

## Is Fossil Fuel Investment a Sin?

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The Catholic Health Association holds that Catholic health care “continues Jesus’ mission of love and healing in the world today.” We believe that in the face of climate change, this mission calls the health care ministry to divest from fossil fuel corporations and reinvest in companies and industries that promote the common good, of which the climate, as Pope Francis emphasizes, is an essential part (23). In this essay, we call on Catholic health care systems and institutions to lead the way among all health care systems and institutions by seriously considering financial divestment from fossil fuels.

### I. Global Warming

In 1859, Irish physicist John Tyndall showed that greenhouse gases like carbon

dioxide in the Earth’s atmosphere trap heat in a process later termed the “greenhouse effect.” Since Tyndall’s discovery, human activities – especially fossil fuel combustion – have increased the amount of greenhouse gases in the atmosphere beyond any levels in human history. Between 1850 and 2007, the United States produced nearly thirty percent of the world’s carbon pollution.<sup>1</sup> As a result, average global temperatures have increased by nearly one degree Celsius. This global warming is already producing geophysical consequences like glacial melt, drought and altered disease vector habitats.

Since humans are impacted by the natural environment, climate change already causes thousands of deaths and illnesses each year. According to the World Health

Organization, “Climatic changes are already estimated to cause over 150,000 deaths annually” and between 2030 and 2050 climate change related health hazards

are “expected to cause approximately 250,000 additional deaths per year” due to heat exposure and extreme weather, diarrhea, malaria and other vector-borne diseases, and under-nutrition because of famine.<sup>2</sup> In 2009, the Lancet/UCL Commission for Global Health, a collaboration between *The Lancet* medical journal and University College London, reported that the threat to human health from climate change is so great that it could reverse the last five decades of development and public health progress worldwide. As with much ecological degradation, the poor are disproportionately harmed by climate change despite contributing least to the problem.

Globally, the fossil fuels that drive anthropogenic climate change create immense additional health risks via the pollution of particulates. Every year, air pollution contributes to the death of 7 million lives. Pollution imposes very high costs, including over 200,000 premature deaths per year in the U.S., and is linked to neuro-cognitive disabilities in children as well as asthma.<sup>3</sup> The impacts are particularly harsh on the poor, as polluting industries and toxic sites are often concentrated in poor and minority neighborhoods.

Scientists widely recommend that global warming should be capped at two degrees Celsius above pre-industrial temperatures to avoid triggering so-called “tipping points” beyond which feedback loops make warming essentially irreversible. Additionally, the Paris Agreement urges limiting global warming to no more than one and a half degrees Celsius above pre-

industrial levels. However, for this to happen, one of the things that nations – especially the U.S. – must do is reduce reliance upon fossil fuels. As one writer

conservatively concluded after considering several estimates and figures, “So while it is good to understand what factors will determine our carbon budget, it is much more important to call on politicians and investors alike to get a grip on this issue and face up to the simple and incontestable reality: there’s far more fossil fuel than we can burn, and the more of it that we take out of the ground, the greater the risk of an irreversible climate catastrophe.”<sup>4</sup>

The world’s known coal, oil and gas reserves are owned by publicly traded corporations that sow scientific disinformation about climate change and lobby against policies to limit greenhouse gas pollution.<sup>5</sup> According to market logic, these companies will burn these reserves – and lead to a possible 10 degree Celsius rise globally – unless massive reversals in public opinion and legal repercussions emerge.<sup>6</sup>

## II. *Laudato Si’* and Catholic Responses

In his 2015 encyclical *Laudato Si’*, Pope Francis affirmed the inescapably social dimension of climate change, writing, “We are faced not with two separate crises, one environmental and the other social, but rather with one complex crisis which is both social and environmental.”<sup>7</sup>

Additionally, he refers to “the symptoms of sickness evident in the soil, in the water, in the air and in all forms of life,” thereby linking the disease of the planet and the disease of people who are sick due to human-induced climate change and environmental degradation.

