DIVEST INVEST PHILANTHROPY: FIVE YEARS AFTER LAUNCH

October 2019
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ACKNOWLEDGMENTS

Research for this paper was supported by Rockefeller Brothers Fund, The Russel Family Foundation, Compton Foundation, Wallace Global Fund, and Divest Invest. The project was designed to take stock of the progress five years after Divest Invest launched, and to provide lessons learned and guidance for existing participants and to other philanthropic foundations considering joining the Divest Invest movement.

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Croatan Institute is an independent, nonprofit research institute whose mission is to harness the power of investment for social good and ecological resilience. Based in the Research Triangle of North Carolina with an extended team of affiliates in Boston, New York, the Florida Gulf Coast, and Geneva, the Institute has rapidly established a reputation for rigorous, cutting-edge research and actionable analysis to support strategic decision-making by organizations and practitioners in the field. For more information about the Institute’s programs, people, and publications, please visit www.croataninstitute.org.

Divest Invest Philanthropy, the philanthropic sector arm of Divest Invest, is a network of foundations and other philanthropic organizations committed to shifting investment capital toward a just, low-carbon economy. Through research, capacity-building, and collaborative initiatives, Divest Invest Philanthropy supports foundations and other philanthropic institutions in pursuing divestment from fossil fuels and investment in climate solutions. Divest Invest Philanthropy has a growing signatory base of nearly 200 foundations. For more information about Divest Invest Philanthropy’s members, partnerships, and work, please visit www.divestinvest.org.

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EXECUTIVE SUMMARY

In January 2014, 17 foundations with nearly $1.8 billion in assets pledged to divest from fossil fuels and invest in solutions to climate change, marking the launch of Divest Invest Philanthropy. By September of that year, the group had more than quadrupled in number to 71 foundations with $4.2 billion in combined assets under management. Today, nearly 200 foundations and philanthropic family offices worth $24 billion have taken the Divest Invest pledge, committing—over five years—to divest from oil, gas, and coal companies and to invest at least five percent of their assets in climate solutions, such as renewable energy, energy efficiency, sustainable agriculture, community resilience, and clean energy access for the developing world. Philanthropy is just one arm of a global, growing movement: Today, more than 1,000 institutions with over $11 trillion in combined assets—from sovereign wealth funds to state pensions, insurance companies to asset managers—are divesting from fossil fuels for ethical and financial reasons.¹

This year, 2019, marks the five-year anniversary of Divest Invest Philanthropy, providing a timely opportunity to take stock of the movement’s progress among foundations. Nearly 200 foundations from all over the world have committed to moving their money from the past to the future.² This report tracks their progress, showcases leading examples through case studies, and invites other foundations to come along. The members of Divest Invest Philanthropy are not only climate leaders but also bold innovators: They broke down the orthodoxy that a foundation’s investment portfolio should be firewalled from its grants, and that only the latter should be used to advance mission goals. They rejected the idea that the sole purpose of investments was to maximize returns, underscoring the immorality of asking grantees to solve a problem that foundation investments were fueling. In so doing, members of Divest Invest Philanthropy established that foundations can be change agents not only through their grantmaking, but through their investments as well.³ These foundations successfully reframed the fossil fuel divestment movement as an opportunity to invest constructively in solutions to the climate crisis in addition to selling holdings in oil, gas, and coal companies.

This report is organized in four parts: First, we give an overview of the Divest Invest Philanthropy campaign from genesis to the present. Then, we analyze the results of a survey assessing signatories’ progress in implementing the Divest Invest pledge. With over 30% of signatories responding, we capture the trends, barriers, and successes of foundations transitioning to a fossil-free endowment portfolio. Third, we present a series of case studies taking a closer look at how different foundations have approached the Divest Invest pledge, sharing their challenges and successes in divesting, as well as the investment opportunities in climate solutions that they have identified and financed. The report concludes with guidance on how other philanthropic organizations can join the movement to divest from fossil fuels and invest in climate solutions today.

The main takeaways of this report are:

- Today, 97% of the respondents pledging in 2014 now hold 1% or less of their portfolio invested in fossil fuels, all while maintaining or improving their expected risk-return profiles.
- Of the newer signatories, 89% have already divested from the CU 200, putting them ahead of schedule on their 5-year Divest Invest pledge.
- Two-thirds of all responding foundations indicated that 5% or more of their portfolios were invested in climate solutions. Nearly half of respondents have 10% or more of their portfolios invested in climate solutions, well above the 5% threshold of the Divest Invest pledge.
- 90% of respondents have divested from fossil fuels from 2 or more asset classes within their portfolio, meeting and going beyond the original pledge requirement to divest from fossil fuel in only stocks and bond. Indeed, 46% of foundations responding have now divested from fossil fuels across 8 or more asset classes.
- The vast majority of respondents, 94%, said that their financial performance since taking the pledge has been positively or neutrally affected.

The results of the survey and case studies establish that philanthropy need not sacrifice value for values, and should embolden other foundations around the world to use all the tools at their disposal—investments and grantmaking alike—to respond to the urgent challenge of climate change.

² Divestment data taken from self-reported data on assets under management, and supplemented with research on publicly available data. Some foundations included in this analysis have publicly announced their divestment without formally joining the pledge. See https://www.divestinvest.org/commitments/
The Divest Invest Movement

Divest Invest Philanthropy was launched in January 2014, but the movement to divest from fossil fuels began several years earlier. In 2011, students, frustrated by the lack of action on the part of world leaders and governments to stop climate change, decided to take a play from the anti-Apartheid divestment campaign in South Africa in the 1980s. They realized the importance of building a grassroots movement and of pushing institutional investors, such as universities, to influence corporate behavior rather than wait for political action. These student groups, at Swarthmore and other colleges, began calling on their school administrators to divest from coal, and in some cases, from oil and gas as well. Wallace Global Fund’s Executive Director Ellen Dorsey was an early advisor to and funder of these campaigns.

The early fossil fuel divestment campaigns got a turbo-boost in the summer of 2012, when writer and environmentalist Bill McKibben published an article in Rolling Stone called “Global Warming’s Terrifying New Math.” The article popularized the “stranded assets” hypothesis of UK think tank Carbon Tracker, which contends that most fossil fuel reserves cannot be burned if we are to maintain a livable climate. Thus, fossil fuel companies are dangerously overvalued by the market, creating a “carbon bubble” that will eventually burst. McKibben called on investors to divest before this day of reckoning, illustrating that divestment was not only an ethical imperative but a financial one. McKibben and his partners at 350.org subsequently took the article on the road with the “Do the Math” tour, which galvanized thousands of students and activists to launch their own divestment campaigns.

A group of foundations and investment advisors were similarly spurred to take action. Led by the Wallace Global Fund, they began organizing philanthropy as a sector of the divestment movement in 2012. At the beginning of 2014, 17 foundations, with combined assets of nearly $1.8 billion, announced that they would be divesting from fossil fuels and reinvesting those assets into climate solutions. With the largest commitment to the divestment effort at the time, the group of seventeen foundations also encouraged their fellow foundations to follow suit and align their foundations’ investments with their missions. The initial Divest Invest cohort, which included the Educational Foundation of America, Park Foundation, and Joseph Rowntree Charitable Trust, comprised both US and European foundations, as well as a combination of environmental and non-environmental funders.

During Climate Week 2014, when 400,000 people marched in the streets of New York City and Ban Ki-moon held his historic UN Climate Summit, 71 foundations representing $4.2 billion in assets declared that they were signing onto the Divest Invest pledge. The most iconic announcement came from the Rockefeller Brothers Fund (RBF): The descendants of Standard Oil’s

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A Look at Divest Invest Philanthropy: Five Years after Launch

founder (a predecessor to ExxonMobil) were divesting from fossil fuels. In a statement, RBF’s president Stephen Heintz noted, “John D. Rockefeller, the founder of Standard Oil, moved America out of whale oil and into petroleum. We are quite convinced that if he were alive today, as an astute businessman looking out to the future, he would be moving out of fossil fuels and investing in clean, renewable energy.” At the same time, the Divest Invest Philanthropy movement sent a letter to the 3,000 largest foundations in the United States, urging them to have a discussion with their boards about the effect of climate change on “business as usual.”

Today, more than 1,110 organizations of all kinds—sovereign wealth funds, banks, insurance companies, asset managers, charitable trusts, foundations, family offices, museums, universities, faith-based organizations, cities, healthcare institutions, NGOs, private companies, and pension funds—have committed to divest from fossil fuels. Collectively, these institutions manage assets of more than $11 trillion, an increase of 22,000 percent since 2014. This includes close to 200 foundations from North America, Europe, Australia, Africa, and South America, with over $24 billion in assets. As the movement continues to evolve and broaden, foundations can still join this important campaign. According to Foundation Center, in 2015 in the US alone there were over 83,000 private and community foundations with nearly $840 billion in assets under management. Together with the broader people’s climate movement, Divest Invest Philanthropy is helping to crack the status quo and accelerate the energy transition away from fossil fuels.

“More than 1,110 organizations of all kinds have committed to divest from fossil fuels. Collectively, these institutions manage assets of more than $11 trillion.”

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10 See 2015 data at “Foundation Stats” on Foundation Center website.

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THE DIVEST INVEST PLEDGE

Over 5 years:

- Make no new investments in fossil fuels
- Divest existing holdings in fossil fuels
- Invest at least 5% portfolio in climate solutions.
TAKING STOCK FIVE YEARS AFTER LAUNCH

The Steering Committee for Divest Invest Philanthropy commissioned this study to understand how signatories were progressing in fulfilling their Divest Invest pledge. Out of the now nearly 200 signatories worldwide, 60 foundations responded to an electronic survey asking how their organization had implemented the pledge. More than half of the respondents (33) were from the 71 foundations who took the Divest Invest Philanthropy pledge in its first year, five years ago in 2014. These “first-year” signatories have reached the 5-year mark largely having met their pledge commitments. The results of the survey for both first-year and subsequent pledge signatories provide insight into how the Divest Invest process has changed the way foundations consider their power to support the change they wish to see in the world.

