

Background & resources for action: May 9th Appeal

Save Children's Lives – Responsible Banking Survival Guide for Faith Actors & Partners

How to use our power as bank clients to stop carbon bombs

“The scientific and moral imperative is clear: there must be no new investment in fossil fuel expansion, including production, infrastructure and exploration”

António Guterres, UN Secretary-General

The latest [IPCC report](#) highlighted in starker terms than ever the severity of the climate emergency and was described by the UN Secretary General as an “atlas of human suffering and a damning indictment of failed climate leadership”¹ but also as a “a how-to guide to defuse the climate time-bomb; a survival guide for humanity”².

Preventing future investments in fossil fuels is one of the most important ways to respond to the climate emergency. This document provides background information on the importance of managing financial relationships to prevent future fossil fuel investments and protect children. The WCC report [Cooler Earth - Higher Benefits](#) should be referred to for more detail on the impact of financial choices on climate change; a shareable poster based on the report can be found [here](#).

On 9th May 2022 the World Council of Churches (WCC), Faith for Earth of the United Nations Environment Programme, Muslim Council of Elders, and New York Board of Rabbis launched the appeal [Climate-Responsible Finance: A Moral Imperative towards Children](#). The 2022 launch webinar recording can be found [here](#).

We call upon our financial service providers to take urgent and effective action to transition out of fossil fuel financing – in line with decarbonisation pathways as established by the scientific community – while positioning investment portfolios in ways that will help to meet net-zero GHG emissions by 2050, by

- investing in renewable energies and research for climate solutions
- adopting a commitment to fully phase-out financial services and exposure to coal no later than 2030 for European Union and the Organisation for Economic Co-operation and Development Member States, and no later than 2040 worldwide, and requesting a corresponding, dated phase-out commitment from all coal-linked companies remaining in their portfolios.
- ending all financing towards any new oil and gas projects exploration and extraction projects, as established by the latest climate change mitigation science and modeling.
- requiring oil and gas companies to stop all new development or expansion projects beyond 2022, including especially all such projects in the Arctic region.
- joining the UN-convened Net Zero Asset Owner, Banking and/or Insurance Alliances, depending on the type of financial institution concerned, if they are not yet part of them

Faith actors already recognised the financial dimensions of climate change. In 2021, the meeting on Faith and Science: Towards COP26, [religious leaders](#) worldwide signed a [statement](#) emphasising the importance of “*Striving to align our financial investments with environmentally and socially responsible standards, ensuring greater accountability and transparency as the tendency to move away from investments in fossil fuels and toward investments in renewable energy and restorative agriculture is becoming ever more widespread. We will encourage public and private sector stakeholders to do the same*”. Faith actors are

¹ <https://news.un.org/en/story/2022/02/1112852>

² <https://www.unep.org/news-and-stories/story/time-running-out-defuse-climate-time-bomb>

also leading the way in divestment from fossil fuels and represent the largest category of organisations, 35.2%, in the [Global Divestment Commitments Database](#).

Fossil fuel investments: stop carbon bombs

[The International Energy Agency \(IEA\)](#) emphasised that there is no need for new investments in fossil fuel projects in the path to net-zero and that no new oil or gas is needed for the transition. Even the UN Secretary General, [Antonio Guterres](#), highlighted the importance of finance for net-zero at the World Economic Forum (WEF) in Davos: “Put forward credible and transparent transition plans on how to achieve net-zero – and submit those plans before the end of this year”. Yet, financial institutions continue to invest in fossil fuel projects. The 2023 [Banking on Climate Chaos report](#) revealed that, in the seven years since the Paris Agreement in 2015, the 60 largest commercial and investment banks globally have invested \$5.5 trillion in fossil fuels³. Many of these banks are yet to make public commitments to net-zero and the commitments that have been made are often inconsistent and leave loopholes for real-terms investments in fossil fuels.

Carbon bombs are fossil fuel projects expected to emit more than a gigaton of CO2 emissions over their lifetime and represent one of the biggest threats to climate mitigation measures. [Researchers](#) have mapped 425 such projects globally, of which 40% are yet to start extraction. In 2019, active carbon bomb projects were responsible for 45% of global oil and gas production and 25% of global coal production. ‘Defusing’ these carbon bombs through preventing future investments in fossil fuels must be a priority for climate change mitigation and can be achieved in part through financial choices. Carbon bombs have and will continue to have [significant social and mortality costs](#) with estimates that new carbon bombs, which have not yet started extraction, could cause up to 94,507,109 deaths and incur costs of \$174,741.6 billion.

