



1000 DIVESTMENT COMMITMENTS AND COUNTING

As the Fossil Free movement celebrates surpassing its 1000th divestment commitment, we take the long view into its evolution and identify new goals for achieving a Fossil Free world.

Summary

As the world wakes up to urgency of keeping global warming below 1.5C, a major milestone has been reached in the worldwide movement to stop investments in the fossil fuel companies driving the climate crisis. Over 1000 institutions with managed investments worth almost USD \$8 trillion have committed to divest from fossil fuels.

Since 2012 the number of institutions committing to fossil fuel divestment has increased rapidly and spread globally. From [181 institutions and \\$50 billion](#) worth of assets committed to divestment at the end of 2014, to almost \$8 trillion today.

The reach and impact of this new global movement is huge, major institutions committing to remove, in whole or in part, nearly \$8 trillion in assets from fossil fuel investments. The momentum has been driven by a people-powered grassroots movement, ordinary people on every continent pushing their local institutions to take a stand against the fossil fuel industry and for a world powered by 100% renewable energy.

In the financial world, divestment has taken on a momentum of its own as well. Fund managers and fiduciaries are increasingly aware of the risks of climate breakdown and deciding of their own accord to divest from morally unsound and financially risky industries.

The 1000th institution to divest is the ***Caisse des dépôts et consignations (CDC)***, which manages France's public sector pensions, savings, and investments worth €173 billion (USD \$196 billion). It recently [announced](#) that from 2019 it will no longer invest in companies that generate more than 10% of their business from coal.

This report shows:

- 💰 The drastic rate of growth in the number of institutions and total funds divested from fossil fuels companies
- 🌍 The global breakdown of divestments including numerous commitments on every continent
- 👥 The sector breakdown of divestment actions, which demonstrates the moral leadership of the faith sector on the issue of divestment

Brief evolution

Back to the start

In November 2012, 350.org, Bill McKibben and a handful of young organisers hit the road to build a movement strong enough to change the terrifying mathematics of the climate crisis. The [Do the Math Tour](#) was a huge success, with standing room only shows in every corner of the US and tours across Asia, Australia and Europe in quick succession. The Fossil Free campaign set out a bold, ambitious plan to take down the main culprit for the climate crisis – the fossil fuel industry! By the time it had passed through [21 cities](#) and 300 campuses, audiences were fired up and equipped with the tools, strategies, and resources they needed to take on the fossil fuel industry. The strategy? Fossil fuel divestment by as many institutions as possible starting with universities and colleges.

By laying the blame for inaction on climate change directly at the feet of coal, oil and gas companies, activists hoped divestment would help weaken the world's most powerful and destructive industry and allow the space for renewable alternatives and a society free from extractivism to flourish. It was time to call out the fossil fuel industry and its dangerous business plans publicly and turn the tide of public opinion against them.

A simple premise: every one of us has some point of contact with the fossil fuel industry through the investments made by our public institutions like universities, faith groups, governments, pension funds, banks, health organisations and museums. Through their investments and public partnerships, all of these types of institutions

support the destructive business practices of the likes of Exxon Mobil, Shell, BP, Total, and Chevron. To stop this, 350.org and partners set about building a widespread people-powered movement to divest our institutions from fossil fuels and break those ties, publicly.

Hampshire College in Massachusetts, USA was the first institution to signal that investments in fossil fuels do not align with the climate sciences that the school teaches, nor with their moral obligations. It became the [first institution to divest](#) from fossil fuels in 2011. Appropriately, Hampshire College was also the first US college that divested from South Africa during Apartheid and it has adopted extensive investment policies that exclude private prisons, arms manufacturers and other unethical practices.

Since 2012, the fossil fuels divestment campaign has grown [faster than any previous divestment movement](#). From [181 institutions and \\$50 billion](#) worth of assets committed to divestment at the end of 2013 to now more than [1000 institutions with over \\$7.9 trillion](#) in assets committed to divest from fossil fuels, we are slamming on the brakes of fossil fuel expansion. **Momentum for divestment has only accelerated: pledges span 37 countries with over 65% of commitments coming from outside the United States,** and now include major capital cities, mainstream banks and insurance companies, massive pension funds, faith groups, cultural, health, and educational institutions - the institutions serving billions of people.

