

Background on *Motion E “Diocesan Investment”*
from the Stewardship of the Environment Committee

1. Why divestment?

Our Baptismal Covenant and the Fifth Mark of Mission call us to be good stewards of God’s Creation. Fossil fuel divestment actualizes these commitments. The reason for divestment is both moral and financial: (1) It is wrong to profit from an industry whose core business threatens human and planetary health. (2) Fossil fuels are risky and volatile. In recent years, they have not performed well, and the long-term picture looks grim.

There is a wealth of scientific data proving the veracity of climate change and indicating that the burning of fossil fuels is the primary cause. Climate change is causing a range of adverse impacts from sea level rise to extreme weather events that exacerbate famines and wars.

<http://www.thegreenmarketoracle.com/p/blog-page.html>

<http://climate.nasa.gov/causes/>

Fossil fuels are also the leading cause of air pollution that is killing millions each year and causing heart disease, cancer and respiratory problems like asthma.

<http://www.smithsonianmag.com/science-nature/air-pollution-kills-more-3-million-people-every-year-180956638/?no-ist>

The vast majority of fossil fuel reserves cannot be burned if we are to stave off catastrophic climate change. Canada's known fossil fuel reserves are at least three times what can be safely burned and it’s oil sands production must fall to ‘negligible’ levels by 2020.

<http://www.nature.com/nature/journal/v517/n7533/full/nature14016.html>

<https://www.policyalternatives.ca/publications/reports/canadas-carbon-liabilities>

2. Who is divesting?

To date, 430 institutions and 2,040 individuals across 43 countries and representing \$2.6 trillion in assets have committed to divest from fossil fuel companies. These include more than 140 philanthropic organizations worth a total of \$10 billion. In the last year, 40 educational institutions pledged to divest a total of \$130 billion. Students at Canadian universities from coast to coast, including Concordia and McGill, have voted to divest: <http://divestinvest.org/2015report/>

Pensions funds are divesting, including: California General Assembly, Norway’s Government Pension Fund Global, and AP4, the giant Swedish pension fund. In late August, the Canadian Medical Association also voted to divest.

A broad spectrum of faith organizations are lending moral weight to fossil fuel divestment with more than 120 different organizations pledging to divest \$24 billion in the last year alone. Faith organizations that have pledged to divest include the Episcopal Church, United Church of Canada, Lutheran World Federation of churches, Uniting Church of Australia - New South Wales, United Church of Christ, and the Church of Sweden. The World Council of Churches (WCC) finance policy committee has ruled out investments in fossil fuels and the Church of England has released

investment guidelines that include a divestment option. The Anglican Diocese of Canberra and Goulburn and the Perth Diocese of the Anglican Church passed divestment motions at their annual Synods. The Diocese of Ottawa will present 3 climate change motions in November: divestment, climate education and decarbonization.

3. Why not use shareholder engagement?

Despite years of earnest effort, engagement with fossil fuel companies has proven ineffective.

www.greencentury.com/whydivest

<http://www.theguardian.com/environment/2015/jan/15/engaging-with-oil-companies-climate-change-futile-admits-leading-environmentalist>

4. What are the financial implications?

Fossil fuel stocks have tumbled in recent months, and going forward many financial experts are concerned that these investments could end up being worthless. Tom Van Dyck, the managing director of SRI Wealth Management Group said, "There are quantifiable risks directly associated with owning carbon assets." The chairman of the Guardian Media Group called the decision to divest from fossil fuels a "hard-nosed business decision" that is justified on both ethical and financial grounds.

<http://www.ceres.org/files/investor-files/car-factsheet>

<http://www.smithschool.ox.ac.uk/research-programmes/stranded-assets/>

<http://time.com/4045001/fossil-fuel-divestment/>

Investors who divested from fossil fuel companies have had a better return on their investment than conventional investors.

<https://www.msci.com/documents/10199/c75b5c93-1f22-4393-aa56-5722891c6445>

There is a huge economic cost associated with failing to act on climate change.

<http://www.economistinsights.com/financial-services/analysis/cost-inaction>

5. Why must we act now?

We must act now if we are to succeed in combating climate change. Failure to act quickly will push us past tipping points beyond which no known mitigation activity will enable us to recover.

https://www.edf.org/blog/2015/05/28/6-climate-tipping-points-how-worried-should-we-be?utm_source=youtube&utm_medium=social-media&utm_campaign=main-burnchart

The window of opportunity for economically feasible solutions is rapidly closing. Simply put, we are running out of time to avert a climate catastrophe.

http://poolo.kermeet.com/Data/kmewexV7/block/F_bedaa0dbe3d01a517f0fa7eb11d4b1a4559fae1ae868b.pdf

<http://www.pwc.co.uk/assets/pdf/low-carbon-economy-index-2014.pdf>