Financial institutions with investments in new fossil fuels projects are a threat to climate mitigation measures, yet they also represent an avenue for action on climate change which is still to be fully realised.

The moral imperative: protect children

The climate emergency has a disproportionate effect on children and young people and imperils future generations. In 2021, UNICEF introduced the [Children’s Climate Risk Index \(CCRI\)](#) and focused on eight dimensions of “major climate and environmental hazards, shocks and stresses”⁴. Almost every child is exposed to at least one of these, 80 million are currently exposed to at least six, and one billion (nearly half of the world’s children) live in extremely high-risk countries. The factors contributing to existing and potential [violence against children](#) are also exacerbated by the climate emergency and it has profound [psychological impacts](#) with an increasing prevalence of climate anxiety amongst children and young people.

Children and young people have shown that they expect their communities and faith groups to act on climate change. [Research](#) conducted with churches in the UK suggested that only 1 in 10 young people think their churches are taking climate change seriously enough.

In the face of the climate emergency children and young people are often leading the way, yet it is organisations and bank clients who have the power to act. Given the effects of climate change on children,

³ See also [The Carbon Bankroll: The Climate Impact and Untapped Power of Corporate Cash](#)

⁴ The dimensions are water scarcity; heatwaves; cyclones; vector-borne diseases; riverine flooding; coastal flooding; air pollution; lead pollution.

and the huge role that financial institutions have to play in fossil fuel investments, faith actors have a moral imperative to use their power as bank clients to protect children, young people and future generations⁵.

Hope from financial choices: talk to your bank!

“Bank choice is a largely untapped frontier for climate leadership with massive potential for impact”

Valérie Rockefeller

Engaging with your bank is one of the most important ways to respond to the climate emergency and to protect children and future generations. Working with banks to prevent fossil fuel investment can take many forms and may include divestment, divest/invest and investment. Whilst switching to environmentally sustainable banks is a valuable approach, it leaves open the possibility that fossil fuel investments will simply be taken over by a new investor. Remaining with the same bank offers the opportunity to use your power as a bank client to prevent future investment in fossil fuels.

- **If you only have 10 minutes** or limited capacity, adapt a [template letter](#) to send to the CEO of your bank.
- **Check the climate credentials of your bank:** as an individual, e.g. through the [Laudato Si' Movement search engine](#), and as an institution, e.g. using Bank FWD's practical [guide](#) with 10 questions to ask your bank. Additional tools and resources to help assess the green credentials of banks and financial institutions include: [Bank.Green](#) and [BankWFD's calculator](#). A list of sustainable banks can also be found [here](#).
- Encourage your financial service provider to **join one of the UN-convened Net Zero [Asset Owner](#), [Banking](#) and/or [Insurance](#) Alliances**
- If your bank is not making progress, consider [switching banks](#).
- Find out what your bank is funding, choose a green bank and maximise the impact of your switch with a checklist of 6 simple actions, using [Switch It Green's Banking platform](#).

Success stories of engaging with financial institutions can be found in the [Compendium of Experiences](#). We invite you to submit your own experience to the compendium. The Laudato Si' Movement also encourages you to share your institutional [commitments](#) and individual or institutional [stories](#).

How can you contribute?

We all have the possibility to [use our power as bank clients](#) to respond to the climate emergency and protect children, young people and future generations.

We suggest to reflect on the following question: **What actions can you take to ensure that your assets are not used by your bank to finance fossil fuel expansion?**

The presentations shared in the 9 May Appeal anniversary event [Save Children's Lives - Responsible Banking Survival Guide](#) can be accessed [here](#).

Additional tools and resources

[Cooler Earth - Higher Benefits](#)

[IPCC AR6 Factsheet on Climate Finance](#)

[Aligning your banking with sustainability goals](#)

[How to switch to better banks and credit cards](#)

[Make My Money Matter video](#)

[Move Your Money: guide and campaign](#)

[UNEP FI: Catalysing action across the financial system to support the transition to more sustainable and inclusive economies worldwide](#)

⁵ [Give children hope to bank on a better future](#); [Comment les Églises peuvent désinvestir des énergies fossiles](#)