



\$11 TRILLION AND COUNTING

As the Fossil Free movement celebrates surpassing its \$11T worth of divestment commitments, 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 the urgency of keeping global warming below 1.5C, a major milestone has been reached in the worldwide movement to stop investments in fossil fuel companies driving the climate crisis. Over 1110 institutions with more than USD \$11 trillion in assets under management have committed to divest from fossil fuels.

Climate change is a global emergency. It is also an unprecedented opportunity to address a legacy of environmental and social injustice. People and institutions are responding by taking action, moving their money out of the fossil fuel industry and into climate solutions that power a just transition to a 100% renewable energy future.

The global divestment movement is the [fastest growing](#)¹ social movement in history, mobilizing trillions of dollars in the fight against climate change. What began as a moral call to action by students is now a mainstream financial response to growing climate risk to portfolios, the people and the planet.

Assets committed to divestment have leapt from [\\$52 billion in 2014](#)² to more than \$11 trillion today -- a stunning increase of 22,000 percent. Institutions committed to divestment include sovereign wealth funds, banks, global asset managers and insurance companies, cities, pension funds, health care organizations, universities, faith groups and foundations.

The reach and impact of this global movement is huge: Global oil companies like Shell now note divestment as a material risk to their business. Recently, the head of OPEC said that the climate movement is [the biggest threat](#)³ to the industry moving forward. 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. Fund managers and fiduciaries are increasingly aware of the risks of climate breakdown and deciding to divest from morally unsound and financially risky industries. Three months ago, Amundi, the 10th largest asset manager in the world with \$1.55 trillion under management, adopted a coal divestment policy applicable to any company that derives more than 30% of its business from thermal coal. The UK's biggest asset manager, Legal & General Investment Management, has begun the process of divesting from Exxon and other climate laggards. Meanwhile, BlackRock -- the world's largest asset manager with more than USD \$6 trillion in assets -- refuses to take action and is paying for it: An [IEEFA report](#)⁴ from August 2019 shows the company lost its clients \$90 billion dollars from just a select few fossil fuel holdings over the past decade.

1 <https://www.theguardian.com/environment/2013/oct/08/campaign-against-fossil-fuel-growing>

2 <https://www.arabellaadvisors.com/wp-content/uploads/2016/11/Measuring-the-Global-Divestment-Movement.pdf>

3 <https://grist.org/article/opec-head-climate-activists-are-the-greatest-threat-to-oil-industry/>

4 <http://ieefa.org/ieefa-report-blackrocks-fossil-fuel-investments-wipe-us90-billion-in-massive-investor-value-destruction/>

Divestment is one piece of a much bigger picture. In fact, three trends are converging that will ultimately spell the demise of the fossil fuel industry. Banks such as [Crédit Agricole](#)⁵ in France are cutting financing for fossil fuel projects, particularly high-risk projects such as coal and tar sands. At the same time, insurance companies such

as [Axa are ending underwriting](#)⁶ for coal projects worldwide. Finally, the divestment movement is [drying up investment](#)⁷ capital to the companies perpetuating climate chaos. Without bank loans, insurance and investments — the fossil fuel industry hits a wall.

This report shows:

- SE The drastic rate of growth in the number of institutions and assets pledged to divestment;
- 🌍 The geographic breakdown of divestments around the world, including numerous commitments on every continent;
- 👥 The sectoral breakdown of divestment actions, highlighting how serious financial actors like asset managers, insurance companies and pension funds are pledging in increasing numbers, all while the mission-driven institutions that were the movement's earliest adopters – faith groups, foundations and universities – continue to lead.

5 https://www.banktrack.org/article/credit_agricole_gets_real_on_coal_but_oil_gas_restrictions_must_follow_says_banktrack

6 <https://unfriendcoal.com/scor-and-axa-update-coal-exclusion-policies/>

7 <https://www.theguardian.com/world/2019/mar/08/norways-1tn-wealth-fund-to-divest-from-oil-and-gas-exploration>

Brief evolution

Back to the start

In 2011, students on the Swarthmore College campus in Pennsylvania, USA launched the first-ever fossil fuel divestment campaign – calling on their university endowment to immediately divest from coal, the most deadly and polluting fossil fuel. A group of foundations led by the Wallace Global Fund subsequently met with students to grow the strategy and help seed additional campaigns on campuses around the country. One divestment campaign became two, then six, then twelve.

