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Global Fossil Fuel Divestment Movement Reaches \$6.24 Trillion in Assets Under Management, 120x Increase From Four Years Ago, Report Says

*On Eve of Global Climate Action Summit, Organizers Call on Investors to Reach
\$10 Trillion by 2020 To Align with Paris Agreement*

SAN FRANCISCO, SEPTEMBER 10 2018. Today, 985 institutional investors with \$6.24 trillion in assets under management have committed to divest from fossil fuels, up from \$52 billion four years ago. Fossil fuel divestment is now a mainstream financial action that is starting to have a material impact on the fossil fuel industry, as illustrated in the fourth “Global Fossil Fuel Divestment and Clean Energy Investment Movement” report by Arabella Advisors.

“I commend the divestment movement for its incredible progress over the past year. The invest side of the equation is equally significant. Imagine if all investors committed 5 percent of their assets to ending energy poverty, offering women new economic opportunities, ensuring a just transition for workers from extractive industries, and helping native communities earn revenue from wind farms – this is what climate justice requires,” **said Mary Robinson, former President of Ireland and former UN High Commissioner on Human Rights.**

2018 is a year of many firsts for the divestment movement:

- Earlier this year, Mayor Bill de Blasio and Comptroller Scott Stringer announced a plan to divest New York City’s \$189 billion pension funds from fossil fuel companies within five years. This announcement follows similar actions in Berlin, Paris, Copenhagen, New Zealand and Sydney in previous years.
- In July, Ireland became the first nation in the world to divest. “I am pleased Ireland’s lower house of parliament voted to become the first country to formally divest from fossil fuels,” **said Thomas Pringle, the Irish independent lawmaker** that drove the bill to divest the nation’s €8.9 billion (\$10.4 billion) investment fund. “This shows that our nation is ready to think and act beyond narrow short-term and vested interests.”
- Doctors are divesting with the American Medical Association (AMA), the Royal College General Practitioners and the Australian Medical Students’ Association making commitments this summer. “The leaders of the American Medical Association pledged to fossil fuel divestment for the organization’s assets, but also to help guide all organizations and all health professionals’ investments towards divestment. This decision is based on the recognition that it is unwise to own fossil fuels companies long-term and that the products of these companies are harmful to human health by

producing dangerous air pollution and contributing to global climate change,” **said Dr. Todd Sack, member of the AMA and Board of Physicians for Social Responsibility.**

- Commitments from faith-based organizations are soaring with the backing of Pope Francis, with 138 new commitments since 2016, including the first divestment from India by Caritas India. “As Pope Francis eloquently laid out in his encyclical *Laudato si*, climate change is hitting the poor first and worst. That is why we have decided to divest from fossil fuels and continue to promote clean energy access to reach the billion plus that still live in energy darkness. We encourage others from all faith traditions to do the same. As we watch our own home state of Kerala devastated by unprecedented floods, DivestInvest is simply a matter of justice,” **said Father Moonjely of Caritas India.**
- Philanthropic commitments are growing, including the largest community foundation in Australia. “Australian Communities Foundation is proud to be part of this momentous commitment to invest our corpus into a healthy and sustainable world. As Australia’s oldest and largest community foundation, we hope to inspire others to join the Divest Invest movement,” **said Maree Sidey, CEO of Australian Communities Foundation.** This marks 175 foundations around the world now committed to DivestInvest.

“This has turned into a powerful way for people across the globe to challenge the fossil fuel industry and its grip on our politics – and our climate future,” **said 350.org founder Bill McKibben.** “Not everyone has a coal mine or a pipeline in their backyard, but most people have some connection to a pile of money, through a church or a college or a local government pension fund. That’s a tool we need to leverage in the fight for climate justice.”

Divestment is increasingly being driven by large asset owners like insurance companies and pension funds that are moving their money out of an industry increasingly beset by financial and regulatory challenges. Once criticized as a violation of fiduciary duty, divestment is now undertaken *as a matter of* fiduciary duty. When coupled with the new wave of climate lawsuits targeting the industry around the world, the pressure on fiduciaries to divest continues to mount.

"Investors with long-term horizons should avoid oil and chemical stocks on investment grounds. They face a sustained headwind. Ethical arguments for divestments are simply not necessary. They are a pure bonus," **said world-renowned investor Jeremy Grantham.**

Another vital new trend is amplifying divestment: Insurance companies are not only divesting their portfolios from fossil fuels, but also enacting policies to stop underwriting fossil fuel projects. Banks are increasingly ending financing for fossil fuel projects, particularly coal. Without insurance or financing, the industry cannot go on.

“The fossil fuel sector is shrinking financially, and the rationale for investing in it is untenable. The financial case for fossil fuel divestment is strong. Fossil fuel companies once led the economy and world stock markets; they now lag,” **said Tom Sanzillo, Director of Finance at Institute for Energy Economics and Financial Analysis.**

In a sign of progress and impact, companies like Shell are declaring divestment a material threat to their business. Industry trade groups like the Independent Petroleum Association of America are financing anti-divestment campaigns and reports.

In addition to the declining fortunes of the fossil fuel industry, the rapid growth and competitiveness of renewable energy is speeding the transition. Investment in climate solutions at scale is necessary to achieve the Paris Agreement goals and keep the planet under two degrees of warming. Today, investors are increasingly marrying pledges to divest with commitments to invest in climate solutions.

- Global insurer Axa committed to increasing its funding for green energy projects to more than \$13 billion (€12 billion) by 2020, quadrupling its original target.
- A global initiative called Shine is bringing faith and philanthropy investments to bear on bringing one billion people in the developing world out of energy darkness.
- 175 foundations of DivestInvest Philanthropy have committed to invest at least 5 percent of their portfolios toward climate solutions like renewable energy, energy efficiency and clean energy democracy, and access for vulnerable communities.

At the press conference on Monday, the movement launched a new call to action. “Institutional investors must be Paris-compliant, not just governments,” **said Ellen Dorsey, Executive Director of Wallace Global Fund.** “Today, our movement pledges to increase divested global assets to \$10 trillion by 2020. Investors should also commit at least 5 percent of their portfolio to climate solutions to help rapidly scale to 100 percent renewable energy and universal energy access. For those investors who persist in engaging with the industry, we ask them to set 2020 as the time limit for engagement: If companies cannot or will not produce 2-degree transition plans by then, investors must divest or they will own climate change and its impacts.”

About DivestInvest

DivestInvest is a global network of campaigners and analysts whose goal is to accelerate the clean energy transition by undercutting the political and financial power of the fossil fuel industry, and inspiring investors to move their money from the past to the future.

About 350

350 uses online campaigns, grassroots organizing, and mass public actions to oppose new coal, oil and gas projects, take money out of the companies that are heating up the planet, and build 100% clean energy solutions that work for all. 350's network extends to 188 countries.