

RESOLUTION 4

ENVIRONMENTALLY RESPONSIBLE INVESTING

Resolved, That the 166th Convention of the Diocese of California calls upon the diocese to honor the principles of resolution C045, *Environmentally Responsible Investing*,¹ passed by the 78th General Convention of The Episcopal Church;

Resolved, That the Convention calls upon the diocese, while always acting in a fiscally responsible manner and consistently with its fiduciary obligations, to divest from existing and refrain from future holdings of fossil fuel companies;

Resolved, That all congregations and institutions in the diocese engage in the topic of divestment from fossil fuel companies and reinvestment in clean energy within the coming year; and

Resolved, That this resolution constitutes an additional instruction to the Socially Responsible Task Force created by the resolution of the 165th Convention entitled “Socially Responsible Investing,” and shall be regarded as an expression of the “values of the people of the Diocese of California” within the meaning of that resolution.

Explanation: In April 2015, the Church of England, citing “a moral responsibility to protect the world’s poor from the impact of global warming,”² announced it would divest from companies processing tar sands oil and thermal coal, two of the most heavily polluting fossil fuels.¹

In July 2015, the 78th General Convention of The Episcopal Church passed Resolution C045, which calls upon the Investment Committee of Executive Council of The Episcopal Church, the Episcopal Church Endowment Fund and the Episcopal Church Foundation “to divest from fossil fuel companies. . . in a fiscally responsible manner” and “to refrain from purchasing any new holdings of public equities and corporate bonds of fossil fuel companies.”¹

The issue of how we as a diocese invest our money is fundamentally a moral issue. Drawing from Resolution C045, this resolution recommends that the Diocese of California align itself with the environmentally responsible investment values that have already been affirmed by The Episcopal Church, the Church of England, and other members of The Anglican Communion.

Background

At the end of the 2011, the diocese made the decision to invest its endowment with The Investment Fund for Foundations (TIFF). As of June 30, 2015, the diocese still invests \$17,496,262.51 with TIFF, while approximately \$2,032,000 is invested with Charles Schwab in a socially responsible fund. Unlike funds offered through the Episcopal Church Endowment Fund and Episcopal Church Foundation, TIFF does not currently screen its funds for compliance with the investment values affirmed by General Convention. This resolution will provide a needed course correction to bring the diocesan endowment into alignment with the mission and values of The Episcopal Church, succinctly encapsulated in the fifth point of The Episcopal Church’s Five Marks for Mission, “To strive to safeguard the integrity of creation and sustain and renew the life of the earth.”³

In response to the call of the diocesan conventions of 2013 and 2014, the Investment Committee of the diocese has actively engaged TIFF in discussions of creating a Socially Responsible Investment (SRI) portfolio option. As a result, The TIFF Board has endorsed the idea and is working towards offering an SRI portfolio, likely in 2016. This new fund would allow for the diocese to invest in compliance with The Episcopal Church values without any cost incurred for changing investment firms, making it feasible for the Diocese to honor the principles of Resolution C045 passed by the National Episcopal Church in June of 2015.

Last year's *Socially Responsible Investing* resolution established a Social Responsibility Task Force "to explore investment policies that would be consistent with the values of the people of the Diocese of California (informed by a process involving, *but not limited to*, diocesan planned roundtable discussions over the course of 2015) and to make policy recommendations to the Investment Committee." This resolution supplements these roundtable discussions by providing a direct expression of such values in the area of fossil fuel investments to the Task Force.

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¹ http://www.generalconvention.org/gc/2015-resolutions/C045/current_english_text

² <https://www.churchofengland.org/media/2223994/climate.change.policy.30.04.15.pdf>

³ <http://www.episcopalchurch.org/page/five-marks-mission>