion is over, and that the church, if it is going to be the church, has to take a stand. And third, that it begins with a call to the church for confession and repentance.

Clearly, such a stance is not something to be decided by individuals writing briefing papers, nor even denominations acting on their own. Such a declaration belongs to a wider consensus and usually only in retrospect. But the starting point of such reflection is always found in its beginning stages in discussions such as this.

At the very least, it invites the question of whether action on climate change has the potential to be a defining moment of truth telling for the church.

8. An Overview of Church Positions and Related Statements

A wide range of church responses to divestment campaigns can be noted over the last few years, with some key decisions in support of divestment emerging only in the last few months.

The World Council of Churches this year revised its ethical investment criteria for its general funds to exclude fossil fuel companies.

An influential group of bishops and archbishops of the global Anglican Communion have called on Anglican churches to remove their investments from the fossil fuel companies that are driving climate change. In a declaration and set of requests aimed at focusing the church's attention on the "unprecedented climate crisis," the 17 bishops and archbishops said investments in fossil fuel companies were incompatible with a just and sustainable future.

"We call for a review of our churches' investment practices with a view to supporting environmental sustainability and justice by divesting from industries involved primarily in the extraction or distribution of fossil fuels."

The Church of England (The Church Commissioners and The Church Pension Board), with one of the largest investment portfolios of any religious body in the world, has recently (May 2015) decided to no longer invest in any company that gets more than 10 percent of its revenues from the extraction of thermal coal or from the production of oil from oil sands.

The Church of Sweden has announced that its investments are now fossil free. Spokespersons for the church have offered the following rationale:

“As a responsible investor we look upon ourselves as owners of the companies we invest in. We do not want to own, and thereby fund, the extraction of fossil fuels. Instead we want to own and fund companies that stand for solutions. Furthermore we see a financial risk in owning fossil fuel companies. Their value consists to a large extent of fossil fuel reserves that risk losing in value, since they cannot be extracted if we are to have a liveable planet.” ... “If you are serious about the climate as an important issue, you can’t work with climate justice and at the same time have investments pushing development in the opposite direction. This is why it’s important that churches and faith communities allow their words to translate into action in order to turn development in a more sustainable direction. For us, divestment is given. The next step is to direct investments that build the new sustainable society.”

Eighty theological and religious leaders have recently released a statement in support of fossil fuel divestment. From the document:

“Our religious traditions share values regarding the ethical use of financial resources. In the past, our communities have decided that profiting from certain economic activities is incompatible with our faiths. When an industry continually, over years, causes massive harm while intractably resisting calls for change, faith communities have moved beyond education, engagement and advocacy to divestment. In recent decades, faith groups have taken this approach in response to the tobacco industry and to apartheid South Africa. These efforts made a meaningful difference. They helped, rightly, to delegitimize corporate and governmental regimes whose actions were profoundly destructive. Because of the grave threat of climate change and the fossil fuel sector’s unyielding refusal to change, it is no longer right for religious groups to profit from companies that, with certainty, are creating ecological destruction and human suffering on such a titanic scale.”

The United Church of Christ (US) in 2013 dealt with proposals to divest from fossil fuel companies. The adopted resolution called for enhanced shareholder engagement in fossil fuel companies, an intensive search for fossil fuel-free investment vehicles and the identification of “best in class” fossil fuel companies by General Synod 2015. By June 2018, a plan would be prepared to divest UCC funds in any fossil-fuel company, except for those identified as “best in class.”

Katharine Jefferts Schori, presiding bishop of the Episcopal Church (USA) has said climate change is a moral imperative akin to that of the civil rights movement and is already a threat to the livelihoods and survival of people in the developing world. She attaches moral implications to climate denial, suggesting those who reject the underlying science of climate change were turning their backs on God’s gift of knowledge. A number of dioceses are pressing for divestment, and will bring the issue to a vote at the church’s annual convention this summer. Jefferts Schori herself is on record of opposing fossil fuel divestment. “If you divest you lose any direct ability to influence the course of a corporation’s behavior.”

The Pension Fund of United Methodist church, the third largest denomination in the US, has divested from coal companies.

