

General Convention of The Episcopal Church 2022 Archives' Research Report

Resolution No.: 2022-C016
Title: Climate Change - Carbon-Intensive Lending
Proposer: California
Topic: Environment

Directly Related: (Attached)

2018-A013 Create a Task Force and Staff Position for Care of Creation
2018-A018 Adopt Bishops' Pastoral Teaching and Commit to Paris Climate Accord
2018-A020 Divest From Fossil Fuel Companies and Reinvest in Clean Energy
2006-B002 Acknowledge and Reduce Global Warming

Indirectly Related: (Available in the [Acts of Convention](#) database, searchable by resolution number)

2018-A014 Create a Pilot Carbon Offset Program
2015-C045 Call for Investing in Clean and Renewable Energy
2006-C018 Recognize Global Warming and Reaffirm Church's Environmental Responsibility

In preparing this report, the Archives researched the resolutions in the Acts of Convention database for the period 1973 through 2018, selecting “direct” resolutions that have a substantive bearing on the proposed legislation. The “direct” resolutions are attached and “indirect” resolutions are available in the Acts of Convention database. Committee members who require other research assistance should contact the Archives through the [Research Request Form](#) or call 800-525-9329.

C016 - Climate Change - Carbon-Intensive Lending

Final Status: Not Yet Finalized

Proposed by: California

Requests New Interim Body: No

Amends C&C or Rules of Order: No

Has Budget Implications: No

Cost:

HiA: HB

Legislative Committee Currently Assigned: 20 - Environmental Stewardship & Care of Creation

Completion Status: Incomplete

Latest House Action: N/A

Supporting Documents: No

Resolution Text

Resolved, the House of _____ concurring,

That the 80th General Convention of The Episcopal Church direct the Executive Council (Domestic & Foreign Missionary Society aka DFMS) and its Committee on Corporate Social Responsibility (CCSR), in conjunction with the Church Pension Fund (CPF), to establish and coordinate shareholder strategy addressing Carbon-Intensive Lending by U.S. Banks and other financial lending institutions; and be it further

Resolved, That the CCSR and CPF identify banks and financial lending institutions within the DFMS and CPF portfolios that are carbon-intensive lenders and initiate the appropriate shareholder strategy with these institutions to slow global warming; and be it further

Resolved, That the General Convention supports joint efforts with the Church of England National Investing Bodies (NIBs) in achieving the goals of the Paris Climate Agreement; and be it further

Resolved, That the General Convention make this coordination a priority for the triennium under the Episcopal Church's Covenant for the Care of Creation by authorizing reasonable costs to be treated as investment management expenses.

Explanation

Banks play a critical role in meeting the Paris Agreement's goal of limiting global temperature rise to well below 2 degrees Celsius. The Bank of England notes that the global financial system is currently supporting carbon-producing projects that will cause global temperature rise of over 4 degrees Celsius – more than double the limit necessary to avoid catastrophic warming. (https://www.theguardian.com/business/2019/oct/15/bank-of-england-boss-warns-global-finance-it-is-funding-climate-crisis?CMP=Share_iOSApp_Other)

The 2018 Intergovernmental Panel report on climate warns that global warming above 1.5 degrees Celsius will create devastating impacts including loss of life, ecosystem destruction, infrastructure damage, supply chain dislocations, lost production, and water and energy disruptions, among others. If warming is kept to 1.5 degrees Celsius versus 2 degrees, studies point to a potential savings of \$20 trillion to the global economy by 2100. Recently, just 215 of the biggest global companies reported almost \$1 trillion at risk from climate impacts, some within five years.

Major banks are beginning to responsibly manage climate risk by developing carbon measurement tools including the Paris Agreement Capital Transition Assessment and the Partnership for Carbon Accounting Financials. HSBC has committed to set a Science-Based Target. ING, BNP Paribas, Standard Chartered, and other banks have committed to measure the climate alignment of their lending portfolios against Paris goals. Some have abandoned high risk sectors including Arctic drilling and tar sands. Citibank joined the Principles of Responsible Banking, committing to align its business strategy with the Paris Agreement's global climate goals. While 40 of 58 banks now endorse the Taskforce on Climate-related Financial Disclosures (TCFD). (Source: Risks of Maintaining Carbon-intensive Lending

https://diocal.org/sites/default/files/CC_Res_2020_BAC%20Shareholder%20Resolution.pdf), an ICCR Resolution filed by Presbyterian Church USA) See also Ranking the Banks, a Survey of the Seven U.S. Banks by ICCR and Sustainalytics

https://diocal.org/sites/default/files/CC_Res_2020_ICCRsRankingTheBanks120413.pdf; and Banking on a Low-Carbon Future: Finance in a Time of Climate Crisis – – 2019. Impact Report by Boston Common Asset Management.

https://diocal.org/file/ccres2020bankingonlowcarbonfuturepdfLow_Carbon_Future.pdf

The Presbyterian Church USA co-filed shareholder resolutions with Bank of America Corp. (BAC) and Community Trust Bank (CTBI), while the Church of England has pledged to a formal challenge against Barclays (BCS) (<https://diocal.org/file/ccres2020church-england-backs-challenge-barclays-fossil-fuel-fundingpdf>) to stop financing projects not aligned with the Paris Climate Agreement.