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 math of the climate crisis. The [Do the Math Tour](http://math.350.org/)¹ was a huge success, with standing room-only shows in every corner of the US and additional stops across Asia, Australia and Europe. The tour launched the Fossil Free campaign, which set out a bold, ambitious plan to take down the main culprit for the climate crisis – the fossil fuel industry. By the time Do the Math had passed through [21 cities](#)² and 300 campuses, audiences were fired up and equipped with the tools, strategies, and resources they needed to take on the industry heating the planet without remorse. The strategy? Convince as many institutions as possible to divest from fossil fuels, starting with mission-driven investors like colleges, universities, faith groups and foundations.

By laying the blame for climate inaction, deceit and delay at the feet of fossil companies, activists knew that divestment would help weaken the world's most powerful and destructive industry and allow space for renewable alternatives to flourish. It would also help start healing a society torn apart by extractive culture and environmental injustice.

It was time to call out the fossil fuel industry and its deadly business model and turn the tide of public opinion against it.

Divestment was built on a simple premise: Every one of us has some point of contact with the fossil fuel industry through our own investments, or through the investments of our public institutions -- universities, faith groups, governments, pension funds, banks, health organisations and museums. Through investments and public partnerships, almost every public institution – advertently or inadvertently – supports 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, loudly and publicly.

Hampshire College in Massachusetts, USA was the first institution to signal that investments in fossil fuels were at odds with their moral obligation to future generations. It became the [first institution to divest](#)³ 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 fuel divestment campaign has grown [faster than any previous](#)⁴ divestment movement. From [181 institutions and \\$50 billion](#)⁵ worth of assets committed in 2014 to more than [1115 institutions with over \\$11 trillion](#)⁶ in assets today, the movement is slamming the brakes on fossil fuel expansion.

1 <http://math.350.org/>

2 <https://www.rollingstone.com/politics/politics-lists/bill-mckibben-and-350-org-on-the-do-the-math-tour-20240/growing-the-movement-13611/>

3 https://www.huffingtonpost.com/entry/divested-from-fossil-fuels-since-2011-hampshire-college_us_598249c7e4b03d0624b0abdf

4 <https://www.theguardian.com/environment/2013/oct/08/campaign-against-fossil-fuel-growing>

5 <https://www.arabellaadvisors.com/wp-content/uploads/2016/11/Measuring-the-Global-Divestment-Movement.pdf>

6 <https://gofossilfree.org/divestment/commitments/>

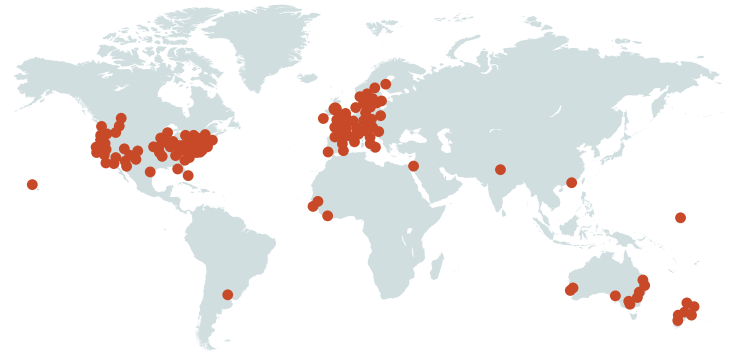
Momentum for divestment has only accelerated over time: Pledges span at least 48 countries – with over 70% of commitments coming from outside the United States – and now include major capital cities like New York City and Paris, mainstream

banks, insurance companies and investment firms. Now organizations serving billions of people – pension funds, faith groups, [cultural](#)⁷, health, and educational institutions – have said "No, climate change will not happen on my dime."