OVERVIEW OF FOUNDATIONS SURVEYED

The 60 survey respondents collectively represent nearly $6.5 billion in assets under management (AUM as of December 2018), which amounts to more than a quarter of the combined assets held by Divest Invest foundations today. This represents a 25% increase in AUM since these respondents had signed the pledge. This increase in assets is despite several foundations actively spending down their endowments, such as the John Merck Fund, which has pledged to award its last grant in 2021.11 (See sidebar on Sunsetting Foundations on page 8 for more examples.)

Responding foundations provided some geographic diversity, largely representing North American and European signatories. While 59% of Divest Invest Philanthropy signatories are located in North America, over 70% of survey respondents were from North America; 26% of Divest Invest signatories are from Europe, compared to 18% of survey respondents from Europe. Australian foundations represent 10% of the Divest Invest signatories, and were 7% of the survey respondents. African, Asian and South American philanthropic foundations combined represent just 7% of the Divest Invest signatories; 9% of survey respondents came from Africa and Asia, and no responses were gathered from South America.

Respondents also reflect the grassroots nature of Divest Invest, with a heavier emphasis on small to mid-sized foundations. Nearly half of respondents reported endowment assets of less than $25 million. An additional 33% fall within the $25-$100 million range, and only 7% of respondents have endowments of greater than $500 million (all responses were converted into US dollars as of 12/31/18). The Divest Invest signatories that fall into this largest category of endowment size include RBF based in the United States (and which is profiled in a case study in this report), Children’s Investment Fund Foundation based in England, Gulbenkian Foundation based in Portugal, and The Velux Foundations based in Denmark.
DIVESTMENT FROM FOSSIL FUELS

The Divest Invest pledge asks signatories to divest, within five years, their holdings in the Carbon Underground 200 (CU 200), an annually updated list of the 100 largest publicly traded coal companies and the 100 largest publicly traded oil and gas companies, ranked by the potential carbon emissions content of their reported reserves. The list is produced and maintained by FFI (formerly referred to as Fossil Free Indexes) and is often used by divestment campaigns globally as the target list for divestment. However, our study found that while the responding foundations had accepted the Carbon Underground as a threshold for divestment, many had expanded their divestment list to include all coal, oil and gas companies, as well as tar sands operations and coal-fired utilities, in some cases. Also, while the original focus of divestment movement was on public equity holdings in the CU 200, many participating foundations opted to divest across multiple or even all asset classes.

Of all survey respondents, 42% had no investment holdings in the CU 200 when they first took the Divest Invest pledge, which also prohibits any new investments in fossil fuels. Of the remaining foundations who did have fossil fuel holdings upon taking the pledge, 69% of them.

“"Our study found that many foundations had expanded their divestment list to include all coal, oil and gas companies, tar sands operations, and coal-fired utilities, among others.""
have since fully eliminated their CU 200 investments, and 13% of those foundations have 1% or less in CU 200 investments. Overall, 82% of foundation respondents currently have no investments in the CU 200. Of the first-year respondents who pledged in 2014, today 97% currently hold 1% or less in CU 200 investments, and 76% have fully divested. And of the newer signatories, 89% have already divested from the CU 200, putting them ahead of schedule.

Based on survey responses and interviews, respondents that have not fully divested fall into one of two main camps: First, a small portion of fossil-fuel assets are tied up in illiquid investments that are difficult to exit early (such as hedge funds). And second, some foundations—or their investment managers—have chosen to retain a de minimus number of fossil fuel stocks in order to engage in shareholder activism in an attempt to pressure companies from within. This latter strategy is also in keeping with the original pledge: the originators agreed that those who wanted to could hold a small number of shares in order to continue their engagement.

Although the Divest Invest pledge only required signatories to divest from the CU 200, the vast majority went well beyond this criterion (see Figure C). Of the 60 survey respondents, 82% are also explicitly divesting from all coal companies, 78% from all oil and gas companies, 75% from tar sands, and 73% from coal-fired utilities.
DIVESTMENT ACROSS ASSET CLASSES

In the past five years, there has been growing investor interest and demand for fossil fuel-free products across asset classes. According to the 2018 Report on US Sustainable, Responsible and Impact Investing Trends, US money manager assets invested according to mandates excluding fossil fuels equaled $226 billion—an increase of 49% since 2016. This total includes fossil free ETFs, mutual funds, and other pooled products, as well as separate accounts, private equity and venture capital, and hedge funds.

While the original Divest Invest pledge only required divestment from stocks and bonds per the definition of the CU 200, the vast majority of respondents went above and beyond the original pledge to cover a wide range of asset classes (see Figure D). In fact, nearly half of respondents (46%) have integrated divestment criteria into eight or more asset classes. Only 10% of respondents have only divested within one asset class; one signatory noted that their foundation has deposited all funds in community development financial institutions for over 30 years, and thus never had any investments in the stock market that were necessary to divest.

In some cases, foundations going through the divestment process had their existing managers develop new fossil fuel-free investment vehicles to fill the gaps that they were finding. Some foundations found they needed to move from pooled funds to bespoke portfolios developed with the fossil-free screen in place. Other foundations found the easiest move was to find a manager specialized in Environmental, Social, and Governance (ESG) investing that could easily screen out fossil fuel investments across asset classes. The asset classes identified as most challenging for divestment were hedge funds (25%), public equity (23%) and venture capital/private equity (17%). Looking at public equity in particular, respondents cited challenges finding divested pooled funds, high costs for actively managed funds, and the desire on the part of investment managers to hold stock in “best-in-class” energy companies.

Figure C. Divestment Categories

<table>
<thead>
<tr>
<th>Divestment Type</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Underground 200</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>Coal companies</td>
<td>49</td>
<td>82%</td>
</tr>
<tr>
<td>Oil and gas</td>
<td>47</td>
<td>78%</td>
</tr>
<tr>
<td>Tar sands</td>
<td>45</td>
<td>75%</td>
</tr>
<tr>
<td>Coal-fired utilities</td>
<td>44</td>
<td>73%</td>
</tr>
<tr>
<td>Other</td>
<td>7</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Croatan Institute

“Of the first-year respondents who pledged in 2014, today 97% currently hold 1% or less in CU 200 investments, and 76% have fully divested. And of the newer signatories, 89% have already divested from the CU 200, putting them ahead of schedule.”
SUNSETTING FOUNDATIONS

A powerful way some foundations are choosing to maximize their impact is by spending down their endowments, in addition to divesting. Sunsetting is when philanthropic organizations intentionally spend capital out of their endowment through grantmaking faster than they replenish it through investment returns. There are many reasons why a philanthropic organization would choose a spend-down strategy. Spending down allows organizations to make larger distributions than the earnings their principal makes—especially to high-impact initiatives that require a lot of capital. Spending down also allows organizations to respond meaningfully to critical moments in history that will impact all future generations. While 8% of survey respondents have publicly stated that they are in the process of spending down their endowments, here we highlight two Divest Invest Philanthropy signatories who were interviewed, and who described how their spend-down strategies fit into their Divest Invest pledges.

The Compton Foundation, a philanthropic organization founded in 1946 and today based in California, was among the first Divest Invest signatories in 2013 and very recently made the decision to spend out its endowment after two years of strategic deliberations. The foundation had long been in the practice of grantmaking above the 5% minimum payout requirement, usually in the 7%-10% range, often spending more than it earned and eroding the endowment over time. The board decided that given the urgency of the current political challenges to women’s reproductive rights, climate justice, and peace and security, it was not a time to back off from funding these important causes, even though that meant the foundation would eventually close its doors. Executive Director Ellen Friedman explained, “We wanted to put our money where our values are - if we didn’t invest in these three issues now, then the environment in which we would be operating would be significantly more challenging.” The foundation recently decided on a spend-out timeframe of approximately eight years and is in the process of developing its grantmaking plan for that period. Friedman emphasized that even though the foundation is spending down, it is not compromising its commitment to values-aligned investments. The Compton Foundation began aligning its investments in 2011, before the Divest Invest Philanthropy campaign began, and credits its progressive board and mission-aligned manager, Sonen Capital, for their support in eliminating fossil fuels from the portfolio and increasing its investment in climate solutions.

**Compton Foundation**

Endowment Size: $28.7 million*

Endowment at its height: $116.9 million in 2000

Executive Director: Ellen Friedman

Investment Consultant: Sonen Capital

Headquarters: San Francisco, California

*AUM as of 12/31/2018
Fund for Democratic Communities (F4DC) prioritizes investing in initiatives that are creating new forms of ownership and distribution of ownership as an effort to move away from the extractive tendencies of financial markets for capital accumulation in the hands of a few institutions. In consideration of the urgency and scope of the present and growing intersections of environmental, social, and economic disasters, F4DC made the decision in 2010 to spend out 100% of its financial resources by the end of 2020 through grantmaking into values-aligned organizations. At its height, F4DC had an endowment of $9.3 million, and had they chosen to spend out the minimum 5% of their endowment annually as required by law, year after year for 10 years, they would have spent $4.65 million over that period. This is about a third of their ultimate spend out through the sunsetting plan, which will end up being between $13 and $14 million. Because of this approach, after becoming a signatory in 2016, with only four years left of their endowment spend-out plan, they focused more on “investing in climate solutions” than divestment per se, with a special emphasis on investing in community resilience and development. Marnie Thompson and Ed Whitfield, co-managing directors of F4DC, responded that, “In a way we’ve been divesting ever since. We’ve been investing the majority of these resources - mostly through grants and staff time - into building Seed Commons, a national, decentralized financial infrastructure focused on bringing non-extractive finance to the most marginalized places in the US, as well as supporting the development of some of the partner loan funds that make up Seed Commons.”

