

Church of England to sell oil and gas shares

Fossil fuels go against our duty to protect God's creation, says Archbishop of Canterbury

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Justin Welby said the climate crisis threatens the planet we live on | CREDIT: Leon Neal/Getty Images

The Church of England is selling its investments in BP, Shell Total and a string of other big oil and gas companies, concluding that they do not “protect God’s creation”.

The Church will divest from oil and gas companies – and sell their stocks – over a perceived lack of action on net zero and failures to halt global warming. The decision comes after the General Synod, the Church’s lawmaking body, voted in 2018 to disinvest from fossil fuel companies that were failing to take significant action on tackling climate change by 2023.

Separately, the Synod voted in 2020 in favour of setting a target for the institution to achieve carbon neutrality by 2030.

Until now, the Church had argued that it could have had more effect on the environment and ensuring the fossil fuel giants reach global targets by retaining its shares and encouraging

them to decarbonise.

However, the Archbishop of Canterbury, the Most Rev Justin Welby, a former oil industry worker, who worked on West African – mainly Nigerian – and North Sea projects, welcomed the U-turn of the Church, saying: “The climate crisis threatens the planet we live on, and people around the world who Jesus Christ calls us to love as our neighbours. It is our duty to protect God’s creation, and energy companies have a special responsibility to help us achieve the just transition to the low-carbon economy we need.”

He added that the church has “long urged companies to take climate change seriously” and specifically referred to the goals of the Paris Agreement in pursuing efforts to limit the rise in temperature to 1.5°C above pre-industrial levels.

‘Follow our faith’

The Archbishop, who worked in the oil industry for 11 years before quitting and following his calling to the Church, added: “In practical terms, that means phasing out fossil fuels, investing in renewables, and plotting a credible path to a net zero world. Some progress has been made, but not nearly enough. The Church will follow not just the science, but our faith – both of which call us to work for climate justice.”

In 2021, the Church Commissioners excluded 20 oil and gas majors from its investment portfolio. It is now also excluding BP, **Ecopetrol**, Eni, Equinor, ExxonMobil, Occidental Petroleum, Pemex, Repsol, Sasol, Shell, and Total, after concluding that none is aligned with the goals of the Paris Agreement on climate.

The decision to sell its remaining investments in the oil and gas sector was made by the Church Commissioners for England, which manages the Church of England’s £10.3 billion endowment fund and which is chaired by the Archbishop.

It means that it will exclude all remaining oil and gas majors from its portfolio, and will also bar all other companies primarily engaged in the exploration, production and refining of oil or gas, unless they are in genuine alignment with a 1.5°C pathway, by the end of 2023.

The Church’s oil and gas holdings account for less than 1 per cent of the endowment fund.

Alan Smith, First Church Estates Commissioner, said: “There’s a real risk of catastrophic failure for humanity, yes, and for those companies themselves. Those companies frantically clinging to the last drops of oil refusing to change course, incapable of seeing the different future... [they] will be left behind as the world transitions to a low-carbon future.”

“The decision to disinvest was not taken lightly,” he added. “Soberingly, the energy majors have not listened to significant voices in the societies and markets they serve and are not moving quickly enough on the transition. If any of these energy companies come into alignment with our criteria in the future, we would reconsider our position. Indeed, that is something we would hope for.”

A Shell spokesman said: “It’s disappointing, but not surprising given its recent change in stance, that the Church of England Pensions Board has taken this decision. Our commitment to becoming a net zero emissions energy business by 2050 remains as strong as it ever was, and we firmly believe our strategy is aligned with the more ambitious goal of the Paris climate

agreement. At the same time, we are clearly focused on capital discipline, enhanced performance and delivering shareholder value, through a strategy which balances delivering energy security with investments in the lower-carbon energy sources of the future.”

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