



The Church of Scotland

Church and Society Council

Fossil Fuels Divestment

Should the Church of Scotland invest in fossil fuel companies?

The Church of Scotland Pension Trustees and Investors Trust have ethical investment policies based on the decisions of the General Assembly. Neither body permits investment in companies substantially involved in alcohol, armaments, gambling and tobacco products. However the Church does currently hold shares in fossil fuel companies such as Shell and BP.

Fossil fuels

There are reserves of at least three times as much oil, coal and gas in the ground as climate scientists think is safe to burn if we are to limit global warming to two degrees Celsius. A global campaign has grown up calling upon investors to sell shares in fossil fuel companies. A group of young people from Dalgety Church in Fife petitioned the Church of Scotland to divest from fossil fuel companies. How should we respond?

General Assembly

The General Assembly in 2014 agreed to *instruct the Church and Society Council to investigate, with the Church of Scotland Investors Trust and Pension Trustees, the arguments for and against disinvestment from fossil fuel companies and to report to a future General Assembly.*

What are the issues?

There are arguments overleaf for and against divestment from fossil fuel companies.

Arguments for divestment

- We know climate change is happening; we are committed as a church to respond to climate change, we lobby government to promote a low carbon economy yet we continue to put our money into fossil fuel companies. This is inconsistent and we should not invest in companies that are actively promoting fossil fuel extraction
- This has worked before: churches led the way in the anti – apartheid campaign of which divestment was a key component and we already a commitment not to invest in gambling, alcohol, tobacco, and armaments businesses.
- There is a growing risk the carbon in the ground could become a ‘stranded asset’ if there is international agreement at the UN to limit the use of fossil fuels. Coal shares are particularly at risk. It would therefore be prudent to withdraw from fossil fuel companies.
- Most fossil fuel companies cannot change their core business; they have no credible way to diversify or decarbonise their business and money invested into fossil fuels could be better invested in low carbon businesses.

Arguments against divestment

- Oil companies are so big they are effectively untouchable and our investments are so small that it will not make any difference if we pull out.
- It is hypocritical to divest as we continue to live and work in a carbon economy and are dependent on fossil fuels for travel by car or plane; for gas or oil central heating; and much of our electricity generation.
- It is more effective to work with companies through shareholder involvement and action rather than to sell shares.
- It would cause upset and dismay as we would be putting at risk the economy and wellbeing of communities in Scotland that are dependent on the fossil fuel industry, particularly in Aberdeen and the north east.

What do you think?