



Divestment for Health

"This is an emergency....Those who profess to care for the health of people perhaps have the greatest responsibility to act..."

We should push our own organizations (universities, hospitals, primary care providers, medical societies, drug and device companies) to divest from fossil fuel industries completely and as quickly as possible, reinvest in renewable energy sources, and move to "renewable" energy suppliers.

(Climate Change and Human Survival, BMJ 2014"^[1])

In response to the health threat of tobacco, the Canadian Medical Association and other health organizations divested from the tobacco industry.^[3] By shifting their money away from the tobacco industry, they helped to remove its social license to operate, and contributed to a societal movement towards a world less affected by the ill-health impacts of tobacco smoke.

We are now under threat from a different kind of second hand smoke.^[4] With floods, fires, fresh-water scarcity and failed crops, we are already seeing the ill-health effects of climate change.^[6] We know that at least 80% of the world's fossil fuel reserves must remain in the ground in order to avoid runaway climate change.^[7] It is time to take our money out of what harms, and put it into building the liveable world we need.

WHY DIVEST?

1. "Climate change is the biggest global health threat of the 21st century." (Lancet 2009^[2])

Conversely, many changes that decrease greenhouse gases have immediate health benefits:

- active transport decreases cardiovascular disease and obesity compared to driving.^[5]
- wind/solar/hydro power have less cardiovascular and respiratory impacts than coal-powered electricity.^[5]

2. Physicians and other healthcare workers have an ethical responsibility to "Do No Harm".

"Continued investment in the fossil fuel industry violates health workers' obligations to do no harm and grants the industry the social license to explore and exploit still further reserves, resulting in catastrophic global warming."

International Federation of Medical Students Associations. ^[4, 8]

2°C of worldwide surface temperature warming is thought to be the absolute upper limit of safety and is the current global target. Business-as-usual carbon emissions have us pointing towards an unliveable 2.6-4.8°C by 2100 (IPCC RCP8.5).^[9]



**Canadian Association of
Physicians
for the
Environment**

3. Fossil Fuel divestment is a smart investment strategy.

"We can divest and tax that which we don't want, the carbon that threatens development gains over the past 20 years... Be the first mover. Use smart due diligence. Rethink what fiduciary responsibility means in this changing world. It's simple self-interest. Every company, investor, and bank that screens new and existing investments for climate risk is simply being pragmatic."^[10]

Dr Jim Kim, President World Bank & Former Head of Global Health at Harvard.^[11]

The Financial Risk of the Carbon Bubble: ^[8, 10] The “vast majority of reserves are unburnable.”

– Mark Carney.^[9]



To stay within 2°C of worldwide surface temperature warming, we need to leave approximately 80% of fossil fuel economic reserves in the ground.^[8] This “unburnable carbon” is at risk of becoming stranded assets because unsold carbon is worthless.^[8,9,10]

The potential overvaluation of fossil fuel stocks is termed the “Carbon bubble.”^[10] Carbon pricing, reduced fossil fuel subsidies and a transition to improved clean energy technologies all increase the probability of a safer world AND a profound market correction.^[8,9,10,11,13,14]

CUMULATIVE INDEX PERFORMANCE - GROSS RETURNS (GBP) (NOV 2010 – MAY 2015)



Graph: Fossil fuel-free funds may even outperform conventional ones.^[15]
The MSCI ACWI ex Fossil Fuels Index represents the performance of the broad market (MSCI ACWI) while excluding companies that own oil, gas and coal reserves.^[16]

Which Path Do We Choose?

We are the last generation with the ability to prevent irreversible climate change. The status quo sees us heading towards a very troubled world by mid-century and a potentially unliveable one by century's end. Meanwhile, a low-carbon, more resilient world is possible: an authoritative group of 60 Canadian academics published a report this year stating that Canada could have 100% renewable energy supply by 2035 and could reduce emissions by 80% by the middle of the century.^[17] Electricity can now be produced as cheaply with solar power as with fossil fuels in many jurisdictions^[18,19]—providing new opportunities for underdeveloped countries affected by energy poverty.^[20] As Dr Jim Kim says, “it’s possible to reduce emissions and deliver jobs and economic opportunity, while also cutting health care and energy costs.”^[21]

Decisive, courageous action is needed. The time window for treatment is still open—but only just. Many healthcare organizations have

committed to speaking up to make clear to society the health and economic benefits of climate action. For instance, the Canadian Medical Association has already endorsed a 10-year phase-out of coal-powered electricity in Canada. (DM 5-31).^[22]

Canada’s healthcare organizations must now make sure their investments are in line with their climate-health vision.

Fossil fuel divestment is now backed by the UN^[23], the World Bank^[11], the British Medical Association^[24], the International Federation of Medical Students^[4], the London School of Hygiene and Tropical Medicine^[25], the Royal Australasian College of Physicians^[26], and an increasing number of universities^[27], municipalities and faith groups^[28].

Our patients and our children trust us to lead them to a healthier future. As healthcare providers, we have the responsibility and the privilege of being able to contribute disproportionately to the outcome of the defining issue of our time.

What will we be remembered for? Ask your healthcare organizations to divest from fossil fuels and invest in renewable energy.

“Tackling climate change could be the greatest global health opportunity of the 21st century.” – *Lancet*, 2015^[30]

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