Consistent with Saint Pope John Paul II and Pope Emeritus Benedict XVI, Francis then calls on all Catholics and Catholic institutions to “protect our common

home,” the earth. In particular, Francis stresses “that technology based on the use of highly polluting fossil fuels – especially coal, but also oil and, to a lesser degree, gas – needs to be progressively replaced without delay” (165). Additionally, he underscores the “urgent need to develop policies so that, in the next few years, the emission of carbon dioxide and other highly polluting gases can be drastically reduced, for example, substituting for fossil fuels and developing sources of renewable energy” (26).

In response to the pope’s encyclical, many Catholic parishes and schools are taking “practical steps on behalf of the environment.”<sup>8</sup> In 2016, the Catholic Climate Covenant (of which the Catholic Health Association and the U.S. Conference of Catholic Bishops are members) developed and launched the Catholic Energies program to help Catholic dioceses and institutions increase energy efficiency and renewable energy consumption. Dan Last, chief operating officer for Catholic Energies, notes that Catholic parishes, schools, campuses, hospitals, and nursing homes operate approximately 70,000 buildings, most of which use energy inefficiently, wasting around \$1 billion per year. Dan Misleh, the executive director of Catholic Climate Covenant, adds that Catholic Energies is “providing the opportunity at the parish and school levels, and perhaps at universities and hospitals, to do something” about their energy choices in response to climate change.<sup>9</sup> Since health care facilities are among the most energy-intensive buildings in the United States, Catholic Health Association members can

substantially benefit from Catholic Energies.<sup>10</sup>

### III. Divestment from Fossil Fuel Corporations

In addition to addressing their own energy consumption, many Catholic institutions are also reconsidering their investments in fossil fuel (i.e., coal, oil, gas) companies. Indeed, a growing number of organizations – including Catholic institutions – have chosen to divest from these corporations and reinvest these assets in climatically responsible places.

In the Catholic tradition, social action requires “The Two Feet of Love in Action.”<sup>11</sup> The first, charity, includes local efforts to address immediate concerns. The second, justice, addresses the root causes of social issues by reforming systems, structures and policies. With respect to climate change, fossil fuel divestment and re-investment elsewhere are acts of justice. Pension funds and institutional investors represent a significant source of needed capital for renewable energy industries. The divestment and re-investment of these funds is thus a positive, non-trivial structural reform that provides capital for renewable energies that lack the tax breaks and subsidies available to fossil fuels. Additionally, divestment – especially by faith-based institutions – seeks to so morally stigmatize fossil fuel corporations that lawmakers finally reject their financial contributions which systematically maintain the agenda to burn all known carbon reserves. At a minimum, many Catholic institutions are divesting to maintain structural fidelity to their missions and avoid investing in companies

and systems that undermine the church's core social teachings.

### Catholic Health Care and Divestment

Health care organizations are highly respected institutions with a clear mission to support human life and well-being. There is a logical mission inconsistency

between advocating for and serving individual and population health while at the same time funding corporate initiatives that undermine health. Mission integrity calls for investments in clean, healthy energy that do not subsidize pollution deaths and climate impact deaths. Catholic hospitals and health care systems must thus consider divestment as an expression of their mission and values and as a health care imperative.

In 1981, the United States Conference of Catholic Bishops identified personalized patient care, medical-moral issues, the prophetic role, and rights and responsibilities of employers and employees as “four areas that Catholic health care facilities can demonstrate their fidelity to the Catholic traditions.”<sup>12</sup> Divestment from fossil fuels fits with each of these categories.

First, Catholic health care facilities are committed to offering personalized patient care. In a globalized era, patient care must include preventative health care measures.<sup>13</sup> Public health initiatives have long recognized that the environment affects health. Divestment from fossil fuels will reduce carbon impact and mitigate the severity and frequency of health care visits for climate change-related health hazards.

Second, divestment must be seen as a medical-moral issue. Catholic health care facilities that divest from fossil fuels will help mitigate climate change – and concomitant health hazards – as well as

stand against environmental racism.<sup>14</sup> The poor and vulnerable rarely have adequate access to health care and thus are most drastically impacted by pollution. The United States Bishops' Resolution on Health Care Reform acknowledged that “reform of the health care system which is

truly fundamental and enduring must be rooted in values which reflect the...claims of the poor.”<sup>15</sup> If the health care industry invests in dirty energy that produces carbon emissions, it fails in its commitment to care for those most affected by climate change-related health hazards.