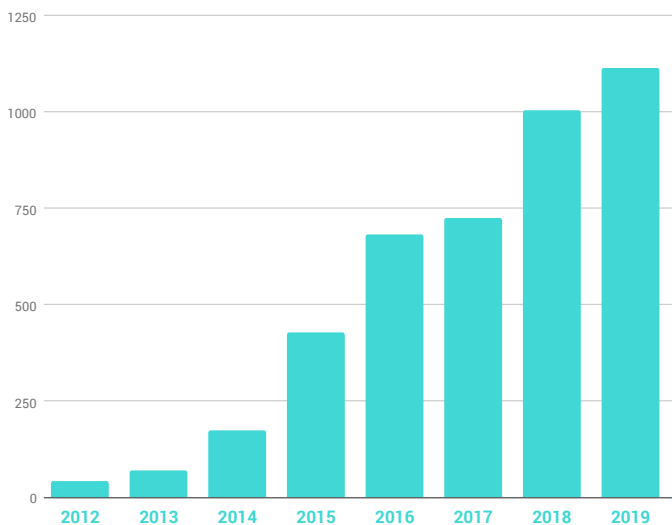
Global spread of divestment commitments

Since its launch just eight years ago, divestment campaigns have gone viral. Ditching fossil fuels from one's portfolio has moved swiftly from a 'radical' stance taken by a handful of smaller institutions purely on moral grounds, to a mainstream consideration for some of the world's largest investors.

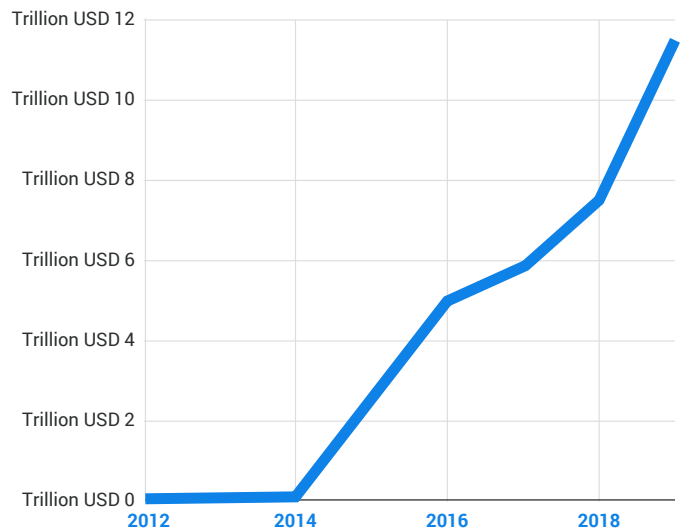
What started as a trickle of early divestment announcements from pioneering progressive institutions like the Quakers and a handful of smaller universities, has now swept up the world's largest sovereign wealth fund, some of the world's largest pension funds and insurers, dozens of world-class universities, large investments corporations, 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:



7 <https://cultureunstained.org/successes-for-the-movement/>

The impact

In the past, many dismissed the power of divestment as a tool for climate action, arguing it would have no discernible impact on the bottom line of fossil fuel companies. However, time proved that they were wrong. In the last year alone, many coal and oil producers are expressing concern about the industry's ability to survive. Lest there be any doubt that people power can tip the balance, OPEC Secretary-General Mohammad Barkindo recently stated that the climate movement is "perhaps the greatest threat to our industry going forward."

Today there is no doubt that the divestment movement is having a clear and material impact on the fossil fuel industry. Those who argue otherwise are missing some important points:

1. The divestment movement created an opportunity for millions of people to get directly involved in challenging the drivers of climate breakdown.
2. The legitimacy of the fossil fuel industry is at its lowest point ever, directly undercutting its power to influence politicians and climate policy.

We measure the impact of the divestment movement based on a number of factors, not limited to the amount of money divested from any particular oil company. We measure success by how publicly an institution makes its divestment pledge, 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 Norway's sovereign wealth fund, the Rockefeller Brothers Fund, the British Medical Association, Amundi Asset Management, Caisse des Dépôts (the French public financial institution), New York City, Cape Town, the World Council of Churches, KfW Group (Germany's development bank), Stockholm University, the Tate museums in the U.K. and Allianz insurance all turn their backs on the fossil fuel industry, the signal is loud and clear.

Fossil fuel companies have never been more than they are today. Solar, wind, and geothermal power – coupled with advances in battery storage – are leaping ahead of antiquated fossil fuels in terms of affordability, 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 challenge fossil fuel companies through litigation.

