

## MEMORIAL 2015-2: DIVESTMENT FROM FOSSIL FUEL CORPORATIONS WITHIN THE ELCA ENDOWMENT FUND

**WHEREAS**, God has created us and all that exists, given and preserves our bodies and all the necessities for life [The First Article: On Creation, Luther's Small Catechism]; and

**WHEREAS**, the 1993 ELCA Social Statement Caring for Creation: Vision, Hope, and Justice affirms that "we are called to care for the earth as God cares for the earth;" and

**WHEREAS**, the 1999 ELCA Social Statement Economic Life: Sufficient, Sustainable Livelihood for All recognizes that "the growth of economic activity during the twentieth century, and the industrialization and consumerism that fueled it, radically changed the relationship between humans and the earth. Too often the earth has been treated as a waste receptacle and a limitless storehouse of raw materials to be used up for the sake of economic growth, rather than as a finite, fragile ecological system upon which human and all other life depends;" and

**WHEREAS**, climate research is clear that there has been a rapid rise in the levels of carbon dioxide in the atmosphere, with current levels (400 ppm) the highest in the past probably 2,000,000 years. This increase has occurred most rapidly in the past 200 years during the worldwide Industrial Revolution;<sup>1</sup> and

**WHEREAS**, climate research is clear that burning fossil fuels is the major source of rising levels of carbon dioxide, negatively impacting our climate.<sup>2</sup> Consequently, the use of fossil fuels must be dramatically reduced; and

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1 Climate Change: The Evidence and Our Options, Lonnie Thompson, Ohio State University. Concentrations of carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>) over the last 800,000 years. Fig. 6, pg. 163. See <http://researchnews.osu.edu/archive/TBA--LOnly.pdf>. 2007 IPCC Working Group. "Atmospheric carbon dioxide (CO<sub>2</sub>) concentration has continued to increase and is now almost 100 ppm above its pre-industrial level." See [http://www.ipcc.ch/publications\\_and\\_data/ar4/wg1/en/ch7s7-es.html](http://www.ipcc.ch/publications_and_data/ar4/wg1/en/ch7s7-es.html). EPA: Causes of Climate Change. "Since the Industrial Era began, humans have had an increasing effect on climate, particularly by adding billions of tons of heat-trapping greenhouse gases to the atmosphere." See <http://www.epa.gov/climatechange/science/causes.html>.

2 NRC (2011). Climate Stabilization Targets: Emissions, Concentrations, and Impacts over Decades to Millennia. National Research Council. The National Academies Press, Washington, DC, USA. "Emissions of carbon dioxide from the burning of fossil fuels have ushered in a new epoch where human activities will largely determine the evolution of Earth's climate." NASA: Global Climate Change; Vital Signs of the Planet. "Humans have increased atmospheric CO<sub>2</sub> concentration by a third since the Industrial Revolution began. This is the most important long-lived "forcing" of climate change." "Over the last century the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO<sub>2</sub>)." See <http://climate.nasa.gov/causes>. USGCRP (2009). Global Climate Change Impacts in the United States. Thomas R. Karl, Jerry M. Melillo, and Thomas C. Peterson (eds.). United States Global Change Research Program. Cambridge University Press, New York, NY, USA. "It is clear that impacts in the United States are already occurring and are projected to increase in the future, particularly if the concentration of heat-trapping greenhouse gases in the atmosphere continues to rise." See <http://books.google.com/books?hl=en&lr=&id=UCg7inA-HksC&oi=fnd&pg=PA13&dq=USGCRP+%282009%29,+Global+Climate+Change+Impacts+in+the+United+States&ots=uXe7HdVN2I&sig=3OclArtThzaKsX5JwzBrWNEj59A#v=onepage&q&f=false>. NOAA, USGS: Climate change impacts to U.S. coasts threaten public health, safety and economy Coastal Impacts, Adaptation, and Vulnerabilities: A Technical Input to the 2013 National Climate Assessment. "...the effects of climate change will continue to threaten the health and vitality of U.S. coastal communities' social, economic and natural systems." See [http://www.noaaneews.noaa.gov/stories2013/20130125\\_coastalclimateimpacts.html](http://www.noaaneews.noaa.gov/stories2013/20130125_coastalclimateimpacts.html)

**WHEREAS**, with Caring for Creation, we realized the urgency was already “widespread and serious, according to the preponderance of evidence from scientists worldwide [of] dangerous global warming, caused by the buildup of greenhouse gases, especially carbon dioxide” from the burning of fossil fuels, and that “action to counter degradation, especially within this decade [1993 - 2003], is essential to the future of our children and our children's children;” and

**WHEREAS**, in Caring for Creation, the ELCA declares that we will seek to incorporate the principles of sufficiency and sustainability in our life. Consequently: “We will, in our budgeting and investment of church funds, demonstrate our care for creation;” and

**WHEREAS** in 1990 and 2007 the ELCA Church Council approved an Environmental Social Criteria Investment Screen that recommends limiting investments made in corporations which are the most egregious in terms of damage to human health or the natural environment and investing in corporations which are taking positive steps toward a sustainable environment;<sup>3</sup> and

**WHEREAS** despite decades of shareholder engagement with fossil fuel companies, the industry continues to spend nearly \$2 billion dollars a day searching for additional fossil fuel reserves and over half a million dollars a day lobbying governments for subsidies and support for further extraction;<sup>4</sup> and

**WHEREAS** the ELCA has historically divested during periods of great social need, including the movement to end apartheid in South Africa; and

**WHEREAS** fossil fuel divestment can have a major influence on how society responds to climate change;<sup>5</sup> and

**WHEREAS** by divesting from fossil fuels, the ELCA joins with faith partners such as the United Church of Christ<sup>6</sup> and the World Council of Churches<sup>7</sup> as well as large institutional

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3 ELCA Environment Screen: [http://download.elca.org/ELCA%20Resource%20Repository/Environment\\_Screen.pdf](http://download.elca.org/ELCA%20Resource%20Repository/Environment_Screen.pdf).