The financial returns of a sunsetting foundation look very different from those of a foundation that is planning to exist in perpetuity. Co-Director Marnie Thompson said that, “Before and after taking the pledge, we are more conservatively invested (from a risk standpoint) because we cannot tolerate volatility, as we plan our spend out. Our overall financial return has moved lower over time as we have concentrated more in bonds and cash equivalents. Within these categories, we are doing as well as the market as a whole.” The foundation banks at a mission-aligned bank, Mechanics & Farmers Bank, one of the oldest minority-owned banks in the United States that is also designated as a Community Development Financial Institution (CDFI). When F4DC’s funds were in the market, they were in ESG public equity funds, but more recently are primarily in money market funds and bonds.

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12 Seed Commons began as a project of The Working World and has grown into a national decentralized network of non-extractive loan funds that share capital, learning, and back-end lending infrastructure. Seed Commons is a cooperative governed by its member loan funds, who each practice non-extractive lending to build sustainable cooperative and community-based enterprises in marginalized communities in the United States. See www.seedcommons.org
INVESTING IN CLIMATE SOLUTIONS

On the invest side of the pledge, foundations committed to invest 5% of their assets in climate solutions. Our survey shows that many signatories went well beyond this threshold. Before taking the pledge, a third of respondents had no assets invested in climate solutions, and nearly two thirds were below the 5% minimum. Those percentages had shifted significantly by the end of 2018: Nearly half of respondents were investing 10% or more in climate solutions, while only a third (33%) had not yet met the 5% threshold. Furthermore, 22% of respondents had a quarter or more of their portfolios invested in these solutions; for two of the respondents, the total was over 90%.

Before taking the pledge, surveyed foundations responded that they were investing on average about 7% of their endowment in climate solutions. As of the end of 2018, they were investing on average over 18%, well above the pledge ask of 5%. The 60 respondents, representing about 30% of signatories, collectively reported nearly $1 billion in investments in climate solutions. The foundations who chose to respond to the survey may be ahead of the curve in implementing Divest Invest, however we might expect that the nearly 200 Divest Invest foundations with a combined AUM of approximately $24 billion, may now have more than doubled their investments into climate solutions compared to before taking the pledge.

WHAT SOLUTIONS ARE FOUNDATIONS INVESTING IN?

Because climate solutions can mean different things to different audiences, we asked respondents to choose from a list of possible themes (see box on page 11). Figure F ranks the top climate solution themes in which the responding foundations are invested. Out of 53 respondents to the question of what climate solution themes are they investing in, the most popular theme by far was investing in renewable energy, at 91%. This makes sense, since the renewable energy sector received a lot of attention early on in the conversation around alternatives to fossil fuel investments. Wind and solar power quickly come to mind when considering climate solutions. Energy efficiency and sustainable food and agriculture were also investment themes for three quarters or more of respondents. Clean technology and clean energy access rounded out the top five.

Globally, renewable energy and cleantech are a big investment focus recently, with clean energy investment since 2010 set to hit $2.6 trillion by the end of the decade—$1.3 trillion going to solar, and $1 trillion to wind energy. In fact, investment in renewable energy generation capacity has outpaced investment in fossil fuel energy generation. Consequently, the falling cost of clean technology is allowing investors to get more renewable capacity for less, making many projects in new markets economically competitive with electricity generation using fossil fuels.14

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<table>
<thead>
<tr>
<th>Climate Solutions Investment Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Clean Energy Access</strong></td>
</tr>
<tr>
<td>Investments which help populations access reliable, clean energy. Often has an international focus, in countries where majorities of the population lack this access, such as India and East Africa. Examples: Off-grid and mini-grid developers.</td>
</tr>
<tr>
<td><strong>Clean Technology</strong></td>
</tr>
<tr>
<td>Clean tech is a product or service that is able to reduce negative environmental impacts. This is a broad term that can include renewable energy, recycling, and energy efficiency.</td>
</tr>
<tr>
<td><strong>Community resilience and/or Just Transition</strong></td>
</tr>
<tr>
<td>According to the Climate Justice Alliance, “Just Transition is a vision-led, unifying and place-based set of principles, processes, and practices that build economic and political power to shift from an extractive economy to a regenerative economy.” Example: investing to help coal miners receive training in Green Energy jobs.</td>
</tr>
<tr>
<td><strong>Energy Efficiency</strong></td>
</tr>
<tr>
<td>Investments in energy efficiency eliminate energy waste by using less energy to perform the same task. Example: adding insulation to help houses retain heat in the winter and keep cool in the summer.</td>
</tr>
<tr>
<td><strong>Environmental Finance</strong></td>
</tr>
<tr>
<td>Environmental finance is the use of financial instruments and methodologies to help preserve the environment and mitigate risk. Examples: emissions trading and land conservation trusts.</td>
</tr>
<tr>
<td><strong>Green Buildings</strong></td>
</tr>
<tr>
<td>According to the World Green Building Council, “A ‘green’ building is a building that, in its design, construction or operation, reduces or eliminates negative impacts, and can create positive impacts, on our climate and natural environment. Green buildings preserve precious natural resources and improve our quality of life.” Example: Investing in LEED-certified buildings.</td>
</tr>
<tr>
<td><strong>Renewable Energy</strong></td>
</tr>
<tr>
<td>Renewable energy is energy from natural resources that are constantly replenished, such as solar, wind, and geothermal. Investment examples: Solar or wind farms.</td>
</tr>
<tr>
<td><strong>Sustainable Food &amp; Agriculture</strong></td>
</tr>
<tr>
<td>“The goal of sustainable agriculture is to meet society’s food and textile needs in the present without compromising the ability of future generations to meet their own needs. Practitioners of sustainable agriculture seek to integrate three main objectives into their work: a healthy environment, economic profitability, and social and economic equity.” Example: Investing to help young farmers purchase farmland.</td>
</tr>
<tr>
<td><strong>Sustainable Forestry</strong></td>
</tr>
<tr>
<td>According to the Rainforest Alliance, “sustainable forestry balances the needs of the environment, wildlife, and forest communities—supporting decent incomes while conserving our forests for future generations.” Example: Investing in Forest Stewardship Council (FSC)-certified timberland management organizations.</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
</tr>
<tr>
<td>Sustainable transportation has a low impact on the environment and takes vehicles, infrastructure, and urban planning into account when balancing current and future needs. Example: Investing in walking and biking paths.</td>
</tr>
<tr>
<td><strong>Sustainable Companies</strong></td>
</tr>
<tr>
<td>Sustainable companies implement best practices and policies to have a negative environmental or social impact across a variety of indicators. Example: As You Sow compiles the Clean 200 as an alternative to the Carbon Underground 200.</td>
</tr>
<tr>
<td><strong>Water</strong></td>
</tr>
<tr>
<td>Investing sustainably in water means considering clean and equitable infrastructure, governance of water resources, and reducing water usage in supply chains. Examples: Smart monitors to reduce water leakage, drip irrigation systems.</td>
</tr>
</tbody>
</table>

15 Definition from Environmental and Energy Study Institute, "Energy Efficiency."  
16 Definition from Agricultural Sustainability Institute, "What is Sustainable Agriculture?" UC Davis.  
17 Rainforest Alliance, "What is Sustainable Forestry?" July 28, 2016.  
18 See https://www.asyousow.org/clean200 for more information.
The urgency of addressing climate change has also increased interest in regenerative agriculture and “carbon farming.” According to a recent Croatan Institute analysis of data from Project Drawdown, more than $700 billion in estimated net capital expenditure globally over the next 30 years will be needed to realize the carbon sequestration and climate mitigation potential associated with implementing climate-friendly agricultural practices. Implementing these practices could mitigate nearly 170 GtCO$_2$e, while generating a nearly $10 trillion net financial return. A considerable investment gap remains, with just over $320 billion now invested in sustainable food and agriculture in the US. Of that, only $47.5 billion has been invested in funds targeting regenerative agriculture.

As the conversation around climate action has evolved, additional investment themes have gained popularity. Increasing numbers of investors are interested in assisting with community resilience and a Just Transition from extractive industries—nearly 40% of survey respondents noted that this was an area they are investing in. Respondents were also asked whether their climate solutions investments explicitly integrate social impact or community investment. Fifty-four percent said that they did. In 2016, Divest Invest Philanthropy and Croatan Institute produced a report describing the rapidly evolving landscape of investment opportunities that finance solutions to climate change with positive community impact and outlining how a variety of foundations integrate these climate-related investments for resilient communities into their portfolios. The study identified some $1.6 billion of such community-oriented climate solution investments across asset classes. See box on page 16 for examples of how foundations are investing in communities and climate solutions.

Investors should consider social issues such as community relations and human rights as the renewable energy sector continues to grow, since good for the planet does not always mean good for the people living where these projects are being developed. According to a recent investor briefing on emerging economies by Business & Human Rights Resource Centre, Transform Finance, and Sonen Capital, “the majority of renewable energy companies do not yet have rigorous human rights safeguards in place,” and abuses have already been noted, including “land grabs, displacement of indigenous people, violence and killings.” Some of our survey respondents described their Just Transition investments—for example, Swift Foundation has a strong focus on indigenous communities, while the Fund for Democratic Communities seeks to avoid investments that enable an extractive economy at the expense of local communities. As Marnie Thompson of F4DC noted, “…it is my sense that divesting is the easy part for the foundations that subscribe to Divest Invest. The hard part seems to be in finding and selecting investments that fully live up to the challenge of investing in something that will be truly transformative of the extractive economy...it’s going to take a lot more people and institutions working on building up non-extractive enterprises and community solutions.”

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20 Joshua Humphreys, Ophir Bruck, and Christi Electris, “Climate-Related Investments for Resilient Communities: Divest Invest Opportunities in Community-Oriented Climate Solutions.”

