**Rev Diana Hall’s address to General Synod 2020**

“The central motivation behind the motion I proposed in 2019 was to catalyse action on climate change. In passing it, Synod affirmed that the Church must address the climate crisis, develop and model good practice and offer prophetic witness as part of its mission.

“Climate change is only one of several concerns that an ethical investment strategy might address. However the magnitude and urgency of the need to limit global warming means that addressing fossil fuel investment has been the immediate priority for the EIAG’s work.

“As is clear from the interim report, the work of the Group is complex and nuanced. Ethical investment principles must balance requirements of moral and ethical imperatives, legal responsibilities and practical needs. As a church we must be faithful to our spiritual and moral values under God; wise stewards of the money entrusted to us; and attentive to the practical implications of our actions for our mission. This last point has particular resonance for us because as a denomination we currently rely significantly on investment income to fund our work.

“There has been good news on divestment this year. During 2020, the SEC’s last direct investment in a fossil fuel extraction company has been disposed of. Yet this is not the end of the story. Instead it may open a window onto the complexity of the debate.

“You may be surprised to learn that there is no “standard” definition of what it means to divest from fossil fuels. One common definition is to avoid investment in “any company that generates more than 10% of its turnover directly from extracting fossil fuels.” However it is not fossil fuel extraction, but fossil fuel *burning* that is the main cause of human-induced climate change. For anyone seeking to frame ethical investment criteria, this opens up a demanding exercise even regarding a single ethical concern.

“If we divest from fossil fuel extraction companies while continuing to invest in those who burn significant volumes of fossil fuels - think for example of airlines, logistics companies, and countless others, our actions are scientifically and ethically inconsistent. Should we divest from these companies too? How should the Church respond?

“We propose focusing for now on fossil fuel extraction, recommending an updated definition of divestment as follows: “Divestment from fossil fuels means the avoidance of any investment which results in the UTP holding, directly or as part of a pooled fund, any interest in any business which generates more than 10% of its turnover directly from extracting fossil fuels” [interim report, para 7(h)]. This would create an additional “red line” which would apply to investment on the part of the UTP in any individual holding or pooled fund for the future.

“The Group has also considered whether it is possible to operate within our ethical investment criteria while continuing to invest in pooled funds at all. The good news here is that the investment market is in a period of rapid change, responding to increased demand for ethically screened funds. There are now several funds on the market that match or exceed the SEC’s current ethical investment criteria.

“As we look to 2021 and COP26 taking place in Glasgow, it seems likely that the context in which we are working will remain dynamic. There is much work for the Group still to do.”