Third, the prophetic role of the church is an underemphasized, but vitally important, aspect of Catholic health care. Catholic health care facilities have been leaders in many significant issues around human dignity, beginning of life and end-of-life care, and social responsibility.<sup>16</sup> Numerous Catholic hospitals and health care facilities have already committed to sustainability and this ought to be lauded. But a prophetic role goes beyond current social wisdom that recognizes climate change as a moral issue. The prophetic role in health care includes denouncing structures of injustice. Divestment will lead towards sustainable health care and ethical investments.

Fourth, Catholic health care facilities have a responsibility to provide a healthy working environment for employees. Health care workers suffer mentally from distress and may experience compassion fatigue from their vocation.<sup>17</sup> This will be

compounded as the lines between fossil fuel use and avoidable climate change health hazards are drawn. Clinicians and allied health professionals also suffer physically from environmental toxins and other occupational hazards that rely on

fossil fuels for their manufacturing and production.<sup>18</sup> Employees are entitled to a healthy, safe environment. Divestment is one step toward this goal.

To question the prudence and moral consistency of health care providers' investment in unhealthy energy is not to suggest that such investment is a so-called "intrinsic evil." The health impacts of fossil fuels are instead best understood as originally unintentional byproducts of the industrial economy's current, though rapidly shifting, dependence on fossil fuels. Nor does recognition of the health impacts deny energy's essential function to support human dignity, economic development, and the provision of health care, and real dependence upon fossil fuels by the poor in many areas of the world.

To the first point, it is precisely the complex structural nature of fossil fuel economy that requires an intentional effort to disinvest from polluting energy and re-invest in clean energy. To the second point, Vatican teaching on energy states that advanced nations, which have already benefited from industrialization, have the moral responsibility of developing new clean energy technologies *specifically* so that developing nations continue to use, but also move away from, the energy sources that are currently most accessible (including fossil fuels). This development occurs precisely through investments in research, development, commercialization, and deployment.

## V. Divestment as Too Risky and Merely Symbolic

Catholics have a Eucharistic, incarnational spirituality expressed in the integrity of our institutions. Ultimately investment choices, like other business choices,

should be shaped by faith, and that faith responsibility complements fiduciary responsibility. Responsibility is directed toward financial resources and what these resources are used for: in this case, health and well-being. Still, we must consider common objections that divestment is too economically imprudent and merely symbolic.

Investments always entail risk, and investors may always question the level of risk involved in any investment decision. Indeed, fiduciary responsibility compels institutional investors to assess the impact upon returns. Yet, important caveats attend this legitimate concern for returns and prudent stewardship of funds. First, the market is inherently unpredictable and no guarantees of uninterrupted growth pertain to any investment choice. All who felt the impacts of the 2008 market correction can attest to this. Second, new risks are inherent in remaining invested in fossil fuels. Global society is shifting decisively to low-carbon. Even without the formal commitment to the Clean Power Plan or the Paris Accord, many analysts predict that the United States is on track to meet the goals of the Clean Power Plan, simply due to the acceleration of market forces and the deployment of clean energy systems. The reserves of fossil fuel companies face the prospect of becoming legally unburnable due to future global accords becoming "stranded assets," forcing depreciation of those assets. As a result, new definitions of fiduciary responsibility are challenging the



conventional wisdom of remaining heavily invested in fossil fuels.<sup>19</sup>

From the perspective of Catholic moral theology, it has never been morally legitimate to seek maximum financial return on investments. This is clear from the United States Bishops' *Guidelines on*

*Socially Responsible Investing*. This Catholic commitment to investing in socially responsible ways that protects human well-being and God's creation is not new. What is new today is the imperative to interpret these guidelines in the context of climate change and its impacts upon human health and well-being. Given growing scientific evidence about the impacts of fossil fuels, the risk of continued extraction and combustion of fossil fuels is rapidly outpacing financial and other benefits.