Global spread of divestment commitments

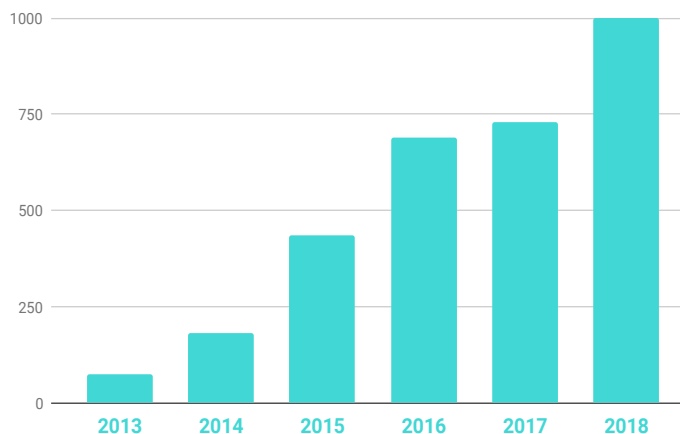
[Image by Arabella advisors](#)



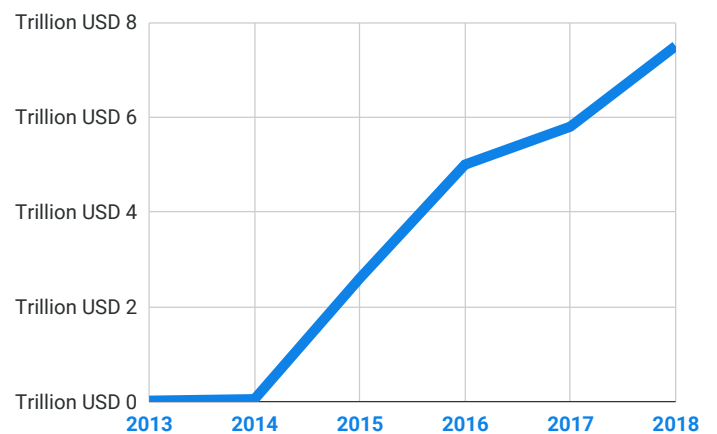
Just 6 years into the nascent global divestment movement and Fossil Free campaigns have gone viral. Ditching fossil fuels from one's portfolio has moved swiftly from a 'radical', ethical stance taken by a handful of smaller institutions purely on moral grounds to a mainstream consideration for some of the world's largest investors.

What started as a trickle of early divestment announcements from pioneering progressive institutions like the Quakers and a small number of universities has now swept up some of the world's largest pension funds and insurers, dozens of world-class universities, the world's largest sovereign wealth funds, the country of Ireland, major capital cities, as well as philanthropic foundations, health associations and world-renowned cultural institutions.

Growth in number of divestment commitments:



Growth in total assets of divesting institutions:



The impact

While some continue to dismiss divestment, arguing it will have no discernible impact on the bottom line of fossil fuel companies, they miss the point of the movement entirely —

Our theory of change is two fold:

- 1. Create an opportunity for millions of people to get directly involved in challenging the drivers of climate breakdown**
- 2. Stigmatise the fossil fuel industry and reduce its power over politicians and climate policy.**

We measure how well the Fossil Free campaign is doing not only by the amount of money divested from any particular oil company. We measure success by how publicly an institutions makes its Fossil Free commitments, by how many activists are taking action online and in the streets and by how socially acceptable it is to invest in or be publicly associated with the reckless fossil fuel industry.

When institutions as diverse as the British Medical Association, Caisse des Dépôts et Consignations (the French public financial institution), New York City, Capetown, the World Council of Churches,

the Rockefeller Brothers Fund, Stockholm University, Tate Britain museums and Allianz Insurance all turn their backs on the fossil fuel industry, the signals are starting to get through loud and clear to a wide-cross section of society.

Fossil fuel companies have never had a worse reputation or been more on the [defensive](#) than today. Solar power, wind energy, tidal, geothermal and advances in battery storage and hydro-energy are leaping ahead of antiquated fossil fuels like coal and tarsands in terms of affordability, popular public support, and cost-effectiveness per kilowatt hour. The success and profile of the divestment movement has created the space for governments to advance climate policy and legislation, and in some cases to go further and directly challenge fossil fuel companies through litigation.

Early reports [suggest](#) that some divestment announcements may have caused at least short-term drops in the share prices of fossil fuel companies. Others suggest that it is still too early to see a material impact on oil and gas, but that divestment likely helped accelerate the rapid bottom line collapse of the coal industry.

In a publication from October 2018, Goldman Sachs suggested that “Our Global Energy team believes that the coal divestment movement has been a key driver of the coal sector 60% de-rating over the past five years.”