Several reports [suggest](https://theconversation.com/how-divesting-of-fossil-fuels-could-help-save-the-planet-88147)¹ that some divestment announcements, like that of the Norwegian sovereign wealth fund, may have caused at least short-term drops in the share prices of fossil fuel companies. Moreover, it is abundantly clear that the cost of borrowing money for coal and other fossil fuels is much higher than in the past. "There's been a tremendous increase in the cost of capitalizing anything," said Gerald Spindler, CEO of Coronado Global Resources, a coal producer. "There really isn't any safe port in a storm. The cost of equity in this business is very high."

In a publication from October 2018, Goldman Sachs stated 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."

¹ <https://theconversation.com/how-divesting-of-fossil-fuels-could-help-save-the-planet-88147>

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, as well as to refuse donations and sponsorships from coal, oil and gas companies. A significant, prolonged slump in global oil prices has only helped campaigners make the case for divestment. Meanwhile, coal and tar sands are becoming increasingly economically unviable. Extreme energy projects like shale gas or lignite coal are often stymied by legal challenges and the people-powered resurgence of a global 'blockadia' movement to keep fossil fuels in the ground using [civil](#) and cultural resistance, and often led by Indigenous communities.

Unfortunately, the window for averting total climate breakdown is closing fast. A report from the IPCC revealed that we have just a decade left before we lock in irreversible and devastating climate impacts. Scientists are clear 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. To get there, we must immediately halt all fossil fuel expansion projects and accelerate the 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 2019 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 gives us our best shot at holding back the fossil industry long enough for abundant renewable alternatives to leapfrog the energy of the past. The 1,115 divestment commitments and their accumulated assets of \$11T are just the beginning, another signal impossible to ignore.



Who is divesting

In just the last 6 months, we've seen commitments from several major institutions:

Nordea Liv & Pension, which managed more than USD \$19 billion as of the end of 2018, has moved funds out of carbon-intensive sectors, cutting its portfolio's carbon footprint by about 50%.

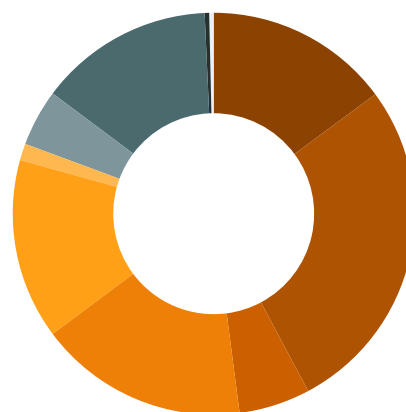
Chubb Ltd became the first U.S. insurer to phase out its coal investments and insurance policies, saying it will no longer sell insurance to or invest in companies that make more than 30% of their revenue from coal mining.

The Assembly of the American Psychiatric Association passed an [Action Plan on Divestment of Fossil Fuels](#)¹, citing the profound effects of climate change and how they can no longer be ignored or compartmentalized into the "comfortable deep recesses of our minds."

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 three years.

Large insurance companies and pension funds are the largest contributors to the total dollars pledged to divestment, while faith-based institutions and cities contribute the most to the total number of commitments.

According to a report published by , a global coalition of environmental NGOs and social movements, at least 19 major insurers have now divested from coal. Further, 15 of these have adopted [restrictions on coal insurance](#)². Amundi, the 10th largest asset manager in the world, holding investments from pensions and savings worth €1.4 trillion (\$1.55 trillion),



- Educational Institution
- Faith-based Organization
- For Profit Corporation
- Philanthropic Foundation
- Government
- Healthcare Institution
- NGO
- Pension fund
- Cultural Institution
- Other

recently announced that it will no longer invest in companies that make more than 30% of their business from coal.

Sovereign wealth funds are also taking steps to divest. In 2018, Ireland, which has an €8.9 billion (\$10.4 billion) sovereign development fund, became the world's first country to commit to divest from all fossil fuels. 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 divestment of coal, oil and gas companies. Ireland's move to legislate on this issue underscores the political impact of divestment, as does [the longstanding campaign](#)³

1 <https://www.psychiatrictimes.com/climate-change/divestment-fossil-fuels-preventive-public-health-strategy>

2 <https://www.insureourfuture.us/updates/chubb-adopts-coal-policy>

3 <https://www.theguardian.com/environment/2019/apr/09/parliament-pension-fund-fossil-fuel-divestment-climate-change>



of a group of UK MPs calling for divestment of their pension fund, worth more than £700m.