Markets are shifting towards renewable energy as a business investment at a rapid rate.<sup>20</sup> Shareholder engagement is advocating for reporting and transparency. But there is a timeless matter of stating the truth. It is not ethical to formally intend the exploitation and combustion of fossil fuels, and to invest resources in the exploration and expansion of fossil fuel infrastructure when we are aware of the long-term consequences. It is not moral to invest in that knowing what we know now. The past decades of industrial advancement are not realities for which we should feel guilty, but they are not investments to which we can continue to be committed.

Others may argue that Socially Responsible Investing (SRI) can empower shareholders to advocate for change from within companies. However, since fossil fuel corporations fundamentally seek to maximize carbon reserve extraction and combustion, SRI is unlikely to affect

enough internal corporate change to avoid climate catastrophe. To defer questions of ethical investing to the strategy of shareholder engagement is inadequate.

Divestment is indeed symbolic from the perspective of Catholic theology, but it is an effective symbol: a visible sign of

invisible realities, the visible reality of using funds to build a healthy and sustainable economy. A sacramental realization of love of neighbor in directing funds to clean investments is no less symbolic than providing funds to buy bread for the hungry, which is the actual reality of love of neighbor. "In a real theology of the symbol, based on the fundamental truths of Christianity, a symbol is not something separate from the symbolized.... which indicates the object but does not contain it. On the contrary, the symbol is the reality, constituted by the thing symbolized as an inner moment of itself, which reveals and proclaims the thing symbolized, and is itself full of the thing symbolized, being its concrete form of existence."<sup>21</sup> The symbolism of divestment is thus deeply important from a Catholic perspective.

## VI. Conclusion

Catholic health care ministry is committed to the protection of human life and the promotion of human dignity, especially of the poor and vulnerable. Since climate change appears to be at least in part due to choices by large fossil fuel corporations, Catholic health care institutions have a moral obligation to divest from the fossil fuel industry and reinvest in companies whose core business models do not sicken, injure and kill vulnerable persons and communities.

Divestment is a real possibility for Catholic institutions. In 2014, the

University of Dayton, a Catholic university, announced its divestment of its \$670 million investment pool from fossil fuels, invoking Catholic social and ethical teaching on the environment as the basis for the decision. Health care systems such as San Francisco-based Dignity Health (formerly Catholic Health Care West) and

St. Louis-based SSM Health, are doing likewise. To mark the 2017 Feast of St. Francis, four Catholic institutions similarly announced their intent to divest from fossil fuels.<sup>22</sup>

Climate change health hazards from fossil fuel-related greenhouse gas pollution highlight the social and environmental issues facing Catholic health care that divestment can, in part, remedy. Health care simply cannot continue to sacrifice the health of all people by supporting the fossil fuel marketplace. Catholic health care must find a way to continue the mission of healing without harming the earth or the people who inhabit it.

<sup>1</sup> Duncan Clark, "Which nations are most responsible for climate change?" *The Guardian*, April 21, 2011, <https://www.theguardian.com/environment/2011/apr/21/countries-responsible-climate-change>.

<sup>2</sup> World Health Organization, "Climate Change and Health: Fact Sheet," (updated July 2017), at <http://www.who.int/mediacentre/factsheets/fs266/en/>.

<sup>3</sup> Ibid.

<sup>4</sup> Duncan Clark, "How much of the world's fossil fuel can we burn?" *The Guardian*, March 25, 2015, <https://www.theguardian.com/environment/keep-it-in-the-ground-blog/2015/mar/25/what-numbers-tell-about-how-much-fossil-fuel-reserves-cant-burn>.

<sup>5</sup> Union of Concerned Scientists, "Who's Fighting the Clean Power Plan and EPA Action on Climate Change?" at <http://www.ucsusa.org/global-warming/fight-misinformation/whos-fighting-clean-power-plan-and-epa-action-climate#.WimkmVWnHIU>.

<sup>6</sup> Damian Carrington, "World could warm by massive 10C if all fossil fuels are burned," *The Guardian*, May 23, 2016, <https://www.theguardian.com/environment/2016/may/23/world-could-warm-by-massive-10c-if-all-fossil-fuels-are-burned>.

