

Policy Statement on Ending Fossil Fuel Investments to Protect Health and Tackle Climate Change

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Introduction

In 2009, a UCL-Lancet commission report described climate change as “the biggest global health threat of the 21st century”¹; this concern has been echoed by medical organisations worldwide, including the British Medical Association (BMA).² The degree of warming projected under business-as-usual emissions scenarios will lead to severe and widespread health impacts in both developing and developed countries.³

In order to remain under two degrees of warming – a level climate scientists consider comparatively safe, though there would still be some health impacts - we have a global ‘carbon budget’ of 565-886 gigatonnes CO₂e until 2050, meaning that we need to leave up to 80% of currently listed fossil fuel reserves in the ground; so-called ‘unburnable carbon’.⁶

Moving investments out of fossil fuel companies, and towards clean energy and other green investments, is an essential part of making this happen, and health groups such as Medsin – being made up of young people who will experience the worst impacts of climate change – and other health groups need to follow organisations like the British Medical Association, the World Council of Churches and the Rockefeller Foundation to help lead the way on this.

Main text

The urgent health threats posed by climate change stem largely from the fact that the fossil fuel industry plans not only to burn these ‘unburnable’ reserves, but also to continue to seek new ones. It is given license to do so by its shareholders and customers, and by inadequate public policy. Using tactics developed by the tobacco industry over decades (in some cases even employing the same organisations),⁴ many fossil fuel companies have spent considerable sums attempting to undermine public understanding of climate science and lobbying policy-makers to prevent the adoption of effective legislation.⁵

Fossil fuels also harm health directly, particularly through their contribution to air pollution. This was responsible for 1 in 8 deaths worldwide in 2012⁶, and approximately 5% of all UK deaths⁷ – more still in parts of London. The transition to clean energy and active and low-carbon transport which is clearly needed in order to stay within this budget could help to prevent millions of deaths worldwide, from conditions including COPD, heart attack, stroke and lower respiratory infections.⁸

Divestment involves systematically selling off holdings in companies whose business model or activities runs counter to the investor’s goals or values – as with many health organisations’ divestment from tobacco in the 1980s.⁹ In the context of the growing threat posed by unmitigated climate change, calls for fossil fuel divestment, and investment in clean alternatives, have been made by leaders including Archbishop Desmond Tutu;¹⁰ Dr Jim Kim, President of the World Bank;¹¹ Christiana Figueres, Executive Secretary of the UNFCCC;¹² and a number of senior UK doctors.¹³

Many institutions – including universities, churches and pension funds, and organisations with endowments as large as the Rockefeller Foundation – have already ended their investments in fossil fuel companies. Divestment from the industry by such a highly respected medical institution would send a strong public signal about climate change’s health effects, and would strengthen the profession’s ability to advocate for a transition to a healthier, more sustainable economy.

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Another, more pragmatic, reason to divest from fossil fuel companies is that such investments may be systematically overvalued, since the enactment of adequate climate policy – which is becoming more likely as climate impacts become increasingly severe - would burst the “carbon bubble”, severely threatening the industry’s market value. Continuing to invest in fossil fuels is similar to betting against substantive action on climate change.⁹ Fossil-free funds tend to perform as well as benchmarks which include fossil fuels, with similar or lower levels of risk,¹⁴ and several banks now offer these types of accounts, with competitive rates

Arguments in favour of divestment from fossil fuels and re-investment in renewables:

1. It goes against Medsin’s values, objectives and responsibilities to invest in the fossil fuel industry indirectly through its bank account, given its role in creating the “greatest global health threat of the 21st century” and its contribution to several million deaths worldwide from air pollution each year.
2. A transition to a less carbon-intensive society, meanwhile, promotes health ‘co-benefits’ including cleaner air, increased active transport, healthier diets and many others.
3. The global carbon budget described by the IPCC means that the majority of the industry’s assets will become stranded if international climate change mitigation policy is enacted, making divestment a sensible long-term risk management strategy, whilst fossil free portfolios have had similar performance to those including fossil fuels in recent years.
4. This is an opportunity for Medsin to take the lead and help demonstrate the health profession’s commitment to a sustainable future and show that young people are an essential part of the solution and can make a real change within their own organisations.

Actions

Responding to these concerns and reasons for action, Medsin will:

- Commit to phase out all investments, direct and indirect, in fossil fuels within 3 years – including funds currently managed by banks which maintain investments in any of the top 200 fossil fuel companies listed globally (as defined by the Carbon Underground report).
- Choose to move to a bank which prioritises ethical and environmentally sustainable investment criteria if transferring its funds to a new bank. If investing its money directly or through a fund manager in the future, rather than via a bank, it will seek to prioritise investments in renewable energy sources.
- Advocate for other health organisations to do likewise, and to re-invest funds in solutions to climate change such as renewable energy, for example through becoming a signatory organisation to the forthcoming report on this topic co-authored by Healthy Planet UK, the Climate and Health Council and Medact.
- Apply for membership of the Global Climate and Health Alliance, which is raising awareness of the health risks of climate change and calling for these actions to be taken by health organisations internationally.

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