The Methodist Church (UK) Central Finance Board, in response to a major report on the theological context of climate change adopted in 2011 (Hope in God's Future) recently issued a position paper on the ethical implications of climate change for investment practices. In summary, the document proposes that fossil fuel investments be analyzed according to their impacts on climate change, and their compatibility with the Board's policy on climate change. The report notes, "It is likely that the use of greenhouse gas intensive forms of energy such as thermal coal and (oil) sands will be inconsistent with this policy well before other fossil fuels will be."

In June 2015, Pope Francis issued a rare papal encyclical on the subject of climate change and human ecology. It will be followed by an address to the UN general assembly in September. Bishop Marcelo Sorondo, chancellor of the Vatican's Pontifical Academy of Sciences, says it is the Pope's wish to directly influence next year's crucial UN climate meeting in Paris. *Laudato Si* or *Be Praised* is the first encyclical in the history of the church addressed to environmental concerns, uncharacteristically is based substantially on scientific studies, and is addressed to all the people of the world.

While the document is significantly focused on the reality of climate change and the implications of global warming, it goes far beyond this in addressing issues of global inequality, the breakdown of society and the impacts of pollution.

In respect to global warming Francis writes, "A very solid scientific consensus indicates that we are witnessing a disturbing warming of the climate system. In recent decades this warming has been accompanied by a constant rise in sea level, and it would appear, by an increase of extreme weather events, even if a scientifically determinable cause cannot be assigned to each particular phenomenon." Because of this humans must "recognize the need for changes of lifestyle, production and consumption..." (LS 23)

Pope Francis is facing significant opposition to the encyclical from within and outside the church. Organizations like the conservative and evangelical based Cornwall Alliance for the Stewardship of Creation, which has declared the US environmental movement to be "un-biblical" and a false religion has said the Pope has been misled on the science. Right wing Catholic circles are also mounting opposition to the encyclical. Nevertheless it has gained significant support around the world and is seen to be a major contribution leading up to the UN Climate Change meeting.

9. SEE, JUDGE, ACT: Some Thoughts for Ethical Decision-Making on Divestment

This briefing paper began with a simple process for ethical decision making. Consideration of divestment from fossil fuel companies needs to begin with the question of whether or not to trust the scientific consensus reached by the IPCC. This is the SEE component of the proposed guidelines for ethical decision making.

This briefing paper has assumed the accuracy of the 5th Assessment Report of the IPCC and the necessity of not exceeding a maximum 2°C increase in global warming. Does the IPCC report of 2014 accurately represent the current reality of climate change? Does climate warming beyond 2°C pose grave, large-scale harm to the environment, to human society and

to non-human life on the planet? Is the 2°C objective possible? Must 4°C of global warming be avoided at all costs?

Beginning with SEE invites church related bodies to be transparent in their assessments of what they see happening in the world. In other words, with so much at stake, it is important to tell the truth about the situation we face. The question of what is possible globally will become evident at the United Nations Climate Change Conference in Paris this December. While the outcome of this meeting will be critical, United Church decisions on shareholder action or divestment need to stand alone in witnessing to the reality of the challenges facing the world.

The next stage of ethical decision making is JUDGE. It is here that our theological reflections come to bear. What does what we SEE say about our values and beliefs and what we think should be happening? In other words, it is not enough to observe or even to tell the truth about the world we face because of climate change. We all have capacity for action, in some cases quite limited, in others, substantial. In particular, church bodies such as The United Church of Canada have significant roles of moral leadership in society.

Does climate change require critical action by the church? Is this an issue on which later generations will judge the faithfulness of the church? Does the possibility of 4°C global warming demand a confessional stance? If not over this, then what? To JUDGE invites consideration of the importance of asking what we believe God desires for the world, and therefore of the church.

Finally, to ACT is the simple recognition that in the face of such significant harm, a response is required, consistent with what is at stake.

It is likely that there will be little disagreement over the need for action. The debate is likely to be between divestment and shareholder action, or somewhere in-between.

Reflections on “enemy images.”