<sup>7</sup> Francis, *Laudato Si': On Care for Our Common Home* (Rome: Vatican Press, 2014): chapter 4, paragraph 139.

<sup>8</sup> Dennis Sadowski, "Catholic Energies looks to help church organizations go green," *Catholic News Service*, October 2, 2017, <http://www.catholicnews.com/services/englishnews/2017/catholic-energies-looks-to-help-church-organizations-go-green.cfm>.

<sup>9</sup> Ibid.

<sup>10</sup> U.S. Energy Information Administration, "2012 Commercial Buildings Energy Consumption Survey: Energy Usage Summary," March 18, 2016, <https://www.eia.gov/consumption/commercial/reports/2012/energyusage/>.

<sup>11</sup> United States Conference of Catholic Bishops, "Two Feet of Love in Action," 2017, <http://www.usccb.org/beliefs-and-teachings/what-we-believe/catholic-social-teaching/two-feet-of-love-in-action.cfm>.

<sup>12</sup> United States Conference of Catholic Bishops, *Health and Health Care: A Pastoral Letter of the American Catholic Bishops* (Washington, D.C.: United States Conference of Catholic Bishops, 1981), 1-20, at 11-16, <http://www.usccb.org/issues-and-action/human-life-and-dignity/health-care/upload/health-and-health-care-pastoral-letter-pdf-09-01-43.pdf>.

<sup>13</sup> Lisa M. Lee, "A Bridge Back to the Future: Public Health Ethics, Bioethics, and Environmental Ethics," *American Journal of Bioethics* 17, no. 9 (2017): 5-12.

<sup>14</sup> Peter Feuerherd, "U.S. Catholics allergic to reality of environmental racism, theologian says at St. John's University," *National Catholic Reporter*, February 2, 2016, <https://www.ncronline.org/blogs/eco-catholic/us-catholics-allergic-reality-environmental-racism-theologian-says-st-johns>.

<sup>15</sup> United States Conference of Catholic Bishops, "Resolution on Health Care Reform," *Origins* 23, no. 7 (1993): 89-102, at 97.

<sup>16</sup> United States Conference of Catholic Bishops, *Ethical and Religious Directives for Catholic Health Care Services*, 5<sup>th</sup> edition (Washington, D.C.: United States Conference of Catholic Bishops, 2009), 2.

<sup>17</sup> Ginny Sprang, James J. Clark, and Adrienne Whitt-Woosley, "Compassion Fatigue, Compassion Satisfaction, and Burnout: Factors Impacting a Professional's Quality of Life," *Journal of Loss and Trauma* 12, no. 3 (2007): 259-280.

<sup>18</sup> Margaret M. Quinn, Paul K. Henneberger, Barbara Braun, George L. Delclos, Kathleen Fagan, Vanthida Huang, Jennifer LS Knaack, et al., “Cleaning and Disinfecting Environmental Surfaces in Health Care: Toward an Integrated Framework for Infection and Occupational Illness Prevention,” *American Journal of Infection Control* 43, no. 5 (2015): 424-434.

<sup>19</sup> Bevis Longstreth, “The Case for Fossil Fuel Divestment,” *Huffington Post*, July 11, 2014, [https://www.huffingtonpost.com/bevis-longstreth/post\\_8010\\_b\\_5577323.html](https://www.huffingtonpost.com/bevis-longstreth/post_8010_b_5577323.html).

<sup>20</sup> See Bill McKibbin, “Cashing Out from the Climate Casino,” *New York Times* (December 15, 2017). He says, “After years of efforts from activists, there are signs that the financial community is finally rousing itself in the fight against global warming. Norway’s Sovereign Wealth Fund – the world’s biggest – is said that it is considering divestment from holdings in fossil fuel corporations.”

<sup>21</sup> Karl Rahner, “Theology of Symbol,” *Theological Investigations*, 4.224.

<sup>22</sup> Arthur Nelsen, “Catholic church to make record divestment from fossil fuels,” *The Guardian*, October 3, 2017, <https://www.theguardian.com/environment/2017/oct/03/catholic-church-to-make-record-divestment-from-fossil-fuels>.