The Church Commissioners for England (<https://www.churchofengland.org/about/leadership-and-governance/church-commissioners-england/how-we-invest/responsible-investment>) share our support for the Paris Agreement and the goal of the international community to restrict the global average temperature rise to well below two degrees Celsius. Over the past five years, they have been Lead Filer on six climate change resolutions directed towards oil companies including Exxon Mobil (<https://diocal.org/file/ccres2020exxonmobil-and-church-england-are-clashing-over-climate-change-fortunepdf>), Shell, and British Petroleum

(<https://diocal.org/file/ccres2020church-england-investors-hold-oil-companies-account-climate-change.pdf>). The Church of England National Investing Bodies (<https://diocal.org/file/ccres2020exxonmobil-and-church-england-are-clashing-over-climate-change-fortune.pdf>) (£13 billion) has been an ardent leader in addressing climate change among institutional investors (<https://diocal.org/file/ccres2020church-england-devises-index-climate-conscious-investing-new-york-times.pdf>) receiving awards for Responsible Investment, Pensions Europe ESG, and Climate Related Risk Management (<https://www.churchofengland.org/about/leadership-and-governance/church-commissioners-england/how-we-invest/responsible-investment-1>).

The Episcopal Church has repeatedly called for strong measures to slow global warming and its concomitant climate change, including through the Church's Covenant for the Care of Creation (<https://episcopalchurch.org/creation-care>). This resolution builds on this policy for Executive Council's Committee on Corporate Social Responsibility (\$440 million) and the Church Pension Fund (\$13.5 billion) to now evaluate carbon-intensive lending policies of the banking industry for possible shareholder resolutions. This is not a divestment resolution and will likely start with corporate engagement including dialogues and request for sustainability reports for the foreseeable future. Joint efforts with the Church of England would be a smart strategic partnership.



Resolution Number: 2018-A013
Title: Create a Task Force and Staff Position for Care of Creation
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 79th General Convention affirm the President of the House Deputies' and the Presiding Bishop's call to the Church to recognize Care of Creation as an integral part of The Jesus Movement; and be it further

Resolved, That, as disciples of Jesus Christ, we recognize that the Earth is the Lord's (Psalm 24), has been made in and through Christ (John 1) and we are placed in it as a garden planet (Genesis 2); and be it further

Resolved, That the General Convention urge the establishment of an additional senior staff position for the Care of Creation as a member of the Episcopal Church Center staff; and be it further

Resolved, That this staff person shall serve as a resource for the Church, a liaison between Episcopal faith communities and institutions with their many creation care initiatives, network developer for sharing best practices, contact person for the denomination, partners and faith communities, ambassador between evangelism, racial justice and care of creation, and advocate for funding, visibility and action; and be it further

Resolved, That the 79th General Convention authorize a Task Force for the Care of Creation to develop this aspect of the ongoing mission and ministry of The Episcopal Church; and be it further

Resolved, That this Task Force of up to 20 persons be appointed jointly by the President of the House of Deputies and the Presiding Bishop, with members to include a geographically diverse representation from the Church mindful to include younger generations, people of color and native persons who are and will be disproportionately affected by climate change; and be it further

Resolved, That this Task Force work during the period of 2018-2021 and submit a report to the 80th General Convention; and be it further

Resolved, That the Task Force shall develop and refine the small grants program begun by the 2015-2018 Advisory Council for Stewardship of Creation to support local and regional eco-ministry efforts; engage eco-justice site projects, and further develop creation care networks based on bioregions (a region defined by characteristics of the natural environment rather than by human-made divisions) and/or areas of affinity, (e.g. renewable energy, regenerative agriculture, liturgy, Christian formation); and be it further

Resolved, That the staff person for the Care of Creation shall liaise with and support the work of the Task Force for the Care of Creation; and be it further

Resolved, That the Task Force shall receive and help disseminate case studies and best practices in keeping with the spirit of the Paris Climate Accord, that is, supporting humanity's transition from industrial life to sustainable life; and be it further

Resolved, That the General Convention recommend to the President of the House Deputies and the Presiding Bishop in consultation with the Task Force to establish and to appoint persons to a Theology of Creation Working Group tasked with facilitating innovative educational offerings in environmental ethics and theology for the formation of clergy and laity; and be it further

Resolved, That the General Convention request that the Joint Standing Committee on Program, Budget and Finance allocate \$1.1 million for the implementation of this resolution and staff support and leadership from The Episcopal Church.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Austin, 2018* (New York: General Convention, 2018), p. 375.