At the beginning of this paper, it was noted that Bill McKibben identified fossil fuel companies as “public enemy number one to the survival of our planetary civilization.” Given the risks identified by the IPCC in global warming beyond 2° C it is not an unrealistic charge to be made against companies that ignore the potential global harm of their business practices. However, we are all complicit in the use of fossil fuels and in particular, those of us in the wealthy parts of the world, benefit from their use disproportionately at the expense of the most vulnerable and poor nations of the world. The use of “enemy images” therefore needs careful consideration.

The United Church, among many churches, has often worked to disempower the use of enemy language. An example of this is the exchanges with East Germany during the time of the Iron Curtain or the (quite controversial at the time) encouragement to see the communist revolution in China differently than was being portrayed in the west. Currently the actions against settlement products produced in the West Bank, do not target Israel directly but in

fact encourage investment and purchase of Israeli made products. The intention is not to delegitimize Israel but to encourage a change of policy.

This approach is based in an assumption that the use of the language of “enemy” is itself fraught with immense risk and theological implication; and it denies the possibility of change, or in religious language, of redemption.

There are circumstances, as has just been argued, when a “confessional time” does demand decisive action and clear sanction. Even in such times, the use of enemy language is likely not helpful. This is particularly relevant in respect to fossil fuels, given that the participation of fossil fuel companies will be required in an orderly global transition away from dependence on them.

There might yet come a time for blanket sanctions against all fossil fuel companies, however it is currently possible to see some differences that invite consideration of selective action.

Is a “best practice” option an initial step?

Is it possible to identify “best practice” fossil fuel companies that warrant continued investment? This requires an accompanying decision to divest from companies which do not evidence best practices. In other words, this option still includes divestment of companies whose practices are inconsistent with addressing climate change. Fossil Fuel industry responses to shareholder actions in the next few months will likely offer some insight into what should be expected from “best practice” companies.

If so, what criteria should be used for determining “best practices?”

Four criteria have been used in the Shell and BP shareholder actions: transparently stress-test their business models against the requirement to limit global warming to 2°C; reform their bonus systems so they no longer reward climate-harming activities; commit to reduce emissions and invest in renewable energy and disclose how their public policy plans align with climate change mitigation and risk. Are these criteria sufficient, if passed and actually enacted to qualify, for example, Shell as a “best practice” company? The United Church of Christ has likely refined its best practice options by this stage. The Church of England and the Methodist Church (UK) are also in process of developing criteria.

Do these industry “best practices” adequately address the issue of continued exploration and identification of fossil fuel reserves that cannot in the end be developed and used without causing great harm?

Should the criteria proposed by GreenFaith be further explored: repudiate denial; become part of the solution; make restitution? These are far more challenging than those above, but likely more consistent with the reality of what the world faces.

The challenge with a “best practice” option is that the criteria that are chosen become the standard of expected behaviour. Are expectations of the GreenFaith criteria unrealistic, or are they, or something similar, a minimum of what should be expected given this moment?

10. Conclusion

The United Nations Climate Change Conference scheduled for Paris in December of 2015 will undoubtedly be a watershed event for our planet. The outcomes will and should be of interest to the United Church and its investment bodies.

If global governmental action is not forthcoming then it will be all the more important that churches and other non-governmental actors engage both government and industry in support of the transformational initiatives that can limit carbon emissions. If significant actions emerge, then churches need to examine how best to encourage meaningful accountability to new global standards.

In both situations, the church must also face the reality of needing to be an effective witness through the changes it makes in its own life. Faithfulness always requires choices and decisions about who we are and how we live. Therefore it is inescapable that the United Church must nationally, regionally and locally make similar reductions in its carbon footprint at least as ambitious as those asked of nations.

Theology in the end is always about what it means to be faithful in the face of the present challenges. And faithful expressions of theology should always lead to changes in how we live and act in the world that God loves so deeply.

As A Song of Faith expresses it:

We sing of the Creator

*who made humans to live and move
and have their being in God.*

In and with God,

*we can direct our lives toward right relationship
with each other and with God.*

We can discover our place as one strand in the web of life.

We can grow in wisdom and compassion.

#