INVESTING IN COMMUNITIES AND CLIMATE SOLUTIONS

This study’s survey and interview process highlighted a variety of new and innovative climate solutions that foundations are investing in, particularly those with a positive community impact. Some of the examples foundations cited include:

- **CleanFiber** is a sustainable manufacturer that uses recycled cardboard to make high-performance building insulation. The company, based in Buffalo, is helping create jobs in low and middle income communities. According to The Buffalo News, “The Upstate Capital Association of New York recently named CleanFiber the region’s ‘cleantech investment of the year.’”

- **Solar Holler** is a Benefit Corporation (B Corps) that is retraining former coal miners to build out the solar industry in West Virginia. The company’s job training and apprentice program has resulted in electricians and installers who are building solar systems across the state.

- **Beneficial Returns** is a start-up that pools funds from foundations and Donor Advised Funds (DAFs) in order to provide loans to social entrepreneurs in emerging markets. Through this work, Beneficial Returns is fighting both extreme poverty and environmental degradation by helping fund enterprises working to solve these challenges in their local communities.

In addition to these investment opportunities, foundations are also supporting climate solutions in collaborative and creative ways. The Standing Rock Sioux Tribe (SRST) is currently in the process of building a grid-scale wind farm. After supporting the tribe’s resistance to the DAPL pipeline, WGF awarded them the first Henry A. Wallace prize for their heroic activism. In 2017, Wallace Global Fund also pledged up to a million dollars in investments to help jump-start the development of the commercial wind farm, which will be majority owned by the tribe. By creating employment and training for “at-risk” youth in the renewable energy sector, it will also provide an alternative model for economic development. Since this announcement, WGF and SRST have been joined by the Sierra Club Foundation, the JBP Foundation, and Tamelpais to coinvest in the project’s pre-development phase. Development work is scheduled to begin later this year.

Some foundations are helping coordinate the use of different forms of financial capital and non-financial resources to support innovative climate solutions. Swift Foundation is helping unlock government funding by providing bridge loans to Barefoot College, which takes a village-based approach to training nonliterate women to become solar engineers and electrify their communities across Southern Asia, Africa, and Latin America. Barefoot College receives government grants, but because this money is not released until the projects are completed, Swift Foundation provides financing during the 6-8 month gap, at a low interest rate. This approach allows the organization to keep its autonomy while also providing financing flexibility. More foundation support in organizations like these could both spur local climate solutions and improve the quality of life for frontline communities around the world.
INVESTING IN CLIMATE SOLUTIONS ACROSS ASSET CLASSES

Although the Divest Invest pledge asked signatories to devote at least 5% of their investments to climate solutions, more than three-quarters of respondents are already going beyond this baseline. Among these foundations, some may be taking a Total Portfolio Activation (TPA) approach to their endowments, recognizing that every investment across every asset class has social and environmental impacts—positive and negative—and therefore applying their climate solutions criteria across their portfolio. Some foundations have embraced this TPA framework, such as The Russell Family Foundation (TRFF), which describes taking a total portfolio activation approach to its endowment in its in-depth case study, “The Impact Investing Journey: Aligning Portfolio with Purpose.”

Consistent with the total portfolio approach, foundations have opportunities to invest in climate solutions across all asset classes (see Figure G for examples), and survey respondents confirmed that they were indeed fulfilling the Invest side of their pledge by investing in a variety of asset classes. When asked what new climate solution investments have been most impactful, respondents mentioned several specific investment funds, as well as direct investments in companies focused on renewable energy and energy efficiency.

Looking at climate solution investments by asset class (see Figure H), we found that foundations were more readily able to divest from fossil fuels from each asset class than they were able to invest in climate solutions within each of those same asset classes. This echoes the response to another survey question, where nearly a third of respondents cited a lack of investment opportunities as the leading challenge to the divestment process.

22 Commissioned by 350.org, with partners Sustainable Endowments Institute, Responsible Endowments Coalition and more, this report predated the launch of Divest Invest. See Joshua Humphreys, “Institutional Pathways to Fossil-Free Investing: Endowment Management in a Warming World.”
Figure H. Respondents Investing in Climate Solutions by Asset Class

Source: Croatan Institute
FINANCIAL RETURNS TRENDS

Recent research has shown that fossil fuel divestment need not impair portfolio performance, resulting in negligible impact on risk/return profiles of portfolios; instead, portfolios that divest from fossil fuels and utilities and invest in clean energy may in fact perform better than those with fossil fuels and utilities. Further, divestment may reduce the carbon exposure of investment portfolios and result in higher risk-adjusted returns by addressing financial risks caused by climate change.

In August 2019, Bloomberg reported that the oil sector is now considered a laggard. Exxon was poised to drop out of the S&P 500 Index’s top 10 companies for the first time ever, falling from 5% of the index in 2009 to just 1% in September 2019. Investors are increasingly “betting on a post-hydrocarbon world,” with the fossil fuel energy sector having decreased from being 11.7% of the S&P 500 Index a decade ago down to just 4.4% today. Companies like Exxon were downgraded by Redburn, an equity research house, from “buy” to “sell” with a sector-wide downgrade. A recent study showed that “clean energy portfolios” (combinations of renewables, storage and demand-side management) are already more economical than building and operating new gas electric plants, and will also beat operating costs of existing gas power plants by 2032, and in turn, pipelines that are meant to ship gas to power plants will be underutilized and lead to increasing gas prices to captive customers.

In the survey, signatories were also asked about financial performance. While 20% of respondents said that “concern about returns” was a challenge to divesting for their foundations, we found that this concern was unfounded. The vast majority of respondents, 94%, responded that they experienced positive to neutral performance since committing to Divest Invest; a majority of respondents (52%) said that their financial performance had been positively impacted since taking the pledge, and 42% said that there had been no change in performance at all. (see Figure I)

When asked whether investment opportunities were meeting expectations in terms of risk-return profiles on the whole, responses were overwhelmingly positive. A dozen respondents specifically noted that they were meeting or outperforming their benchmarks. One wrote, “Our manager and Investment Committee have not adjusted their expectations on any investment the Foundation makes—the same due diligence is performed and strong returns are expected.” This seemed to be the general consensus of respondents: Signatories did not believe that they needed to sacrifice returns in exchange for a fossil-free portfolio. Based on these responses and the additional interviews conducted for the case studies, it is clear that under-performance need not be a cause for concern when deciding whether to join the pledge.

PROCESS FOR IMPLEMENTING DIVEST INVEST

A number of the foundations we spoke with took an incremental approach to divestment, and we heard that critical partnerships are necessary among investors, investment advisors, and investees to work together on deal flow and tactical processes to achieve the goal of reinventing in climate solutions. Many of the original signatories, including the Educational Foundation of America, were already using ESG analysis or applying certain screens to their endowments; some described that when considering the pledge, they found that they had already largely divested due to these investment policies. As one foundation noted in the survey, “...the pledge was a product of our SRI transition, not the catalyst.”

Several foundations, such as The Rockefeller Brothers Fund, made the decision to divest at or around the time that they were switching investment managers—this provided the opportunity for change more broadly, and to find managers receptive to the idea of divestment and reinvestment. This process has only gotten easier as the Divest Invest movement has gained steam. Choosing the right manager has also been helpful in terms of minimizing challenges from the divestment transition—several respondents noted that they did not experience any problems thanks to the work of their investment consultants. Some also stated that their investment managers are the ones keeping their investment pipelines full of opportunities and conducting the due diligence to ensure that their investments are meeting their risk, return, and impact goals. Some foundations, such as the Libra Foundation, have a strong interest in and commitment to impact investing, and typically meet with their manager, Candide Group, on a weekly basis to review potential investment opportunities. Others take a more hands-off approach.

ROLE OF THE INVESTMENT POLICY STATEMENT

The purpose of an Investment Policy Statement (IPS) is to provide guidelines for an investment manager to follow on behalf of their client. An IPS can include asset allocation, liquidity requirements, and risk tolerances, as well as more detailed guidance on a client’s investment philosophy and what to invest in or avoid. Some foundations draft separate ESG Investment Policy Statements, while others combine them into one document.

The majority of survey respondents (70%) already had an IPS that incorporated ESG or climate-related language prior to taking the pledge, another example of how most foundations were already considering some of these issues before officially joining Divest Invest. Of those respondents, 30% changed their IPS after taking the pledge. We heard similar responses in our interviews: some foundations changed their statements to reflect their divestment pledges, while others had more comprehensive policies already. Two interviewees were in the process of updating their IPS.

Some survey respondents shared their IPS or ESG Investment Policy Statements, which helped shed light on how foundations are considering fossil fuels in their investment process. IPS’s varied in length and language. In some, the language was kept broad, such as investing in climate change mitigation and adaptation, or in renewable energy and clean technology as part of an overarching ESG screen. Others stated that they avoid fossil fuels, with varying degrees of specificity. Some focused on the CU 200, while others mentioned oil sands, arctic drilling, and shale fracking. One foundation had a No Buy List of companies, which included several energy companies. Still others specifically mentioned the Divest Invest pledge within their IPS. Some foundations, such as Jessie Smith Noyes and Rockefeller Brothers Fund, make their IPS’s publicly available on their websites, which can serve as useful templates for foundations interested in moving toward divestment themselves. In their survey response, one foundation wrote, “When we were looking for an IPS 12-15 years ago, [we] had good friends at Jessie Smith Noyes, saw samples there, and then just copied it. We don’t need to invent the wheel again.”

HELPFUL RESOURCES FOR IMPLEMENTING DIVEST INVEST

Both in the survey and repeatedly in the interviews, foundations noted how the support system for mission aligned investing made implementing the Divest Invest pledge easier. This included being part of membership organizations such as Confluence Philanthropy or the Global Impact Investing Network (the GIIN). Also, many noted that working with a money manager or advisor who was experienced in ESG investing and mission aligned portfolios made a huge difference.