The Movement

The huge success of divestment has been driven by thousands of local groups that put pressure on their public institutions to pull their funds out of fossil fuels and to refuse donations and sponsorships from coal, oil and gas companies. A huge, prolonged slump in global oil prices has only helped campaigners make the case for fossil free investments. Meanwhile, coal and tar sands are becoming increasingly economically unviable. Extreme energy projects like shale gas or lignite coal are stymied by legal challenges and the people-powered resurgence of a global 'blockadia' movement to keep fossil fuels underground, using [civil](#) and cultural resistance, and often lead by Indigenous communities

Unfortunately, the window for averting total climate breakdown is closing fast. The latest report from the IPCC, revealed that we must keep the vast majority of remaining fossil fuel reserves

in the ground if we are to keep warming below the Paris Agreement goal of 1.5C degrees. We have just 2 years left to kickstart action to stop all fossil fuel expansion projects and transition to 100% renewables for all.

For tens of millions of people in climate vulnerable areas, it's already too late to avert impacts like rising sea levels, floods and wildfires - the last few months of 2018 only reaffirmed this harsh reality. We don't yet have the people power to shut down the whole fossil fuel industry — but the movement for divesting, defunding, desponsoring and disentangling our politics from fossil fuels continues to grow. It give us our best shot at holding back the fossil industry just long enough to create the space for abundant renewable alternatives to leapfrog it. These first 1000 divestment commitments are just the beginning, another signal impossible to ignore.



Who is divesting

In just the last year, we've seen commitments from several major institutions:

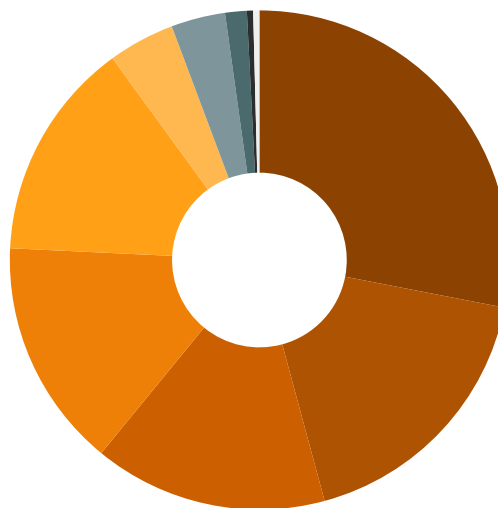
- Ireland - the first country in the world to legislate fossil fuel divestment of its \$10 billion sovereign pension fund
- New York City - committed to divest its \$200 billion public pension funds while investing two percent of total assets in climate solutions, sued the world's largest publicly traded fossil fuel companies and founded a global network to support other cities to divest
- Vision Super, an Australian pension fund announced it will be divesting from thermal coal and tar sands producers, alongside tobacco.

Mission-driven institutions, including health organizations, faith groups, nonprofits, foundations, and educational institutions, continue to pledge in large numbers; they represent 60 percent of new divestment commitments made over the past two years.

Large insurance companies and pension funds are the largest contributors to the divestment assets growth while faith-based institutions contribute the most to the total commitments.

According to a report published by [Unfriend Coal](#), a global coalition of environmental NGOs and social movements, 15 insurers have divested from coal companies and/or are no longer underwriting coal projects. The French public financial institution *Caisse des dépôts et consignations* (CDC), which manages public sector pensions, savings, and investments worth €173 billion (\$196 billion), [recently announced](#) that from 2019 it will no longer invest in companies that make more than 10% of their business from coal.

Sovereign wealth funds are also taking steps to address exposure to carbon risk in their portfolios.



- Faith-based Organization — 28%
- Philanthropic Foundation — 18%
- Government — 15%
- Educational Institution — 15%
- Pension fund — 14%
- NGO — 4%
- For Profit Corporation — 4%
- Healthcare Institution — 1%
- Cultural Institution — 0%
- Other — 0%

Ireland, which has an €8.9 billion (\$10.4 billion) sovereign development fund, became the world's first country to commit to divest its wealth fund from fossil fuels this November 2018. Norway's sovereign wealth fund—the world's second largest public investor, with approximately \$1 trillion in assets and roughly \$35 billion invested in oil companies—continues to advance through internal steps to lock in divestment of its holdings of oil and gas companies as well. Ireland's move to legislate on this issue shows this is having political impact too, as does the mounting support among UK MPs to divest its own Parliamentary pension fund. Over 200 cross-party MPs pledged to this together on December 4 just as COP24 was getting underway.

