

#FOSSILFUELTREATY

BRIEFING FOR BUSINESSES

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Find out more at

FossilFuelTreaty.org



FOSSIL FUEL
NON-PROLIFERATION
TREATY



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1. INTRODUCTION

The Fossil Fuel Non-Proliferation Treaty aims to meet the goals of the Paris Agreement by explicitly tackling the largest driver of the climate crisis: fossil fuels. Significant momentum is building behind the call for a treaty as a means to accelerate a fair, fast and financed transition away from coal, oil and gas.



FØSSIL FUEL
NON-PROLIFERATION
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2. THE NEED FOR THE TREATY

Fossil fuels are the largest driver of climate change, responsible for 86% of carbon dioxide emissions in the past decade, according to the IPCC. Faced with the climate emergency, the International Energy Agency has made clear that **the expansion of fossil fuels is unnecessary and incompatible with a 1.5°C target**. In fact, the Global Registry of Fossil Fuels suggests that extracting existing fossil fuels reserves alone would result in seven times emissions than the world's remaining carbon budget can allow.

Despite this evidence and the increase in extreme weather events globally, **governments around the world still plan to produce more than double the amount of coal, oil and gas than is consistent with a 1.5°C world**, according to the UNEP's Production Gap Report. Any overshoot of 1.5°C, even temporarily, raises the risk of triggering "tipping points", creating dangerous and irreversible consequences for people and for nature.

Greater international cooperation on managing fossil fuel production is a prerequisite for a more equitable transition away from coal, oil and gas globally and would complement the Paris Agreement by helping explicitly address the primary source of carbon dioxide emissions.

Businesses have a critical role to play in limiting global temperature rise to 1.5°C, and in supporting the ambitious policies that will be necessary to achieve this. If we are to avoid overshooting 1.5°C, and approach the climate crisis with the ambition, courage, and rapid action that it demands, fossil fuel phase-out must now underpin each business climate strategy.

3. THE ROLE OF A TREATY

A Fossil Fuel Non-Proliferation Treaty will complement the demand-side elements of the Paris Agreement by explicitly addressing the supply-side of fossil fuels and promoting international co-operation in active support of a global just transition.

Other international mechanisms that have managed threats of nuclear weapons and landmines have shown that a treaty does not need to be universal to be effective. A grouping

of 'champion' countries, including those most vulnerable to climate change, non-producers and small- and mid-level producers can drive significant change by generating collaboration between consumer and producer countries to wind down production, as well as creating new international legal standards and shifting norms that flow through to the finance sector, subnational governments, and ultimately domestic policy actions.

THE FOSSIL FUEL NON-PROLIFERATION TREATY

In this context, **there are growing calls for governments to negotiate a Fossil Fuel Non-Proliferation Treaty, a proposed international mechanism to complement meeting the Paris Agreement's goal of 1.5°**

C. The Fossil Fuel Non-Proliferation Treaty proposal is structured around three core pillars:

Global Just Transition

Enabling a global just transition for every country, worker and community, including through support to transition away from fossil fuel dependence, scaling up access to renewable energy, and allowing for economic diversification for fossil-free development pathways;

Non- Proliferation

Preventing the proliferation of coal, oil and gas by ending all new exploration and production;

Fair Phase-out

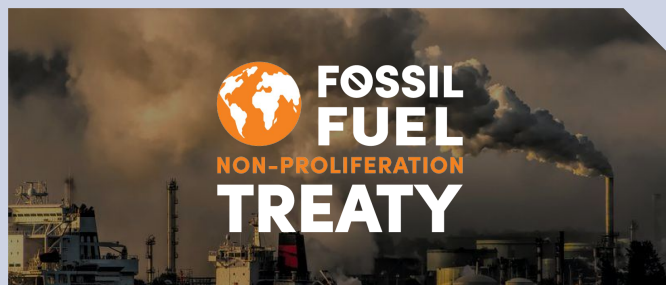
Phasing-out existing production of fossil fuels in line with the 1.5°C global climate goal, in a manner that is fair and equitable, where wealthy nations with the capacity and historical responsibility for emissions transition fastest.

The proposal for a global mechanism to manage fossil fuel production has gained momentum in various diplomatic and academic circles since the Paris Agreement was signed, and a global campaign and diplomatic initiative calling for a Fossil Fuel Non-Proliferation Treaty was launched in September 2020 and has since garnered further support from a diverse range of institutions, thought leaders and governments.