Nearly two thirds of the responding foundations reported being members of one or more investor networks, with 45% indicating that they are members of Confluence Philanthropy, a membership group of private, public, and community foundations committed to mission-aligned investing. Confluence Philanthropy also came up in a number of our phone interviews as a critical resource for foundations interested in the Divest Invest network. Second highest was the GIIN, at 23% of respondents. The GIIN works with investors to accelerate the scale and effectiveness of impact investing.
## Figure J. Resources for Institutional Investors to Begin to Divest Invest

<table>
<thead>
<tr>
<th>Title</th>
<th>Author(s)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>How to Divest Invest for Organizations</strong></td>
<td>Divest Invest Web Guide, 2019</td>
<td></td>
</tr>
<tr>
<td>How to Divest Invest A Guide for Institutional Investor</td>
<td>Divest Invest, February 21, 2018</td>
<td></td>
</tr>
<tr>
<td>Benchmarks. Beat Climate Change.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparing Portfolios for Transformation Assessing the Prospective</td>
<td>Mercer, February 2017</td>
<td></td>
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<tr>
<td>Investment Impacts of a Low Carbon Economic Transition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divest-Invest Clean Fifteen A Total Portfolio Approach to Fossil-</td>
<td>Croatan Institute, September 2016</td>
<td></td>
</tr>
<tr>
<td>Free Climate Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trillion Dollar Transformation Fiduciary Duty, Divestment, and Fossil</td>
<td>Mercer and the Center for International Environmental Law (CIEL),</td>
<td></td>
</tr>
<tr>
<td>Fuels in an Era of Climate Risk</td>
<td>January 2017</td>
<td></td>
</tr>
<tr>
<td>Investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate-Related Investment for Resilient Communities Divest Invest</td>
<td>Croatan Institute and Divest Invest Philanthropy, December 2016</td>
<td></td>
</tr>
<tr>
<td>Opportunities in Community-Oriented Climate Solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action on Climate: A Practical Guide for Fiduciaries</td>
<td>Responsible Endowments Coalition, SEIU Capital Stewardship Program, and</td>
<td></td>
</tr>
<tr>
<td>$11 Trillion and Counting: New Goals for a Fossil-Free World</td>
<td>Croatan Institute, September 2016</td>
<td></td>
</tr>
<tr>
<td>Fixed Income Investing in Climate Solutions</td>
<td>Clean Energy Group, Confluence Philanthropy, Croatan Institute June 2015</td>
<td></td>
</tr>
<tr>
<td>Investing to Curb Climate Change: Institutional</td>
<td>US SIF Foundation, 2013</td>
<td></td>
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</table>

[Carbon Tracker](https://www.carbontracker.org/reports/) has numerous reports quantifying the carbon risks of fossil fuels. These reports are essential to making the case of stranded assets.
around the world through convenings, research, tools and resources. The top three was rounded out by Mission Investors Exchange, at 18%. Mission Investors Exchange is the leading impact investing network for foundations dedicated to deploying capital for social and environmental change.

As seen in the case studies and resources included in this report, many foundations have found ways to successfully navigate the challenges of implementing the Divest Invest pledge through choice of a strong ESG manager, peer learning and support, shared due diligence through networks, and a marketplace increasingly supportive of divestment. Sometimes the learning journey that a foundation takes can benefit many more investors. Because of Wallace Global Fund’s decision to divest, their money manager chose to divest from coal for all clients. The Russell Family Foundation worked with a group of other foundations to develop a platform called Canopy that would develop a community investing ecosystem in the Pacific Northwest by identifying regional impact investments and conduct shared due diligence on them. In 2018, the Canopy project pivoted and instead became a network of peer finance and investment leaders from foundations located in the Pacific Northwest (with an extension to philanthropy partners in Hawaii) who meet regularly, share information on investment opportunities, and help each other through a community of practice.

The set of resources in Figure J can help outline a pathway for foundations to start with divesting their endowments from fossil fuels and reinvesting in climate solutions. A number of these resources identify innovative and impactful climate solution investments by thematic area.

**IMPACT OF DIVEST INVEST ON THE FOSSIL FUEL INDUSTRY**

The divestment movement is having a clear and material impact on the fossil fuel industry: The growing divestment movement has created an opportunity for millions of people to get directly involved in challenging the drivers of climate breakdown, and has delegitimized the fossil fuel industry to the point of undercutting its power to influence politicians and climate policy.

Divestment may also increase the cost of capital to the fossil-fuel industry, limiting companies’ ability to explore and exploit new reserves, and ultimately weakening their productivity. The impact of some divestment announcements, like that of the Rockefeller Brothers Fund’s in September 2014, may have also contributed to at least short-term drops in the share prices of fossil fuel companies by signaling financial risks to the market.

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 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. With increasing awareness of climate breakdown, fund managers and fiduciaries are increasingly deciding to divest from morally unsound and financially risky industries. The UK’s biggest asset manager, Legal & General Investment Management, has begun the process of divesting from Exxon and other climate laggards.

Divestment is one piece of a much broader decline of the fossil fuel industry. Banks such as Crédit Agricole 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 for coal projects worldwide. Finally, the divestment movement is drying up investment capital to the companies perpetuating climate chaos. Without bank loans, insurance and investments—the fossil fuel industry hits a wall.

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35 Miyo McGinn, “OPEC Head: Climate Activists are the ‘Greatest Threat’ to Oil Industry,” Grist, July 5, 2019.
36 BankTrack, “Crédit Agricole Gets Real on Coal, But Oil & Gas Restrictions Must Follow, Says Banktrack,” June 6, 2019.
CASE STUDIES

In addition to the electronic survey, the research team conducted nearly a dozen in-depth interviews with foundations and their investment managers. From this, a series of case studies was developed to highlight the variety of pathways that different foundations have taken in implementing their pledge to divest from fossil fuels and invest in climate solutions. Foundations that are highlighted in the case studies and side bars vary in endowment size and culture, demonstrating a variety of pathways that a foundation could take in implementing a divestment from fossil fuels and an investment in climate solutions.

Figure K. Summary of Foundations Profiled with Case Studies In Report

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Location</th>
<th>Size in USD</th>
<th>Divest Invest Pledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joseph Rowntree Charitable Trust</td>
<td>York, United Kingdom</td>
<td>$305 million (240 million GBP)</td>
<td>2013</td>
</tr>
<tr>
<td>Compton Foundation*</td>
<td>San Francisco, CA</td>
<td>$28.7 million</td>
<td>2013</td>
</tr>
<tr>
<td>Sierra Club Foundation</td>
<td>Oakland, CA</td>
<td>$95 million</td>
<td>2013</td>
</tr>
<tr>
<td>The Rockefeller Brothers Fund (RBF)</td>
<td>New York, NY</td>
<td>$1.1 billion</td>
<td>2014</td>
</tr>
<tr>
<td>The Educational Foundation of America (EFA)</td>
<td>Hudson Valley, NY</td>
<td>$178 million</td>
<td>2014</td>
</tr>
<tr>
<td>Fund for Democratic Communities*</td>
<td>Greensboro, NC</td>
<td>$3 million</td>
<td>2016</td>
</tr>
<tr>
<td>Swift Foundation</td>
<td>Santa Barbara, CA</td>
<td>$60 million</td>
<td>2016</td>
</tr>
</tbody>
</table>

*These two foundations are profiled together to highlight their common approach to spend down their endowment. See Box on Sunsetting Foundations on page 12.

Despite some of the differences among interviewees, we found several consistent themes that could benefit foundations interested in learning more about joining the Divest Invest movement. Climate change was already an important part of these foundations’ missions, and they were already starting to move toward mission-related investing or thematic ESG investing as a way to support the grantmaking side of their work. Divestment was therefore commonly seen as part of a multi-step evolution or journey toward greater alignment between investments and programmatic work. The foundations also highlighted the important roles that their investment consultants, investment committees, and trustees played in making the transition. Finally, in these interviews foundations were generally pleased with their financial performance and overall risk-return profiles.

Note that additional case studies exploring a variety of foundation divestment journeys can be found in other recent reports, including from a 2017 Divest Invest report which includes case studies on the General Service Foundation (GSF), The Russell Family Foundation (TRFF), The Park Foundation, and the Lemelson Foundation.39 Case studies focusing on how foundations approached integrating community-oriented climate solutions into their portfolios were developed in 2016 for the Compton Foundation, The Russell Family Foundation, The Rockefeller Brothers Fund, the Chorus Foundation and Fund for Democratic Communities.40 Wallace Global Fund has been profiled as an early mover in a 2013 case study of divestment as well as a more extensive overview of its mission related investing in 2016.41 A detailed report outlining TRFF’s Impact Investing Journey was published by the foundation in 2018, detailing the process they went through after deciding to divest from fossil fuels and re-invest in climate solutions.42

40 Joshua Humphreys, Christi Electris, and Ophir Bruck, "Climate-Related Investments for Resilient Communities: Divest Invest Opportunities in Community-Oriented Climate Solutions," Croatan Institute, December 2016.

www.divestinvest.org
The Joseph Rowntree Charitable Trust (JRCT), established in 1904, was the first foundation from the United Kingdom, and from Europe more broadly, to become a signatory of the Divest-Invest pledge. JRCT is a Quaker-led grantmaking foundation that prioritizes initiatives working on peace and security, power and accountability, rights and justice and sustainable future. It has had an ethical investment policy since 1975 when it first diversified away from its donor stock.

JRCT has always recognized the importance of being a good steward of our planet and historically has funded initiatives like the Carbon Tracker Initiative which researches the impact of climate change on the financial markets. However, it also recognizes that its behavior as an investor, and that of its fund managers, contributes to this aim. Both deciding to divest from fossil fuels in 2013 and to sign the Divest-Invest pledge in 2014, committing to divest by 2020, were seen as natural extensions of its ethical investment policy. In the event JRCT met its divestment target early, in 2017.

