

## Overture: **Removal of investments in and subsidies for fossil fuels.**

The Presbytery of \_\_\_\_\_ overtures the 226th General Assembly (2024) of the Presbyterian Church (U.S.A.) to:

1. DECLARE that continued support of the exploration, development, funding, and exploitation of fossil fuels through investment of PC(USA) funds, violates the equitable welfare of all life and our biblical charge as humanity to care for creation, and is irretrievably incompatible with the mission and goals of the Presbyterian Church (U.S.A.).
2. DECLARE that all publicly traded companies whose primary source of income is derived from the exploration, development and production of fossil fuels are to be placed on the General Assembly's list of prohibited securities.
3. STRONGLY ENCOURAGE all congregations, presbyteries, synods, the Board of Pensions and the Presbyterian Foundation, as well as Church-related educational institutions and individual church members, to align their investment decisions with this declaration with all due speed and diligence.
4. CALL ON all PC(USA) members and institutional investors to seek out investments in clean renewable energy companies.
5. REQUEST reports from the Board of Pensions and the Presbyterian Foundation and other investing entities at the next General Assembly on the steps taken to align their investment decisions with the intent of this overture.
6. CALL ON the U.S. government to end all subsidies for the development and production of fossil fuels.

### **Rationale:**

**Our Values:** Past General Assemblies have repeatedly stated the vocation of earth care as an essential mark of Christian discipleship and the Church's mission and ministry. Our responsibilities as a faith institution are clear: God created the earth, and it is sacred. The earth is the Lord's and all that is in it. We are a part of and not independent of the created order and are meant to be caretakers and protectors of creation and our neighbors.

**Our Reality:** We are in the midst of a climate crisis that is primarily caused by the production and burning of fossil fuels which release greenhouse gases, such as methane and carbon dioxide that are warming the planet. The scientific consensus, established over many years and with increasing levels of certitude, is that the warming

of our atmosphere beyond 1.5 degrees Celsius over pre-industrial temperatures will undermine the entire web of life on the planet with catastrophic consequences.

**The Solution:** In order to avoid this, the Intergovernmental (scientific) Panel on Climate Change (IPCC) reported in March 2023, that the nations of the world must cut our carbon emissions by 48% from 2019 levels by 2030 and reach net-zero carbon emissions by 2050, but last year, as in previous years, these emissions continued to climb. And while the U.S. has recently taken action to bring down its own emissions, we now produce and export more fossil fuels than ever in history. The U.S. also subsidizes the fossil fuel industry with estimates ranging from \$10-50 billion per year, while our northern neighbor, Canada and several other fossil fuel producing countries have announced that they are ending their subsidies.<sup>1</sup>

The world has to change the path it is on, but it requires two huge changes. The most critical change is a “fast, full and fair” phase out of fossil fuel production and usage. The second is the rapid expansion of sources of renewable energy. The church’s investments have power and influence which can contribute to these changes and bear witness to the world that we acknowledge the climate crisis, the suffering it is causing and its link to the burning of fossil fuels.

**The Denomination is Responding to the Climate Crisis:** The Presbyterian Church (U.S.A.) has long recognized its obligation to take actions as faithful stewards of God’s Creation to respond to climate change. The General Assembly actions in 1981, 1998, 1999, 2003, 2006, 2008, 2010, 2012, 2014, 2016, 2018 and 2022 acknowledge the realities of global warming and its effect on the “least of these” throughout our world.

The Mission Agency has raised the importance of earth care to a matter of high priority for every part of its programming and the work of our Presbyterian Hunger Program and Earth Care Congregations program are exemplary in their efforts to inform and lead the church in the fulfillment of its mission. In addition, our Office of Public Witness became a sponsor of an initiative, to be called the Fossil Fuel Non-proliferation Treaty, launched by the governments of several South Pacific island nations (among the most vulnerable of our brothers and sisters). This initiative is calling for the phase-out of both new and existing sources of fossil fuels.

**The Denomination’s Response is Inconsistent:** Such educational and advocacy efforts on behalf of our denominational commitment to earth care are undermined by institutional strategies which continue to seek profit from investment in the fossil fuel industry. This practice is hypocritical at a minimum and potentially endangers our evangelistic message and leadership within the ecumenical community of church bodies. While the percentage of total investments is small, (3.4% for The Foundation

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<sup>1</sup> <https://www.bloomberg.com/news/articles/2023-12-09/us-opts-out-of-dutch-plan-to-end-fossil-fuel-subsidies-at-cop28?leadSource=uverify%20wall>

as of December 2023), the dollar value is in tens of millions of dollars. MRTI has begun a company by company divestment review, but the climate crisis is getting worse faster than our actions can bring about significant change.

Further, these PCUSA directed entities not only have a fiduciary duty to conserve and protect the church's assets and return an increase through the investment process, but are also obligated to duties of loyalty and obedience to our mission and established values to the extent allowed by secular law related to such.

**Existing Policy Provides Option for Removal of Funds from an Entire Class of Firms:** The original founding document from 1984 upon which our Mission Responsibility Through Investment (MRTI) is based, "Divestment Strategy: Principles and Criteria", clearly states that divestment of holdings can be in a particular "firm or **class of firms**" and that this is both part of the normal management of funds and potentially an occasion for Christian witness to God's call for justice and renewal of society. (Paragraph 25.202) It also states that divestment is a conscious decision to dispose of any current financial stake in an enterprise or '**class of enterprise**' because of policy or practice in regard to a social issue and to prohibit future stake so long as the offending situation holds. (Paragraph 25.261) [emphasis and quotation marks added]"

**Existing Policy also Provides for Proscription of a Class of Firms:** Furthermore, that document identifies that there are some classes of investments which should not be considered because of their nature which is fundamentally and irretrievably incompatible with the nature and purpose of the church. Thus, there is a list of such classes of economic activity which are excluded or "proscribed". This list excludes from our investment portfolio, investment in companies whose primary activity is in production of tobacco products, nuclear weapons, for-profit prisons and a few others.

**The Presbyterian Foundation is Moving in the Right Direction:** The Presbyterian Church (U.S.A.) has a long history of aligning our corporate investment decisions with our values and enabling our members to do so. In fact, according to our Presbyterian Church Foundation's New Covenant Trust Company's website description for their "Fossil Free Strategy" they have established an instrument specifically "[f]or investors concerned with fossil fuel emissions and climate impact" which "can be configured to exclude the entire energy sector and other firms with a high carbon footprint."

**The Path Forward for the Whole Denomination is Not Easy:** We understand that the modern world and each of our lives are deeply intertwined with the fossil fuel industry and cannot be easily divorced from it. We live on the continuum between purity of moral conviction and the pragmatic exigencies of the current patterns and practices of the modern world. Yet we must act and act quickly, acknowledging the destructive nature of our fossil fuel investments.

In doing so, we refer the reader to the actions of our last General Assembly in support of communities where the loss of fossil fuel industry jobs will present hardship.

**We Must Change:** We understand and appreciate the role of our MRTI in encouraging enterprises to alter their practices to align more nearly with our values. However, we also know that there are some enterprises which are fundamentally such that no amount of change in practice will ever bring them into alignment. We feel it is past time for us to name the fossil fuel industry as one of these and existing policy provides for this.

For the sake of the integrity of our denomination's Christian witness, our purpose within the created order, the maintenance of the web of life upon which all humanity depends and our children's children, we must act quickly to withdraw all our resources, regardless of their size, either in dollar amount or percentage of those used, from the production of fossil fuels and to identify fossil fuels as a proscribed class of investments.