

21 May 2021

Liu Liange  
Chairman  
Bank of China  
No. 1 Fuxingmen Nei Dajie  
Beijing, China, 100818

Dear Mr. Liu Liange,

We, the undersigned organisations, support a just and rapid transition away from fossil fuels and toward a sustainable, low carbon economy. We represent 34 civil society organisations from 12 countries worldwide, calling on Bank of China to end financing for new coal projects, and finance the replacement of fossil fuels with clean, renewable energy.

Research has found Bank of China's coal financing totals more than [US\\$35 billion](#)<sup>1</sup> since the Paris climate agreement was signed in 2015, making the bank the largest coal financier in the world since this moment. Given China is a signatory to the Paris Agreement and President Xi has also taken positive steps to pledge to go carbon neutral by mid-century, we consider Bank of China's ongoing financing of coal to be out of step with China's climate change ambition.

Bank of China also lacks any public policy that curtails its investments in coal, putting it behind over [130 financial institutions](#)<sup>2</sup> that have already limited their support for fossil fuels in recognition that coal, oil and gas carry significant environmental, reputational and financial risks.

As a signatory to the [Green Investment Principles](#),<sup>3</sup> Bank of China is encouraged to incorporate sustainability and ESG factors into its corporate strategies.

There is no room to expand the scale of the fossil fuel industry if we are to meet the goals of the Paris Agreement. New coal power stations would lock the world into using coal past the middle of this century when energy economists and climate scientists say the world needs to end [coal-fired power generation by 2040](#)<sup>4</sup> to be consistent with the Paris Agreement's ambition of a 1.5°C global warming limit. Research has found that coal is responsible for over [0.3°C of the 1°C increase](#)<sup>5</sup> in global average annual surface temperatures.

In addition to climate impacts, coal power plants release many toxins and pollutants, including mercury, lead, sulphur dioxide and particulate matter. These emissions [cause severe health issues](#),<sup>6</sup> such as asthma, brain damage, heart problems, cancer, neurological

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<sup>1</sup> <https://www.ran.org/bankingonclimatechaos2021/>

<sup>2</sup> <https://ieefa.org/finance-exiting-coal/>

<sup>3</sup> <https://green-bri.org/green-investment-principle-gip-belt-and-road-initiative/>

<sup>4</sup> <https://climateanalytics.org/briefings/coal-phase-out/>

<sup>5</sup> <https://www.iea.org/reports/global-energy-co2-status-report-2019/emissions>

<sup>6</sup> <https://www.annualreviews.org/doi/abs/10.1146/annurev-publhealth-040119-094104>

disorders. Research has found fossil fuels were responsible for [millions of premature deaths per year globally](#).<sup>7</sup> In [South Africa](#),<sup>8</sup> the state-owned electricity utility admitted that people are dying from its coal power plants' pollution.

In many instances, coal expansion also destroys local communities' livelihoods. In [Bangladesh](#),<sup>9</sup> thousands of fishermen and farmers have been displaced and not fully compensated for the loss of their homes and farmlands during the land acquisition process for coal power plants. In [Vietnam](#),<sup>10</sup> the resettlement area offered to farmers displaced by a coal power plant is not suitable for farming. In [Turkey](#)<sup>11</sup> and [Indonesia](#),<sup>12</sup> coal power plants have polluted farmlands and fishing grounds that villagers depend upon for their livelihood.

Coal also carries significant financial risks in the face of an accelerating energy transition that may be borne by lenders, sponsors or governments where coal power is being built. It is already [cheaper to invest in renewables](#) than new coal in all major markets and every new coal power plant is another barrier to countries developing with clean and more affordable renewable energy.

We urge you to immediately develop and disclose a policy that:

- rules out financing new and expansionary thermal coal power and mining projects,
- commits to phasing out financing to the fossil fuel industry in line with the goals of the Paris Agreement, and
- prioritizes the development of clean, renewable energy in a manner that upholds local ecological sustainability and the rights of communities to free, prior and informed consent.

We welcome the opportunity to have a dialogue with you to discuss any of the issues specific to coal projects Bank of China is financing in our home countries. We are also happy to discuss how the bank can improve its policies to phase out coal exposure in accordance with the climate goals of the Paris Agreement and scale up support for the clean, renewable energy that the world so urgently needs.

For further dialogue, please contact Yuyun Indradi at [yuyun@trendasia.org](mailto:yuyun@trendasia.org). We request a response from you within two weeks.

Sincerely,

African Climate Reality Project - South Africa

Asian Energy Network (AEN) - Philippines

Asian People's Movement on Debt and Development (APMDD) - Philippines

Auriga Nusantara - Indonesia

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<sup>7</sup> <https://www.sciencedirect.com/science/article/abs/pii/S0013935121000487>

<sup>8</sup> <https://www.ee.co.za/article/deadly-air-how-eskoms-coal-fired-power-stations-are-killing-people.html>

<sup>9</sup> <https://www.thedailystar.net/city/news/displaced-development-1834201>

<sup>10</sup> <https://www.bangkokpost.com/world/1682072/grandma-ca-the-99-year-old-standing-up-to-vietnams-coal-rush>

<sup>11</sup> <https://adanayatemizhava.org/en/>

<sup>12</sup> <https://world.350.org/asia/the-intersectional-impact-of-coal-in-indramayu/>

Bangladesh Poribesh Andolan (BAPA) - Bangladesh  
Bangladesh Working Group on External Debt (BWGED) - Bangladesh  
BankTrack - The Netherlands  
BINDU Women Development Organization - Bangladesh  
Centre for Environmental Rights - South Africa  
deCOALonize Campaign - Kenya  
Eastern Mediterranean Environment Platform (DAÇE) - Turkey  
Environment and Consumer Protection Association Adana (ÇETKO) - Turkey  
Fossil Free South Africa - South Africa  
Friends of the Earth Japan - Japan  
Fundacja "Rozwój TAK - Odkrywki NIE" - Poland  
Fund Our Future - South Africa  
Kanopi Hijau Indonesia - Indonesia  
Market Forces - Global  
Mekong Watch - Japan  
Pakistan Kissan Rabita Committee - Pakistan  
Pena Masyarakat - Indonesia  
Reclaim Finance - France  
ResponsiBank - Indonesia  
Rural Development Policy Institute - Pakistan  
Save Lamu - Kenya  
Solutions For Our Climate (SFOC) - Republic of Korea (South Korea)  
The Prakarsa - Indonesia  
Trend Asia - Indonesia  
WALHI - Indonesia  
WALHI West Java - Indonesia  
Waterkeepers - Bangladesh  
YouthNet for Climate Justice - Bangladesh  
350Africa.org - South Africa  
350.org - Global