4 Oxfam: [http://www.oxfam.org/sites/www.oxfam.org/files/file\\_attachments/bp191-fossil-fuels-finance-climate-change-171014-en.pdf](http://www.oxfam.org/sites/www.oxfam.org/files/file_attachments/bp191-fossil-fuels-finance-climate-change-171014-en.pdf).

5 United Nations Intergovernmental Panel on Climate Change (IPCC) – Fifth Assessment: [http://www.unepfi.org/fileadmin/documents/IPCC\\_AR5\\_Implications\\_for\\_Investors\\_Briefing\\_WEB\\_EN.pdf](http://www.unepfi.org/fileadmin/documents/IPCC_AR5_Implications_for_Investors_Briefing_WEB_EN.pdf).

6 United Church of Christ: <http://www.ucc.org/gc2013-fossil-fuel-divestment-vote>.

7 World Council of Churches: [http://www.oikoumene.org/en/resources/documents/central-committee/geneva-2014/report-of-the-finance-policy-committee/@@download/file/GEN\\_FIN06\\_APPROVED\\_Report\\_Finance\\_Policy\\_Committee.pdf](http://www.oikoumene.org/en/resources/documents/central-committee/geneva-2014/report-of-the-finance-policy-committee/@@download/file/GEN_FIN06_APPROVED_Report_Finance_Policy_Committee.pdf).

investors such as the Norway's \$850 billion Government Pension Fund Global<sup>8</sup> in the fastest growing divestment effort in history;<sup>9</sup> and

**WHEREAS**, un-burnable carbon stored in fossil fuel reserves presents a material financial risk to investment funds that provide capital to these companies;<sup>10</sup>

**THEREFORE, BE IT RESOLVED**, that the Saint Paul Area Synod memorialize the 2016 Churchwide Assembly of the ELCA to request that, by December 31, 2016, the ELCA follow its published procedure titled *Social Criteria Investment Screen Policies and Procedures Development*<sup>11</sup> to develop a social criteria investment screen designed to result in divestment of all fossil fuels investments held in the ELCA Endowment Fund Pooled Trust – Fund A (hereinafter “Fund A”),<sup>12</sup> which includes prayerful consideration of the following recommended components:

- a) Publication of a list of the values of all fossil fuel investments currently held in Fund A;<sup>13</sup> and
- b) Cessation of any new investments in fossil fuel companies with respect to Fund A; and
- c) Ensuring that all securities of fossil fuel companies that are either direct holdings or holdings in commingled funds are removed from the portfolio of Fund A within five years; and
- d) Publication of quarterly updates, available to the public, detailing progress towards divestment of Fund A as set forth herein; and

**BE IT FURTHER RESOLVED** that the Saint Paul Area Synod memorialize the 2016 Churchwide Assembly of the ELCA, as part of the development of the new social criteria investment screen identified above, to direct the ELCA’s corporate social responsibility review team to consider and recommend to the executive director of the ELCA’s Congregational and Synodical Mission unit, for further review pursuant to the ELCA’s published procedure titled *Social Criteria Investment Screen Policies and Procedures Development*, the addition of a fossil-free investment fund that excludes the 200 largest fossil fuel companies as an option for ELCA retirement plan participants.

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8 Article regarding Norway's Government Pension Fund Global:

<http://www.theguardian.com/environment/2015/feb/05/worlds-biggest-sovereign-wealth-fund-dumps-dozens-of-coal-companies>

9 University of Oxford: <http://www.smithschool.ox.ac.uk/research-programmes/stranded-assets/SAP-divestment-report-final.pdf>.

10 Carbon Tracker – Unburnable Carbon: <http://www.carbontracker.org/resources/#unburnable-carbon>;  
Wikipedia – Carbon bubble: [https://en.wikipedia.org/wiki/Carbon\\_bubble](https://en.wikipedia.org/wiki/Carbon_bubble).

11 Policy is accessible at: <http://www.elca.org/Resources/Corporate-Responsibility>.

12 ELCA Endowment Fund: [http://download.elca.org/ELCA%20Resource%20Repository/ELCA\\_Endowment\\_Fund\\_A\\_Brochure.pdf](http://download.elca.org/ELCA%20Resource%20Repository/ELCA_Endowment_Fund_A_Brochure.pdf)

13 By using the current list of 200 coal, oil and gas companies found here: <http://gofossilfree.org/companies/>.  
Source: *Unburnable Carbon*, The Carbon Tracker Institute; <http://www.carbontracker.org/wp-content/uploads/2014/09/Unburnable-Carbon-Full-rev2-1.pdf>.