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RELIGIOUS LEADERS: FINANCIAL INSTITUTIONS MUST END INVESTMENT IN FOSSIL FUELS AND DEFORESTATION

*World Council of Churches, International Multi-Faith Coalition Demands
Asset Managers Follow “Climate Finance Moral Standards”*

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Religious leaders spanning diverse faiths and continents, representing over half a billion people globally, today made an unprecedented demand on the leaders of large asset managers, such as BlackRock and Vanguard, to recognize the universal moral values that require them to end their role in the climate’s destruction and to stop investing in fossil fuels, deforestation, and systemic violations of human and Indigenous rights.

The large international coalition—organized by [GreenFaith](#) and including **Faith for the Climate Network**, **Green Anglicans**, **Hindus for Human Rights**, **Islamic Society of North America**, **Laudato Si’ Movement**, **Operation Noah**, and the **World Council of Churches**—formally endorsed the [Climate Finance Moral Standards for Asset Managers](#). The standards make clear the need for an end to fossil fuel production and deforestation, a rapid and just transition to a sustainable future, access to affordable and accessible renewable energy for all, and respect for Indigenous rights. The full text of the moral standards is listed below. Additional religious organizations are expected to endorse the standards in the coming days.

“A just transition from a fossil-fuel based, polluting economy to one that is life-giving and founded on renewable energy requires a change in how the whole world is investing,” said **Peter Prove, Director of the [World Council of Churches’ Commission on International Affairs](#)**. “Those who are responsible for managing our pensions and other assets must heed God’s call to love our neighbours and care for creation. We have to ensure that our resources and investments do not contribute to the destruction of God’s unique creation but to building sustainable and equitable alternatives that respond to the climate emergency. We urge the world’s asset managers to understand: this is something that we can and must do now for our children and the generations to come.”

GreenFaith and others will be mobilizing religious leaders, faith institutions, and grassroots people of faith in the coming weeks to call on the world’s largest asset managers to commit to these standards. The standards were developed in partnership with religious communities, climate and human rights organizations, and ethical climate finance experts.

“As people of diverse faiths and spiritualities, we call on the world’s asset managers to stop financing the profoundly immoral destruction of our climate,” said [GreenFaith’s Director of Education and Training, the rev. abby mohaupt](#). “We are bound together across religions by our belief that the natural world is a sacred trust, and the belief that material wealth must be used to promote the shared welfare of all. Those responsible for managing financial assets are morally bound to take right action, to act ethically, and to respect these universal moral values. All of us are at risk when the managers of the world’s wealth violate these precepts.”

The standards are a bold new expansion of the religious community’s role in climate finance, building on its longstanding support for the fossil fuel divestment movement, which has grown to encompass over [\\$40 trillion](#) of assets under management.

“Islamic economics and financial investment decisions should help society achieve the goals of the Maqasid al-Shari’ah - the objectives of Shariah, Islam’s sacred law,” said [Imam Saffet Catovic, Washington Office Director, Islamic Society of North America](#). “These objectives include the preservation of life (*Nafs*), faith (*Din*), family (*Nasl*), intellect (*Aql*), and material resources (*Mal*). Centuries ago, the renowned Islamic scholar Abu Hamid al-Ghazali wrote, ‘Whatever ensures the safeguarding of these five principles serves public interest and is desirable, and whatever hurts them is against public interest and its removal is desirable.’ The extraction and burning of fossil fuels is a major contributor to global warming and climate change and cause of harm to the natural world, posing an existential threat to all life on Earth and therefore in direct violation to the life affirming goals of the Shariah.”

“There are 300 million people across India who face great hardship because of a lack of access to affordable energy,” said [Sunita Viswanath, Founder of Hindus for Human Rights](#).

“Hinduism teaches that we must act with compassion to all people and with *ahimsa*—nonviolence—towards the Earth. These teachings present us with a clear path towards harmony: a global commitment to renewable energy for all.”

Full text of the demands is below:

Climate Finance Moral Standards for Asset Managers

These standards have been developed in collaboration and consultation with ethical climate finance experts, religious communities, and leading international climate, Indigenous, and human rights NGOs.