Divestment by public pension funds demonstrates how government officials and labour leaders understand the importance of tackling the climate crisis head on. 75 pension funds have committed to divestment since 2016, bringing the total number of funds to 158. In March 2018, for example, MP Pension in Denmark – with more than \$18 billion in assets under management – [decided to divest](#)¹ its stock holdings from 1,000 companies linked to fossil fuels. “Our ambition is to deliver the highest possible returns for our members, based on responsible investments. Our analysis also shows that this decision will benefit the overall long-term return,” CEO Jens Munch Holst said in a statement.

With respect to net new commitments, faith-based organizations are leading the way with 138

institutions committed to fossil fuel divestment since 2016. The Catholic climate movement has continued to expand dramatically over the past two years, with 110 Catholic commitments to date. Catholic institutions are increasingly organizing divestment coalitions to increase faith-based climate action. In his meeting with finance ministers at the Vatican last May, Pope Francis urged the audience to take corrective measures to address fossil fuel financing and said: “We live at a time when profits and losses seem to be more highly valued than lives and deaths, and when a company’s net worth is given precedence over the infinite worth of our human family. You are here today to reflect on how to remedy this profound crisis caused by a confusion of our moral ledger with our financial ledger.” The Pope further added that: “We continue along old paths because we are trapped by our faulty accounting and by the corruption of vested interests. We still reckon as profit what threatens our very survival.”

1 <https://www.pionline.com/article/20180326/ONLINE/180329895/mp-pension-to-divest-all-equity-holdings-in-fossil-fuel-companies>