4. THE STORY SO FAR

SEPTEMBER, 2020

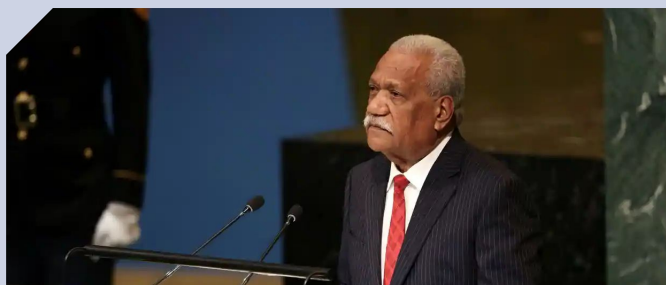


Launch of the Fossil Fuel Non-Proliferation Treaty Initiative

2020-21

The **World Health Organisation (WHO)** issuing a call for a **Fossil Fuel Non-Proliferation Treaty** and the proposed treaty have also been endorsed by **80+ major cities** and subnational governments globally including **Lima, Paris, London, Sydney, Hawai'i** and **Kolkata**, **101 Nobel laureates**, over **3,000+ scientists** and academics, **2,150+ civil society organizations**, and **600+ parliamentarians** from 82 countries.

SEPTEMBER, 2022



Vanuatu became the first country to publicly call for the negotiation of a Fossil Fuel Treaty on the floor of the UN General Assembly

2021-22

A bloc of Pacific nation states spearheaded by **Vanuatu** and **Tuvalu** formally call for development of a Fossil Fuel Treaty. The proposal also gained formal and public support from senior cardinals from **the Vatican**, the President of **Timor-Leste** and the **European Parliament**.

PRESENT

Momentum for the Treaty is building rapidly. **We are now calling on businesses** to join governments, parliamentarians, academics, scientists, civil society organizations and wider groups, in playing an active role in securing a climate just future by **supporting the Fossil Fuel Non-Proliferation Treaty**.

5. THE BUSINESS CASE

Businesses have a critical role to play in limiting global temperature rise to 1.5°C, and in supporting the ambitious policies that will be necessary to get us there.

Every industry depends on our climate remaining stable.

We now need international cooperation – governments, businesses, and civil society – to come together to explicitly stop the expansion of fossil fuels and manage a global just transition away from coal, oil and gas in a manner that is both fast and fair, so that no worker, community or country is left behind.

The world now strives for healthy economies that run on resilient infrastructure and that provide good education, safe homes and better jobs.

We need to implement innovative government policies for a managed climate transition, to challenge the climate laggards, and to deliver finance and business action that decarbonises the world once and for all. A critical way businesses can play an active role in securing a climate just future is by supporting the Fossil Fuel Non-Proliferation Treaty.

Why support the Fossil Fuel Treaty as a business?

As the climate crisis intensifies, businesses are coming under increasing scrutiny to demonstrate how they are preparing adequately for the inevitable climate transition. There is now growing pressure for businesses to illustrate climate leadership from diverse sources including:

- Growth in mandatory and investor-led **climate disclosure** regimes
- Increased **scrutiny** of net zero pledges
- Increased business **climate litigation** cases
- Growing **citizens and worker movements**
- Ability to attract and retain **employees**
- Mainstreaming of climate criteria for **accessing finance**
- Increased **civil action**
- **Growing ambition** in international and national climate plans

Without a Fossil Fuel Non-Proliferation Treaty in place, the continued growth of fossil fuel supply and production risks undoing progress made to date, and increases the likelihood of our remaining carbon budgets being exceeded.

Through supporting the Treaty, businesses can demonstrate climate leadership, play a key role in securing a liveable future, and deliver a range of positive outcomes including:

Reducing risk

On our current trajectory, global heating will reach well above 1.5°C, creating risks for all businesses and industries, their employees and wider stakeholders. The Fossil Fuel Non-Proliferation Treaty will help ensure a safer climate transition that is delivered by design, not disaster, therefore reducing the risks of physical impacts such as extreme weather events, and transitional risks such as the creation of stranded assets or damaging political lock-in.