When JRCT began its divestment journey, it was using an ethical research provider’s database to negatively and positively screen companies against pre-determined ethical criteria to create a custom list of investable companies; the rest of the portfolio allocation was then up to the fund manager’s discretion. However, because the fund manager’s values were not necessarily aligned to its own, JRCT was concerned that the values it placed on responsibility and sustainability were not given sufficient weight in stock buying and selling decisions. Therefore in 2013, following the appointment of its current Investment Consultant, JRCT shifted its strategy away from investing in individual companies to investing almost exclusively through sustainable funds where ESG considerations are fully integrated into the investment process.

When JRCT became the first European signatory in the Divest-Invest pledge in 2014, it paved the way for other European foundations to begin exploring alternative climate solutions investments. “There is a great misconception that if you aren’t in fossil fuels, you will lose performance,” says Jackie Turpin, the Trust’s Head of Finance. “Our returns show otherwise.” Since adopting a fossil fuel-free strategy six years ago, JRCT has outperformed benchmarks by 2.4% (using a composite of the MSCI World and FTSE All-Share Indices). JRCT continues to show leadership and engage in conversation with other philanthropic organizations by being a part of the Church Investors Group, an ethical investment network of religious organizations, and through other foundation networks.
Since 1960, the Sierra Club Foundation (SCF) has focused on educating, inspiring, and empowering humanity to preserve the natural and human environment. Because SCF funds the programmatic work of the Sierra Club, it supported the “Beyond Coal Campaign” and the fossil fuel divestment programs of the Sierra Student Coalition. As a result of this work, the foundation felt it was important for its investments to align more fully with its grantmaking: SCF was part of the original group of 17 Divest Invest Philanthropy signatories who committed to divesting from fossil fuels and moving their assets into climate-aligned investments in January 2014, ahead of the larger announcement that took place during Climate Week in September of that year.

For foundations looking to join the Divest Invest movement, SCF advises starting by determining the governance commitments and clarifying the values of their respective boards. ESG investment is a broad category with many options along the spectrum of impact, so identifying values will be particularly important for making decisions on products to invest in. “The biggest hurdle is taking the first step,” says Dan Chu, the foundation’s Executive Director. “Once you find a first step that [your organization is] comfortable with, commit and align your board’s investment policies. Then, continue to ask questions about involvement and activation.” For SCF, its first step in 2014 was allocating 100% of its fixed-income portfolio to mission-related ESG bond funds. Despite the lack of ESG investment products on the market at that time, green bonds proved to be a reliable product with returns equivalent to other fixed-income investments.

The board quickly reached consensus to move forward with the Divest Invest Philanthropy pledge, and SCF hired Fund Evaluation Group to put together a portfolio that did not sacrifice returns while advancing the foundation’s mission. Rather than selecting ESG products and funds that were offered by big investment banks, SCF sought out mission aligned fund managers, such as Trillium Asset Management, Boston Common, and others. It was important for SCF not only to wield its dollars to help influence climate change mitigation, but also to partner simultaneously with firms that offer more than just a service – they must also support a mission-aligned belief in the possibilities associated with divesting from fossil fuel companies and investing in clean energy and other climate solutions.

While shifting the way that it approached investing, SCF modified its investment policy to include specific categories – including renewable energy and fossil-free. Contrary to traditional disclosure practices, SCF has made its investment policy statement and investment portfolio strategies available on its website. SCF maintains five different portfolios, which allows it to invest across asset classes, time horizons, risk tolerances, and return requirements. These portfolios include some level of screening, from fossil fuel free to ESG screened.
to actively invested in clean energy and climate solutions. On the climate solutions side, SCF is invested in Greenbacker Renewable Energy Company, an externally managed energy company that provides investors access to the renewable energy market with less volatility by pooling investor capital to acquire and monitor renewable energy power plants and energy efficiency projects. The foundation’s High Impact Investment Fund provides early capital to projects and funds that have the potential to advance clean-energy solutions at scale while simultaneously addressing social equity. Through this fund, SCF invested $500,000 in a 5-year unsecured loan to Navajo Power, a public benefit corporation developing solar energy and storage projects in conjunction with communities of the Navajo Nation. Early-stage capital is crucial to de-risk the Navajo Nation’s transition toward providing renewable energy for its community and surrounding communities.

SCF’s diversified portfolio across fossil-fuel-free, value-aligned managers and funds is outperforming benchmarks and continues to generate returns for the foundation. As the climate solutions investment universe continues to change and evolve, SCF has seen an increase in climate solutions funds become more accessible for investors.

**TIMELINE**

- **2009**  
  Up until this point, SCF investment strategy “considered ESG investments.” SCF hires Fund Evaluation Group as its investment advisor.

- **2010**  
  Creates a fossil fuel light, coal-free portfolio.

- **2013**  
  JRCT had fully divested from fossil fuel extractive companies.

- **2017**  
  Updates 403(b) Retirement Plan for employees to invest in climate solutions. Awarded the 2018 ‘ESG Innovator of the Year’ honor by CIO Magazine.

- **2018**  
  Changes bank from Union Bank to Amalgamated Bank (a fossil fuel free bank).
Created in 1940 by the sons of John D. Rockefeller, Jr., the Rockefeller Brothers Fund (RBF) is a family foundation that has long been dedicated to fighting climate change through both its grantmaking and its investments. The RBF began providing grants to promote research on global warming back in 1986, and by 2010, it had dedicated its entire Sustainable Development program to grappling with the challenge of climate change. The board and investment committee decided that they wanted to go further by aligning their investments with the mission of the foundation, and in 2010, the board approved a commitment to allocate up to 10% of its endowment to investments consistent with the Sustainable Development program’s goals. As Vice President for Finance and Operations Geraldine Watson notes, this allowed the Fund to test the waters of mission-aligned investing before fully committing to divestment from fossil fuels. Members of the Rockefeller family, who had been introducing and participating in shareholder resolutions against Exxon, had also begun to grow frustrated with the lack of action by the oil giant. While they hoped to use their family legacy and ownership to establish a dialogue with the company CEO, they realized these actions were not changing corporate behavior. This contributed to the foundation’s decision to divest.

The official move toward divestment took place in 2014, when two things happened. First, the foundation hired Agility as its new outsourced chief investment office (OCIO) in early 2014. When the firm was hired, the RBF knew that it wanted to increase alignment between its mission and its investments, but had not yet fully committed to the notion of fossil fuel divestment. This happened in September 2014, when the RBF signed onto the Divest Invest pledge, along with more than 50 other foundations. The timing worked well, as the RBF was already transitioning a number of its investments as part of its engagement of a new OCIO.

Rockefeller Brothers Fund committed to a two-step process when it signed onto the pledge. It began by immediately reducing exposure to coal and tar sands, and then embarked on a path to eliminate its exposure to the other fossil fuel investments. As of December 2018, only 1.3% of the RBF’s portfolio still had some exposure to fossil fuels, with less than 0.1% remaining in any coal or tar sands holdings, due to legacy funds that were commingled or similarly difficult to divest. The RBF made the decision to wait for these investments to mature and liquidate over time, since the divestment process had already achieved near-full elimination.

One of Agility’s roles has been working with managers to ensure that the RBF continues to avoid fossil fuel investments in existing and future deals. Tamara Larsen, Executive Director and Head of Mission Aligned Investing, explained how, in the beginning, it can be challenging to find high quality managers that offer mission alignment and market rate returns. Certain asset classes may offer a deeper opportunity set for mission alignment relative to other asset classes. However, as the divestment movement has gained traction, managers tend to be more open to exploring more sustainable options.

Rockefeller Brothers Fund
Assets under Management: $1.1 billion*
President: Stephen Heintz
Outsourced Chief Investment Officer: Agility
Headquarters: New York, NY

Rockefeller Brothers Fund Climate Solutions Investments Examples:
- Generation IM Climate Solutions Fund II
- Vision Ridge Sustainable Asset Fund I and II
- New Energy Capital Infrastructure Credit Fund I and II
- Mainstream Renewable Power Africa Holdings Limited
- Ambianta III

*AUM as of 12/31/2018


www.divestinvest.org
new products or innovative ways to accommodate mission aligned investors. In one case, a fixed income manager with whom the foundation was investing decided to launch a SRI fund for clients interested in excluding certain exposures. Larsen described the side letter agreements that Agility establishes with new managers, which lay out what exposures the RBF wants to exclude; by having these conversations at the outset, early on in the due diligence process, it sets expectations for both parties and facilitates working together with managers to develop solutions that give mission aligned investors the opportunity to invest in compelling strategies without compromising their goals for mission alignment.

Today, around 14% of the RBF’s endowment is committed to impact investments that support climate solutions and other priorities of the Fund’s mission. Like the rest of the RBF’s investments, these funds seek to provide market-rate, risk-adjusted return characteristics. Some examples include:

- Generation IM Climate Solutions Fund II invests in businesses around the world that are contributing to a low-carbon, sustainable economy.
- New Energy Capital Infrastructure Credit Fund invests in clean power generation with a focus on small and mid-sized clean energy and infrastructure.
- For an international example, Mainstream Renewable Power Africa Holdings is using private capital to expand renewable power supplies across Africa.

When asked what advice the RBF would give other foundations interested in joining the Divest Invest pledge, Watson emphasized that the decision to divest is not something a foundation can do in one meeting. The RBF board spent time learning about their investments, the implication and path for divesting, what risks they were willing to accept, and what programmatic priorities they wanted to emphasize. They also brought in experts and other foundations who had undergone similar processes, which was extremely valuable. Finally, the investment committee included two members who were already on board with the notion of ESG investing—having these stakeholders made it easier to get the Fund’s other key stakeholders (trustees and investment committee) to support divestment.