Divestment by pension funds demonstrate how government officials as well as labour leaders are

increasingly recognizing the importance of tackling the climate crisis head on. Sixty-one pension funds have committed to divestment since 2016, bringing the total number of funds committed to divestment to 144. For example, in January 2018, New York City Mayor Bill de Blasio and City Comptroller Scott Stringer announced a plan to divest New York's \$200 billion pension funds from fossil fuel companies within five years. Currently, New York City's five pension funds have \$5 billion in fossil fuel investments.

At the forefront of the movement, faith-based organizations have led the way with 138 institutions committing to screen fossil fuels since 2016. The Catholic climate movement has continued to expand dramatically over the past two years, with 103 Catholic commitments to date. Catholic

institutions are increasingly organizing divestment coalitions to increase faith-based climate action. In October 2017, 40 Catholic institutions across five continents committed to divest in the largest joint announcement to date, coinciding with a divestment meeting hosted by the Pope. In addition, the Irish Catholic Bishops Conference announced its divestment commitment on the eve of Pope Francis's visit to Ireland this past August. It also signed on to the global Catholic Fossil Free pledge signifying its commitment to *"the growing social movement, led by young people across the world, calling for the realignment of our financial policies to safeguard their future"*.

Why they are divesting

The key arguments for fossil fuel divestment are twofold: moral and financial.

The **moral argument** is based on simple math. The [science](#) tells us that in order to keep global warming below a 1.5C degrees rise in temperature and prevent further climate chaos, most fossil fuels must [remain in the ground](#). But fossil fuel companies are ignoring the science in their limitless profit driven greed, with business plans that extract reserves beyond the allowable carbon budget for the 1.5C goal. And if that weren't bad enough, the companies continue to invest heavily in exploration seeking out every last drop of oil, gas and coal imaginable. If it's wrong to wreck the planet, it's wrong to profit from that wreckage. Divestment is a clear and powerful action that helps build the case for government action, along with making the economic point that we should be moving our money into the solutions and away from the problems.

There is a strong **financial and fiduciary case** for divestment also. Over the last five years, Fossil Free indices [out performed](#) benchmarks that contained fossil fuels. Despite being among the top 500 wealthiest corporations, the energy sector (coal, oil and gas) performance lagged behind the market for the last five years plus. The decline in fossil fuel performance is not the result of the divestment campaign, rather a mix of competitive alternatives, increasing regulation, lower oil prices,. The result of low oil prices caused the cancelation of billions in capital expenditures, including in the tar sands in Canada and across Arctic countries. In today's investments paradigm, fossil fuels are among the most volatile and risky. With an uncertain regulatory trajectory and rapid decline of renewable energy prices, the future of fossil fuels is far too risky for institutional investors. This trend will likely only intensify in the near future, making those investments even riskier.

What comes next

Over the past year, divestment pressure and related Fossil Free and "Keep it in the Ground" campaigns have inspired a number of high-profile decisions by major banks to stop financing for new fossil fuel projects, including a commitment from the World Bank to [stop funding oil and gas development](#). In addition, several major insurers have decided to [stop underwriting](#) fossil fuel projects. While not divestment per se, these actions materially and negatively impact the industry by increasing costs of capital and compliance, complementing the [iconic fossil fuel](#) struggles underway by movements around the world. Together, these actions also directly reduce fossil fuel emissions by slowing the expansion of the industry.

Now is the time to set another ambitious target: **2020 commitments and \$12 trillion divested assets by 2020.**

In addition, it's time to scale-up the "reinvestment" movement. Solutions to the climate and multiple interweaving crises are all around us, but we are at a tipping point. Only sustained people power will ensure the scales tip back in humanity's favour. Everyone has a part to play: Investors should commit to invest **at least 5% of their portfolios in climate solutions to help rapidly scale to 100% renewable energy and universal energy access**. For those investors who persist in engaging with the fossil fuel industry, despite mounting evidence of its failure to achieve anything, we ask them to change tack as the science and justice demands in this moment. If companies are not on track to keep their reserves in the ground or play their part in meeting the 1.5C degree target, investors must walk away. The clock is ticking on multiple carbon bombs around the world as we approach 2020.



Tell World Leaders:

**Freeze All
Fossil Fuel
Development**

Sign the petition at

350.org/freeze

Gofossilfree.org