



# The Church of Scotland

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## Church and Society Council

### THE CLIMATE EMERGENCY AND THE FUTURE OF OIL AND GAS:

#### HOW DO WE RESPOND?

A range of climate, energy and environmental concerns in 2019 has led to declarations of a 'climate emergency'. This raises some hard questions for the future of the oil and gas industries. What does this mean and how should churches respond?

#### Campaigners old and young

David Attenborough, 93, addressed the potentially disastrous consequences in a BBC documentary [Climate Change - The Facts](#) and Greta Thunberg, the 16 year old climate campaigner from Sweden has been travelling Europe with widespread publicity, [addressing UK MPs](#) when she criticised the UK Government's response to climate change, [encouraging Extinction Rebellion protestors](#) in London , and briefly [meeting the Pope](#), who asked her to continue with her campaigning. In August she travelled by yacht from Europe to New York to address the United Nations.

#### Strikes and protests

There have been school strikes around the world including Scotland with [children protesting outside the Scottish Parliament](#). Protesters from [Extinction Rebellion](#) have disrupted traffic in London, Edinburgh and elsewhere. The protests have included significant numbers of church activists from [Christian Climate Action](#). The strikes continue into the autumn with actions planned for the week beginning 20 September.

#### The CoP comes to Glasgow in 2020!

In September it was announced that the United Nations climate conference 2020 (CoP26) will be [held in Glasgow](#) in November 2020. Delegates from governments around the world, churches, NGOs and others numbering perhaps 30,000 will be in the city. This is an opportunity to meet representatives from the world's churches and to showcase climate action in Scotland. It also runs the risk of highlighting our dependence on oil and gas and our commitment to continued exploration and production in the North Sea.

#### UKCCC Report

The United Kingdom Committee on Climate Change (UKCCC) published a report on 2 May 2019 [Net Zero: The UK's contribution to stopping global warming](#). The report sets out how the UK can end its contribution to global warming within 30 years by setting an ambitious new target to reduce its

greenhouse gas emissions to zero by 2050. For Scotland the report suggests that the target date should be 2045. The recommendations of the report were accepted quickly by the Scottish Government who [announced amendments to the Climate Change Bill](#) currently before Parliament to implement the UKCCC target date.

### **Climate emergency**

At the SNP Conference in April 2019 the First Minister, Nicola Sturgeon, [declared a climate emergency](#) in response, she said, to meeting children who had taken part in the school climate strike. While having no statutory force a state of emergency demands urgent action and challenges the status quo. Following her speech critics challenged Scottish Government proposals to reduce or eliminate [Air Departure Tax](#) arguing that this offers a financial incentive to encourage flying and is inconsistent with a climate emergency. In a remarkably rapid response the Scottish Government agreed and [scrapped the proposals](#).

The Scottish Government Programme for Scotland 2019-20 '[Protecting Scotland's Future](#)' was published in September. The programme gives priority to climate change and the transition to a low carbon economy. Its breadth recognises that a range of initiatives are required to transform the economy, communities, homes and travel.

### **Carbon Tracker**

A report in September from financial analysts Carbon Tracker [Breaking the Habit](#) concludes that none of the large oil companies are "Paris-aligned". "Every oil major is betting heavily against a 1.5°C world and investing in projects that are contrary to the Paris goals." This includes the large European companies that are doing the most to reassure investors that they are responsive to climate concerns – BP, Shell, Total and Equinor. Shockingly, the report concludes that oil and gas projects already been sanctioned will take the world past 1.5°C, unless carbon capture and storage can be brought into action at scale and very quickly.

### **Concern grows about oil companies lobbying**

A [research report](#) has revealed how oil companies have spent \$1 billion on lobbying and publicity since the Paris agreement to ensure that their highly profitable business model is not disrupted.<sup>1</sup> There has been a [huge publicity campaign from BP](#) stressing its green credentials, a campaign that has been widely criticised as 'greenwash' and has been called '[Deceptive and Hypocritical](#)'. In particular a research report has highlighted that while claiming to be promoting renewables, less than 5% of BP's capital expenditure is in renewable energy.

### **Total**

Similarly, Total is a leader in renewables among the largest oil companies but this still represents a tiny fraction of its overall investment (less than 5%). At the [presentation of its results](#) in February 2019 Total reported it had made \$15bn of capital expenditure and achieved an 8% increase in output along with a 28% increase in earnings. It is planning a similar level of investment in new oil and gas fields around the world in the next five years.

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<sup>1</sup> Big Oil's Real Agenda on Climate Change, March 2019, How the oil majors have spent \$1bn since Paris on narrative capture and lobbying on climate, Influence Map, March 2019.

## Norway

The Labour Party in Norway, the largest party in the Norwegian Parliament, has indicated that it will not support proposals for [drilling for oil near the Lofoten islands](#). This decision has caused surprise in the oil industry and among trade unions and marks a significant turning point in the debate on fossil fuel extraction. Also in Norway the Sovereign Wealth Fund has indicated its intention to [move away from fossil fuel investments](#).

## Finance

The Governor of the Bank of England, Mark Carney, has repeated his warning about the financial implications of climate change. In an [open letter](#) written with other leading central bankers on climate-related financial risks he set out steps that need to be taken in the finance sector to minimise these risks. Also in April Legal and General Investment Management (LGIM) warned of a climate catastrophe in its [Active Ownership](#) report. LGIM is one of the largest investors in the UK and announced it had divested from companies that it considered had made insufficient progress in addressing climate risks. Sacha Sadan, Director of Corporate Governance at LGIM said:

*The point here is that we are facing a **climate catastrophe**. More and more people are realising this, especially as we have seen further evidence that the effects of climate change will soon be irreversible. This will affect economies, politics and, as a result, our clients' assets all around the world. We all need to move faster.*

## Just Transition

This is a campaign to promote a just transition to an environmentally and socially sustainable economy. It has attracted the support of some trade unions and the Scottish Government has set up a [Just Transition Commission](#) chaired by Prof. Jim Skea. In part this is a recognition that we have to move rapidly from an economy dependant on oil and gas but that must be done in a fair and just way. The report [Sea Change](#) published by Oil Change international in 2019 explores what this might mean for the oil and gas industry.

## Questions: what are the implications for churches

An environmental emergency demands an urgent response.

- What does a climate emergency mean and how should we respond?
- What is a 'just transition' to a low carbon economy and how do we make it happen?
- What does a climate emergency mean for the future of the oil and gas industry in the North Sea?
- What does this mean for our investments in oil and gas companies both as churches and as individuals?