The Rockefeller Brothers Fund has worked over the last decade to align its financial portfolio with its programmatic interests in democratic practice, peacebuilding, and sustainable development. The Fund’s Mission-Aligned Investment efforts include divestment from fossil fuels, impact investments, Investing using environmental, social, and governance (ESG) criteria, and leveraging shareholder voting rights.

** 99% fossil fuel free**

** IMPACT INVESTMENTS**

Market-grade investments in primary capital (e.g., private equity and debt, and real assets such as real estate and infrastructure) with meaningful and measurable impact advancing the RBF’s mission and program initiatives.

** ESG INVESTMENTS**

Investments proactively screened for environmental, social, and governance criteria. While ESG criteria may differ, they can include factors such as carbon emissions, land use, labor management, health risk, board diversity, and financial transparency.

* REMAINING FOSSIL FUEL EXPOSURE

** Fossil fuel exposure estimates based on AUM as of 12/31/2018. The Fund uses the MSCI Fossil Fuel Reserves Screen to evaluate its fossil fuel exposure for publicly listed holdings. All public companies with evidence of owning fossil fuel reserves, regardless of industry, are captured in the screen. For private holdings and funds where individual holdings are not available, total energy sector exposure is used to conservatively estimate fossil fuel exposure.
The Educational Foundation of America (EFA) is a family foundation founded by Richard Prentice and Elsie P. Ettinger in 1959, and is now run by the third and fourth generation descendants of the founders. Divestment from fossil fuels was a natural extension of its previous engagements in the impact investing space, as EFA was an early adopter of mission-related investing and has applied environmental, social, and governance (ESG) screens to its endowment for more than two decades. Therefore, when EFA was approached to sign onto the Divest Invest pledge, Executive Director Melissa Beck says it was “a real no brainer.” EFA already was not holding any stock in the Carbon Underground 200, which reflects the family’s commitment to ensuring a healthy planet. In 2014, the foundation went beyond the pledge to also exclude companies owning carbon reserves, energy equipment and services, and utilities that burn coal, oil, and gas.

Along with EFA’s ESG-screened portfolio, a critical piece of their investment strategy is shareholder engagement. Beck and EFA’s investment consultant Tom Van Dyck note that a common misperception in the foundation community is that “if you divest, you can’t engage.” Although EFA does not hold fossil fuels in its portfolio, it has created an activism sleeve, in which the foundation holds small amounts of stock from particular companies with which it wants to engage—typically $5,000-10,000. Beck and Van Dyck also point out that a shareholder only needs $2,000 to file a resolution, so a foundation need not hold a full position to engage. By engaging and working with other active owners, EFA has been a strong voice with influence on a number of issues, including fighting against the Dakota Access Pipeline, CAFE standards, and transition planning compliant with the Paris Climate Accord Agreement with oil and gas companies such as Chevron, Duke, and Dominion. EFA used shareholder resolutions to persuade Dell, Apple, IBM (Lenovo), and Hewlett Packard to establish recycling of technology waste. EFA also used its shares to push successfully to increase the recycled content of plastic bottles with Coke, Nestle, and Pepsi. Both of these campaigns had industry-wide impacts.

A particularly unique feature in EFA’s approach to investing is the fact that there is a purposeful communication between the investment committee and the grantmaking committees. When Beck took the reins in 2013, she broke down the familiar siloes between the investment committee and grantmaking activities by implementing a rule that the EFA program staff must attend meetings of the investment committee. Likewise, the program team are in communication with EFA’s asset managers and vice versa. This boosts a mutual understanding of grantmaking and investment goals for all involved and helps EFA spot shareholder engagement opportunities—many of which are flagged by proactive asset managers. More specifically, EFA has found that it is important for investment advisors to understand the mission of the foundation in order to ensure that its endowment portfolio comprehensively reflects these values, and conversely, that it is valuable for programmatic team members to understand what is happening on the investment side.
Finally, the foundation has been actively identifying climate solutions to complement their divestment and advocacy work. Most of EFA’s private equity investments are funds focused on providing clean tech solutions—approximately 10% of the portfolio. In 2006, EFA helped launch the first clean tech fund of funds on Wall Street, which today is known as North Sky Capital. Its Clean Growth Strategy includes water, waste reduction, organic food, and sustainable agriculture. More recently, in 2016, EFA helped fund the first ESG integrated and fossil fuel reserve-free fund of hedge funds at Alternative Investment Group (AIG).

Like other respondents to the Divest Invest survey, EFA is proud of its financial performance. Over the past five years, the foundation has outperformed its benchmark by 1.89% per year (8.49% net for EFA versus 6.6% for the benchmark). This has translated into an additional $13 million over the time period, which results in more money that the foundation can put toward its grantmaking activities. These numbers disprove another misperception that many foundations cite when hesitating to change their investment approach—namely, that ESG-screened portfolios underperform, and that one must hold fossil fuels to achieve desired returns. Not only has EFA seen no underperformance, but the foundation has also used ESG criteria to mitigate risk and generate outperformance for 23 years, and this has resulted in making over $70 million above the benchmark return.

As a leader in the Divest Invest network, Beck often speaks to other foundation heads and encourages them to join the movement; however, she notes that she continues to receive resistance, which she believes comes from a place of fear of change and misconceptions. She has heard other foundation leaders share the belief that the path to divestment will be too difficult, and that responsible investing is contrary to meeting their fiduciary obligations. However, as EFA and RBC demonstrate, foundations can divest from fossil fuels, integrate ESG analysis across a foundation’s entire portfolio, engage with companies to push for change, and achieve above-benchmark returns. Indeed, EFA would say that it is these actions that have resulted in superior returns and more impactful grantmaking to boot.
Swift Foundation, whose guiding principles include biocultural diversity, indigenous leadership, local knowledge and agroecology, is interested in challenging the dominant philanthropy paradigm: to invest one’s endowment in any profitable business no matter the cost and then give away 5% in grants that have a positive impact on the world. Instead, Swift Foundation is leading the field in using its privilege and wealth to help facilitate a “just transition,” or making sure to prioritize empowering and uplifting indigenous and low-income communities on the way to creating a more regenerative and sustainable economy.

Since 2011, Swift Foundation has been taking steps toward being fully divested and invested in a wide array of investments that are particularly geared toward this just transition framework. Rather than focus narrowly on divesting from the Carbon Underground 200, the foundation began by developing an ESG screening process with No Buy Guidelines that included other areas important to its mission. In March 2016, the Foundation realized that it had naturally divested 99% of its fossil fuel investments due to these policies.

Today, Swift Foundation has two investment portfolios: the Core Portfolio, valued at $50 million, and the Transitional Portfolio, valued at $10 million. Projects that are able to generate a market return and align with Swift Foundation’s No Buy Guidelines are placed in the Core Portfolio. This portfolio allows Swift Foundation to maintain its grantmaking in perpetuity. Its investment strategy is to maintain $50 million in the portfolio; any additional returns generated after Foundation expenses will be transferred over to the Transitional Portfolio. The Transitional Portfolio prioritizes mission-alignment over market returns by investing in innovative, “just transition” investment opportunities.

Investment examples include NESsT, which invests in social enterprises that provide dignified jobs for people in emerging market countries, and Thunder Valley Community Development Corporation, which is empowering Lakota youth and families through a regenerative community development project on the Pine Ridge Indian Reservation. Having a portfolio dedicated to making high-risk, high-impact investments is important to accelerate a “just transition” from an extractive, oil and gas economy to a regenerative and renewable economy. “It isn’t all about how much money we can accumulate. If we are just looking at numbers and returns, we tend to overlook this whole other story,” says Executive Director Jennifer Astone.** “Since divesting we have accumulated a lot of nutrient-rich soil in the ground, developed goodwill with investees, and given hope to many people who are working to transition out of the oil and gas economy into an alternative economy.”

Regarding Swift Foundation’s investment process, for every seven to ten investments that are brought to the investment committee of Swift Foundation, approximately three are chosen and given to the Foundation’s endowment and investment advisor, Manchester Capital Management, to complete due diligence. Manchester Capital Management will likely recommend Swift Foundation allocate capital to one of these
opportunities. The success of Swift Foundation’s divestment-investment processes comes from being able to work with an aligned investment advisor with the infrastructure to do deep dives into due diligence and help the Foundation create a unique investment portfolio. Beyond regular due diligence, Swift Foundation acknowledges that there is no uniform way to invest money into businesses, so 20% of the investments in the Transitional Portfolio use integrated capital investments, whereby investment into a project can also be matched with grant money to go toward business technical assistance and development.

Swift Foundation encourages other foundations to push back against the fear-based investment approach of growing their endowments in order to hedge against a potential upcoming recession. Asking those harder questions of fund managers and loan portfolio officers about transparency and community accountability is going to be important moving forward. Jennifer Astone emphasizes that investment into indigenous communities who are managing sustainable gardens and farms is as important as investments into large renewable energy investments. By investing in indigenous communities that are maintaining biodiversity and sustainable food spaces, we are furthering the mission of climate resilience and a healthy planet.

SWIFT FOUNDATION PORTFOLIO’S IMPACT THEMES, BY INVESTMENT VALUE AND COMMITTED, 2019

SWIFT FOUNDATION PORTFOLIO’S IMPACT THEMES, BY INVESTMENT VALUE AND COMMITTED, 2019

- Community Sustainability: 36%
- Sustainable Business: 32%
- Clean Energy: 27%
- Sustainable Agriculture: 5%
CALL TO ACTION

In August 2018, the Global Commission for Climate and the Economy proposed that we can build a better, more people-centered, more resilient growth model by accelerating structural transformation in five key economic systems: clean energy systems, smarter urban development, sustainable land use, wise water management, and a circular industrial economy. In particular, they highlighted that the next 10-15 years are a unique ‘use it or lose it’ moment in economic history, and that the decisions we make in the next 2-3 years are crucial because of the unprecedented structural changes already underway due to climate change. The world is expected to invest approximately $90 trillion in infrastructure through 2030, which is more than the current infrastructure stock – investing it wisely now in the right infrastructure, will “help drive innovation, deliver public health benefits, create a host of new jobs and go a long way to tackling the risks of runaway climate change.”

