

Divest-Invest Philanthropy Campaign Could Attract \$150bn in Assets by Year-End—As You Sow

Shareholder advocacy group confident about growth of initiative

Jan Wagner | May 11, 2015

A campaign to encourage US investors to exit fossil fuels and invest in the new energy economy, which has won the support of investors holding \$50bn (€44.6bn) in assets, could become three times as large by the end of this year, a senior figure in America's socially responsible investment (SRI) industry predicts. The campaign is known as Divest-Invest Philanthropy and was launched in January 2014 with the support of 17 US-based foundations with \$2bn in assets. Divest-Invest's backers take a pledge to divest from 200 of the world's biggest fossil fuel firms within five years and re-allocate the money to renewable energy. The campaign has seen dozens of investors holding \$50bn in assets having signed the pledge in the last 14 months. Given this momentum, Andrew Behar, CEO of As You Sow, a shareholder advocacy group helping to promote the campaign, believes that Divest-Invest could attract as much as \$150bn in assets signing the pledge by the end of the year.

"Now that Rockefeller Brothers Foundation, Stanford University and over 60 other institutional investors have signed the divestment pledge, there are hundreds of foundations worth in aggregate half of a trillion dollars that may follow," Behar told Responsible Investor on the margins of the US SIF conference in Chicago. "Then there are faith-based investors. Pope Francis will have his encyclical (a letter to Catholic Bishops), which I believe will be a very powerful statement for divestment because the Church doesn't want to see the tens of millions of climate refugees predicted in the UN ICCP5 report," said Behar. Other US-based investors targeted by Divest-Invest include hospitals and pension funds for city employees. Divest-Invest is working with Bill McKibben, who founded the 350.org movement.

Behar said that beyond the serious concerns about the climate, investors signing up to Divest-Invest have been persuaded by the 'stranded assets' ideas of UK think-tank Carbon Tracker. "Investors are increasingly looking at the economic risk. HSBC, the Bank of England and other major European institutions are now considering carbon asset risk in all of their business decisions," Behar said, adding: "Investors are no longer consider oil and gas companies a safe bet – the fundamental risk has been exposed and shareholders are demanding that companies disclose this risk." Behar also told RI that while Divest-Invest's promoters were pleased with the resonance so far, the campaign ultimately wanted to move as much as \$1trn per year out of fossil fuels and into renewable energy infrastructure globally. Elsewhere at the event, delegates were informed that the so-called 'Holy Land Principles' proposal at General Electric and at Corning, a US glass and ceramics maker, received just around 3% support from shareholders. The proposal, put forth by Sean McManus, an Irish-Catholic priest, calls on the 546 US companies doing business in Israel and Palestine to adopt fair employment practices and promote skilled employment of Palestinians. According to Shelley Alpern, Director of Social Research at Clean Yield Asset Management, an abstention campaign conducted by the Quakers religious group was one reason why the Holy Land Principles got such little investor support. It cannot be resubmitted at Corning as the support was just under the 3% threshold. Shareholders in Intel will also vote on the Holy Land Principles at the US chip giant's annual meeting on May 21.



As You Sow Chief Executive Officer
Andrew Behar