Net zero clarity

While net zero commitments are growing in number, their integrity is increasingly being challenged due to the limited impact in reducing absolute emissions to date and an over dependence on technologies that are not proven at scale and don't address the root cause of emissions. A Fossil Fuel Non-Proliferation Treaty is needed to provide clarity that ensures net zero commitments are underpinned by a global mechanism to permanently move away from fossil fuels and business as usual.

Fostering investment and economic diversification

The lack of clarity regarding fossil fuel phase out is limiting and delaying investment in renewable energy and wider economic diversification. A Fossil Fuel Non-Proliferation Treaty will unlock new opportunities, helping to create a policy landscape that fosters new business and finance models that will support the transformation of industries in line with achieving a safe and equitable world.

Reputation

Employees and wider stakeholders are increasingly concerned about the climate crisis, and eager to work with businesses that align with their values and that show leadership through tangible and authentic climate action. By supporting the Fossil Fuel Non-Proliferation Treaty, businesses are sending a clear signal to their stakeholders that they are committed to moving away from fossil fuels, willing to advocate for ambitious climate action, and are playing an active role in preparing adequately for the transition ahead.

A Fossil Fuel Non-Proliferation Treaty will play an important role in solidifying the direction of travel for businesses, removing the barriers to business model transformation. creating a more level playing field, and helping to secure a stable operating environment.

Business support played a key role with the adoption of the Paris Agreement. A similar show of support for a Fossil Fuel Non-Proliferation Treaty will be vital to ensuring a fast and fair transition.

6. PROPOSED ACTIONS FOR BUSINESSES

As the Fossil Fuel Non-Proliferation Treaty Initiative takes forward its business engagement strategy, it is seeking support from businesses with the following activities:

Public expression of support for a Treaty

Join governments, parliamentarians, academics, scientists, civil society organizations and wider groups in publicly calling for the development of a Fossil Fuel Non-Proliferation Treaty:

- Make a public statement in support of the Treaty
- Participate in coordinated advocacy for the Treaty e.g. events, open letters
- Support calls for regional and national governments to endorse the Treaty
- Channel political influence and public profile in support of the Treaty
- Utilize available Treaty resources

Engage in convenings

- Participate in convenings with other businesses and wider stakeholders to establish a common understanding of the global coordination challenge around fossil fuel supply, and to build wider support for a Treaty
- Attend Treaty briefing events and provide Treaty briefings for company leadership, board, employees and wider stakeholders

Demonstrate best practice

In addition to engaging in advocacy and convenings for the Fossil Fuel Non-Proliferation Treaty, businesses can demonstrate their leadership and support for the Treaty through:

- Showcasing their own best practice efforts to limit the production of fossil fuels, and the dependence of their operations and workforce on fossil fuel production
- Encouraging industry trade bodies to support a Treaty
- Encouraging and supporting businesses within their supply chains to reduce their dependence on fossil fuels and to support a Treaty



BUSINESS CRITERIA

To guide our engagement with businesses, the Treaty has established a range of criteria to assess whether the actions of business supporters align with the goals and values of the Treaty.

Our criteria is also intended to promote the delivery of business climate transition plans that focus on immediate absolute emission reductions, business model transformation, and an equitable transition, rather than depending on technologies, offsets, geoengineering or other approaches that have been used to excuse fossil fuel expansion and delay climate action.

If you are considering supporting the Fossil Fuel Non-Proliferation Treaty as a business, please review the relevant business category for more details on our criteria at www.fossilfuel treaty.org/businesscriteria

SUPPORT AVAILABLE FROM THE FOSSIL FUEL TREATY INITIATIVE

The Fossil Fuel Non-Proliferation Treaty Initiative can support your business's engagement activities through the following resources:

- Briefing materials and resources to support participation at events and speaking engagements to advance the issue of fossil fuel supply;
- Additional capacity to support advocacy efforts;
- Support with identifying operational actions that can be taken to reduce dependence on fossil fuels;
- Briefings for internal teams and stakeholders;
- Communications support, including drafting, filming, publishing, pitching, and distributing materials and assets;
- A diverse network of high-profile, trusted external validators and amplifiers from around the world who can promote, recognise, and support your businesses leadership on this issue;
- Research and policy development work on key issues or areas where further knowledge and information would be useful.

Find out more at

FossilFuelTreaty.org/business