Faith for the Climate Network, Green Anglicans, GreenFaith, Hindus for Human Rights, Islamic Society of North America, Laudato Si’ Movement, Operation Noah, and World Council of Churches, call on all asset managers to adopt, implement, and ensure compliance with the following standards:

1. Exclude across all investments any assets that include production of fossil fuels, deforestation-causing commodity production, and companies with systemic violations of Indigenous and human rights.

Asset managers must:

- Exclude from their portfolios all companies responsible for production and expansion of fossil fuels, as named on the [Global Coal Exit List](#) and the [Global Oil & Gas Exit List](#).
- Exclude companies that refuse to implement comprehensive policies for zero deforestation.
- Exclude companies with systematic violations of human rights or that refuse to implement comprehensive policies for upholding Indigenous rights, as defined by the [United Nations Declaration on the Rights of Indigenous Peoples](#).¹

2. Demand real decarbonization, without use of offsets, from all investee companies, not just disclosure of greenhouse gas emissions.

Asset managers must:

- Make no new investments in heavily emitting companies that do not have credible short and medium-term decarbonization or anti-deforestation plans consistent with the internationally-agreed upon goal of limiting global warming to 1.5° C. Divest from such companies within three years if they have not developed such plans. t
- Vote against directors on boards that have failed to take climate action consistent with the 1.5° C target and to replace them with climate-competent directors.²
- Ahead of their 2022 annual meeting, publish interim (5-10 year) climate decarbonization plans that align with the 1.5° C target, so that by 2030 100% of all assets under management (AUM) are on track to reach absolute zero emissions,³ without the use of offsets,⁴ by 2050 or sooner.

3. Establish policies that protect Indigenous and human rights.

Asset managers must:

¹ Adapted from [Complicity in Destruction III](#).

² For more, visit [majority action](#).

³ The concept of any one company achieving “net zero” emissions removed from the context of global emissions is counter-productive and opens the door for improbable carbon accounting and assumptions which enable continued emissions. Companies should aim to achieve “zero first,” meaning they should aim to reduce emissions to an absolute zero by 2050. For more, see [The BlackRock's Big Problem Campaign's Position on BlackRock's 2030 Interim Climate Targets - BlackRock's Big Problem](#).

⁴ For more on the problems with offsets see [A dangerous distraction – the offsetting con | Policy and insight](#).

- Adopt, publicize, and enforce investment policies that require investee companies to respect Indigenous peoples' rights, including land rights and self-determination, as defined by the [United Nations Declaration on the Rights of Indigenous Peoples](#).
- Adopt, publicize, and enforce investment policies that require investee companies to maintain zero tolerance for violence against and the criminalization of Indigenous communities and land defenders as defined in the [2019 Geneva Declaration](#).
- Adopt, publicize, and enforce investment policies that require investee companies to secure Free, Prior, Informed Consent (FPIC) of Indigenous peoples and other traditional and local communities.⁵ That means companies must provide full disclosure of all aspects of a proposed project in a manner that is understandable to the people whose consent is being sought, and inform them of the positive and negative impacts of a project before seeking consent. Consent must be freely given, without coercion, manipulation or bribes, before companies start operations. If consent is not given, operations should neither commence or continue.
- Stop all investment in companies which do not enact concrete changes in behavior in line with these policies.

4. Invest rapidly in just climate solutions and a just transition for workers and communities impacted by the climate crisis and the fossil fuel industry.

Asset managers must:

- Develop and implement measurable plans to rapidly increase investment in climate solutions, including renewable energy, sustainable agriculture, electric transport, and energy access, at a level consistent with the internationally-agreed upon goal of limiting global warming to 1.5° C.
- Develop and implement measurable plans to invest in capital projects needed to realize the United Nations "Sustainable Development Goal #7," which calls for access to affordable, reliable, sustainable and modern energy for all, with no investment in fossil fuels.
- Measure and maximize job creation and a just transition through their investments for workers and for frontline, low-income, and other communities heavily impacted by the climate crisis and the fossil fuel industry.

5. Provide all clients fossil fuel- and deforestation-free investment options as a default.

⁵ This standard is in line with [Forests and Human Rights: Principles for Asset Managers - BlackRock's Big Problem](#).

Asset managers must:

- Make fossil fuel-free and deforestation-free investments the default options for all clients and investors across all product offerings, including in their index or passively-managed funds which make up the majority of investment offerings.



END