Five years after the Divest Invest pledge was formally introduced, the world is awake to the power of movement building, and the influence that investors can have in shifting both perceptions and markets. The Divest Invest pledge has been mainstreamed beyond mission-based institutions, with asset managers, insurance companies, pension funds and other hard-nosed investors divesting from fossil fuels and investing in climate solutions for strictly financial reasons. Today, over 1,110 organizations, representing $11 trillion in assets, have made some form of divestment commitment, representing a 22,000% rise in AUM since 2014.

Based on the Divest Invest Philanthropy survey and interviews, it is clear that foundation signatories are taking the pledge seriously. Eighty-two percent of respondents no longer hold CU200 in their portfolios, thus meeting the terms of the pledge. Those that do appear to be doing it for shareholder activism purposes, which is still aligned with the pledge, or because they are still unwinding some of their more illiquid assets. Signatories have also gone above and beyond the original divestment pledge, to include fossil fuel holdings across asset classes. Foundations seem to have found that, as

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they started looking into the details of their portfolios, they wanted to take additional actions to align their investments with their organizational missions.

Signatories have made significant headway on the invest side as well. Again, the majority of respondents have invested more than the suggested 5% in climate solutions, and are finding ways to do so across a variety of themes and asset classes. We hope this report will help other foundations and their investment consultants to confront the challenge of finding investable opportunities, and we encourage foundation networks to work together to share learnings and help further grow the invest side of the equation.

Additionally, we hope that this report will inspire foundations who have considered signing the pledge to do so. The case studies in this report share the experiences of some current signatories and include words of advice to encourage others to join. As one respondent said, “We are constantly surprised at the resistance to taking the Divest Invest pledge given the financial and social benefits that we have seen.” With the climate emergency underway, and with all the tools in hand and the positive experiences of peer foundations to learn from, the time has come for foundations to step forward and Divest Invest.

Advice to Foundations Considering Pursuing a Divest Invest Commitment

Key insights from Divest Invest Philanthropy foundation leaders:

• “It’s really helpful to have an informed board. Board education is key. If the board president doesn’t understand, it’s not going to happen.”

• “Understand that it will take some time to implement. You need to commit the board and yourself to continually assess your progress. Timing is important—having a target for Divest Invest plants a flag, and gives you something to work toward.”

• “It’s a great time to commit, because it stretches you. Divest Invest is a very powerful movement within Philanthropy.”

• “It is no longer a heavy lift. It’s not out of the mainstream anymore. It’s accessible. Endowments across institutions are making public statements about divestment. You don’t have to work with small boutique providers. You can go to any firm now and get a fossil fuel free fund.”

• “If I’m the CEO of Chevron, and spend 5% doing oil exploration, I would get fired. Why are foundations allowed to do the same thing? If you are only spending 5% of your endowment on mission, you’re not doing your job; it’s a form of negligence.”

• “Working in coalition is even more transformative.”
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Crowley, Kevin and Brandon Kochkodin. “Exxon Poised to Drop From S&P 500’s Top 10 for First Time Ever,” Bloomberg, August 30, 2019.


Humphreys, Joshua, Christi Electris, and Ophir Bruck. “Climate-Related Investments for Resilient Communities: Divest Invest Opportunities in Community-Oriented Climate Solutions.” Croatian Institute, December 2016.


McGinn, Miyo. “OPEC Head: Climate Activists are the ‘Greatest Threat’ to Oil Industry.” Grist, July 5, 2019.


SURVEY QUESTIONS DIVEST INVEST PHILANTHROPY 2019

1. When did your organization become a Divest Invest signatory? Please estimate if you do not know the exact date.

2. What were your assets under management (AUM) at the time of becoming a signatory?

3. What were your assets under management as of 12/31/2018?

4. In which other investor networks are you involved?

5. The first commitment of the Divest Invest pledge is not to “make any new investments in the top 200 oil, gas, and coal companies,” also known as the Carbon Underground 200. Have you made any new investments in the top 200 oil, gas, and coal companies since taking the pledge?

6. Please provide examples of your holdings or explain, to help us understand challenges you faced in not meeting this first commitment.

7. Prior to taking the pledge, what percentage of your investments were tied to the Carbon Underground 200?

8. The second commitment of the Divest Invest pledge is to sell existing investments tied to the Carbon Underground 200 within 3-5 years. Looking at the state of your endowment as of 12/31/18, what percentage of your investments are still tied to these investments?

9. What is the nature of your divestment policy currently? Please check all companies you are divesting from.

10. Based on the nature of your divestment policy (from the question above), what percentage of your investments were in holdings you had planned to divest upon taking the pledge?

11. What percentage of your investments are still in holdings you had planned to divest upon taking the pledge (from the question above)?

12. To which of the following asset classes does your pledge apply?

13. What have been the greatest challenges with divesting your investments in oil, gas, and coal companies?

14. Please provide additional details about these challenges here.

15. Before making the pledge, did you have an investment policy statement that incorporated environmental, social, and governance (ESG) or climate-related language?

16. If yes, did you modify your investment policy statement based on taking the pledge?

17. If no, do you currently have an investment policy statement that includes ESG or climate-related language?

18. Upload your investment policy statement or ESG investment policy here.

19. Which asset classes have been the most challenging from a divestment standpoint?

20. Please provide an example of specific investments that presented challenges within those asset classes.

21. The third commitment to the Divest Invest Pledge asks foundations to invest 5% of their portfolios in climate solutions (e.g. renewable energy, energy efficiency, sustainable agriculture) Prior to taking the pledge, what percentage of your investments were already invested in climate solutions?

22. As of 12/31/18, what percent of your portfolio is invested in climate solutions?

23. What themes do your investments in climate solutions address?

24. Which asset classes do you use to invest in climate solutions?

25. Since taking the pledge, what new investment in climate solutions have you found most impactful?

26. Which asset classes have been the most challenging for you to invest in climate solutions?

27. If you would like to elaborate on the challenges of a particular investment, please describe it here.

28. What tools would help you overcome additional barriers to investing in climate solutions that you face?

29. Do your climate solutions investments explicitly integrate social impact or community investment?

30. What percentage of your climate solutions have social or community investing criteria?

31. Please describe examples of your social impact or community-related investments.

32. Since taking the pledge, how has your financial performance been impacted?

33. Are the investment opportunities meeting your expectations in terms of risk-return profiles? Please explain.

34. Is there anything else about your experience with taking the Divest Invest pledge that you’d like to share?
A Look at Divest Invest Philanthropy: Five Years after Launch

NETWORKS AND RESOURCES

Aeris
http://aerisinsight.com

Aligned Intermediary
http://www.alignedintermediary.org

Appalachia Funders Network
http://www.appalachiafunders.org

As You Sow
http://www.asyousow.org/

Australian Environmental Grantmakers Network
https://www.aegn.org.au/

Asian Venture Philanthropy Network (AVPN)
https://avpn.asia/

BankImpact
http://ncif.org/inform/bankimpact

Bridges Ventures
http://bridgesventures.com

Catholic Climate Covenant
http://www.catholicclimatecovenant.org

CDFI Fund
https://www.cdfifund.gov

CDP
https://www.cdp.net/en

Center for Social Inclusion
https://www.centerforsocialinclusion.org

Ceres Investor Network on Climate Risk and Sustainability
https://www.ceres.org/networks/ceres-investor-network

Clean Energy Group
http://www.cleanenergygroup.org

Climate Action 100+
http://www.climateaction100.org/

Climate Bonds Initiative
https://www.climatebonds.net

Climate Solutions Collaborative (C2C)
http://climatesolutionscollaborative.org/

Church Investors Group
https://churchinvestorsgroup.org.uk/

Community Development Venture Capital Alliance
http://cdvca.org

Confluence Philanthropy
https://www.confluencephilanthropy.org/

CREO Syndicate
http://creosyndicate.org/

Democracy At Work Institute
http://institute.coop

Environmental Funders Network
https://www.greenfunders.org/

Global Alliance for Banking on Values
http://www.gabv.org

Global Investor Coalition on Climate Change
http://globalinvestorcoalition.org

Green America
http://app.greenamerica.org/fossil-free

GreenFaith
http://www.greenfaith.org/programs/divest-and-reinvest

ImpactAssets 50
http://www.impactassets.org/publications_insights/impact50

ImpactBase
https://www.impactbase.org

Institutional Investors Group on Climate Change
http://www.iigcc.org

Intentional Endowments Network
http://www.intentionalendowments.org/

Interfaith Center on Corporate Responsibility (ICCR)
https://www.iccr.org/

Investor Platform for Climate Actions
http://investorsonclimatechange.org

The Global Impact Investing Network (The GIIN)
https://thegiin.org/

Labor Network for Sustainability
http://www.labor4sustainability.org

Low Carbon Investment Registry
http://globalinvestorcoalition.org/form-registry

Mission Investors Exchange
https://missioninvestors.org/

Movement Generation
http://movementgeneration.org

National Community Investment Fund
http://www.ncif.org

National Federation of Community Development Credit Unions
http://www.cdcu.coop

Opportunity Finance Network
http://ofn.org
Our Power Campaign
http://www.ourpowercampaign.org

Power Shift Network
http://powershift.org/campaigns/divest/alternatives

PRIME Coalition
http://primecoalition.org

Project Equity
http://www.project-equity.org

ShareAction Charities Responsible Investment Network
https://shareaction.org/crin/

Sustainable Endowments Institute
http://www.endowmentinstitute.org

Sustainable Finance Initiative HK
https://sustainablefinance.hk/

Toniic
https://www.toniic.com/

Principles for Responsible Investment (PRI)
https://www.unpri.org/

USSIF: The Forum for Sustainable and Responsible Investment
https://www.ussif.org/