Resolution Number: 2018-A018
Title: Adopt Bishops' Pastoral Teaching and Commit to Paris Climate Accord
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 79th General Convention recognize that there is an important shift toward renewable energy which will help protect God's good creation. Supporting this shift is part of the Church's call to being part of the Jesus Movement in the world; and be it further

Resolved, That climate change be recognized as a human-made threat to all God's people, creatures and the entire created order, while particularly placing unjust and inequitable burdens and stresses on native peoples, those displaced by environmental change, poor communities and people of color; and be it further

Resolved, That the 79th General Convention adopt the House of Bishops' 2011 Pastoral Teaching on the Environment commitment as the official position of the church; and be it further

Resolved, That through our ongoing role as observers at the United Nations, we will continue to fully and completely "advocate for a fair, ambitious, and binding climate treaty," and participate in future meetings of the Conference of Parties to the United Nations Framework Convention on Climate Change as an active, faithful and engaged voice for all of God's good earth; and be it further

Resolved, That as individuals and communities of faith, The Episcopal Church set an example, in the spirit of the Paris Climate Accord, by making intentional decisions about living lightly and gently on God's good earth, for example, through energy conservation, renewable energy, sustainable food practices and gardening; and be it further

Resolved, That dioceses, communities of faith and individuals committing to the Paris Climate Accord consider reporting on their commitments, actions and successes to the Executive Council.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Austin, 2018* (New York: General Convention, 2018), p. 406.



Resolution Number: 2018-A020
Title: Divest From Fossil Fuel Companies and Reinvest in Clean Energy
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 79th General Convention call upon the Investment Committee of the Executive Council to report to Executive Council all steps taken in the past triennium to divest from fossil fuel companies and reinvest in clean renewable energy in a fiscally responsible manner in accordance with General Convention resolution 2015-C045; and be it further

Resolved, That the General Convention reaffirm the language of resolution GC2015-C045 urging all institutions, dioceses, and congregations of the Episcopal Church to engage the topic of divestment from fossil fuels and reinvestment in clean energy and encourage them to share progress toward this goal with the Executive Council and the Advisory Council on the Stewardship of Creation; and be it further

Resolved, That the General Convention commend the Church Pension Fund for its passion in responding to climate change and for its statement “This does not mean that we would never divest; to do so, however, we would have to believe that divesting would not negatively impact the financial performance of our portfolio” (CPF Report to the House of Deputies, November 2, 2017, page 6); and be it further

Resolved, That in light of this statement, that the General Convention urge CPF to be mindful of the Church’s desire to become increasingly invested in renewable and clean energy; and be it further

Resolved, That the General Convention request that the Church Pension Fund provide a report that includes a sustainability plan to the 80th General Convention.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Austin, 2018* (New York: General Convention, 2018), pp. 1095-1096.



Resolution Number: 2006-B002
Title: Acknowledge and Reduce Global Warming
Legislative Action Taken: Concurred as Amended
Final Text:

Resolved, That the 75th General Convention affirm that Global Warming threatens the future of God's good creation, and the effects of Global Warming disproportionately hurt the lives of the poorest and most vulnerable in the United States and around the world; and be it further

Resolved, That Episcopalians and The Episcopal Church at every level support efforts that seek to reduce Global Warming, including national and international legislation that increase the supply of clean energy and reduce consumption of fossil fuels; and be it further

Resolved, That the Convention commend the Executive Council and particularly its Socially Responsible Investment Committee (SRI) for the work they are now doing with the Global Warming Shareholder Campaign (GWSC), and the Coalition for Environmentally Responsible Economies (CERES) and the leadership they exercise as a member of the Interfaith Center on Corporate Responsibility (ICCR); and be it further

Resolved, That the Convention urge the Executive Council and its SRI to:

- (a) use resources of The Episcopal Church, including its investments, to promote a sustainable global environment;
- (b) seek by shareholder resolutions to change current policies and behaviors of those companies that are significant contributors to Global Warming, and if necessary, divest from those companies;
- (c) call upon the expertise of Episcopalians who are closely connected with the GWSC to assist in this initiative;
- (d) report the results of this initiative to Executive Council no later than its fall meeting in 2007.

Citation: General Convention, *Journal of the General Convention of...The Episcopal Church, Columbus, 2006* (New York: General Convention, 2007), p. 662.