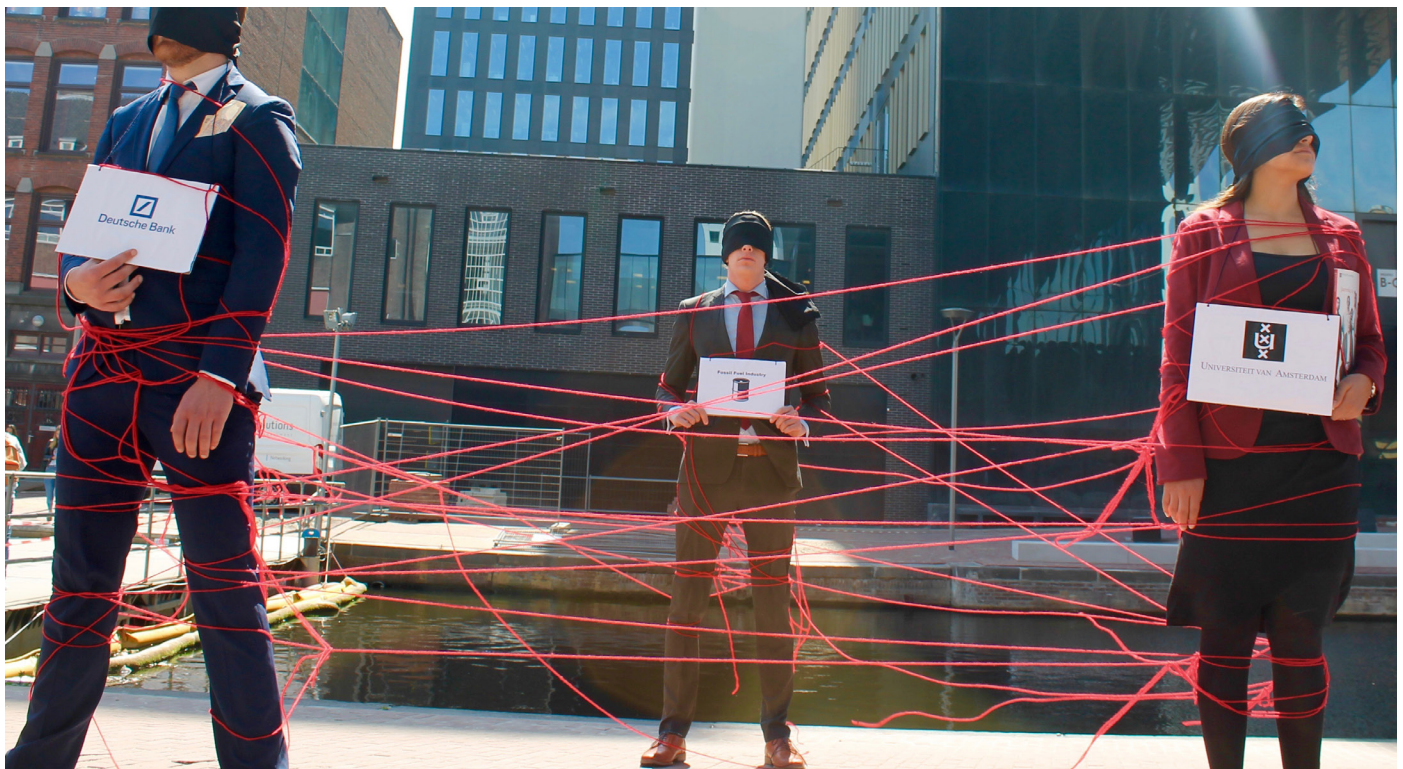
Why they are divesting

The key argument for fossil fuel divestment is two-fold: moral and financial.

The **moral argument** is based on simple math. The [science](https://www.theguardian.com/environment/2013/apr/19/carbon-bubble-financial-crash-crisis)¹ tells us that in order to keep global warming below a 1.5C degrees rise in temperature and prevent further climate chaos, the vast majority of fossil fuels must [remain in the ground](https://www.theguardian.com/environment/keep-it-in-the-ground-blog/2015/mar/25/what-numbers-tell-about-how-much-fossil-fuel-reserves-cant-burn)². But fossil fuel companies are ignoring the science in their limitless greed, with business plans that extract reserves beyond the allowable carbon budget. And if that weren't bad enough, the companies continue to invest heavily in exploration for new reserves, 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. The fossil fuel industry has been one of the [worst-performers](http://ieefa.org/ieefa-report-financial-case-builds-for-fossil-fuel-divestment/)³ of the S&P over the last decade, finishing dead last in 2018. Meanwhile, fossil free indices regularly [outperform](http://divestinvest.org)⁴ benchmarks that contain fossil fuels. The decline in fossil fuel performance is a result of a mix of competitive alternatives, increasing regulation and lower oil prices. The result of low oil prices caused the cancelation of billions in capital expenditure, including in the tar sands in Canada and across the Arctic countries. In today's investment paradigm, fossil fuels are among the most volatile and risky assets. With an uncertain regulatory trajectory and rapid decline of renewable energy prices, fossil fuels should be a red flag for institutional investors.



1 <https://www.theguardian.com/environment/2013/apr/19/carbon-bubble-financial-crash-crisis>

2 <https://www.theguardian.com/environment/keep-it-in-the-ground-blog/2015/mar/25/what-numbers-tell-about-how-much-fossil-fuel-reserves-cant-burn>

3 <http://ieefa.org/ieefa-report-financial-case-builds-for-fossil-fuel-divestment/>

4 [DivestInvest.org](http://divestinvest.org)

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. These include the historic commitment from the World Bank to stop funding oil and gas development, as well as a recent recommendations by the board of the European Investment Bank, the world's largest public lender, to stop financing fossil fuels. In addition, more than a dozen European insurers have decided to stop underwriting fossil fuel projects and divest from coal holdings. These actions materially and negatively impact the industry by increasing costs of capital and compliance, and by complementing 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:
We pledge to reach 2,020 institutions and \$15 trillion pledged to divest by 2020.

In addition, it's time to scale-up the "reinvestment" movement. Solutions to the climate crisis are all around us, but they need to be capitalized. Only sustained people power will ensure we move the money into the industries that will build a just and sustainable future for all. Everyone has a part to play: Investors should commit at least 5% of their portfolios to climate solutions that 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 track and divest now – as both science and justice demand 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 as we approach 2020.





Tell World Leaders:

**Freeze All
Fossil Fuel
Development**

Sign the petition at

350.org/freeze

Gofossilfree.org

DivestInvest.org

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