Introduction
Quakers in Britain have agreed that their centrally-held funds should not be invested in fossil fuel extraction companies, and that “our existing investments in these should be sold”.

Friends have discerned that investment in these companies is incompatible with a commitment made by Britain Yearly Meeting (BYM) to become a low-carbon, sustainable community.

This decision affects the centrally-held funds of Britain Yearly Meeting but has also prompted many Friends and Quaker meetings to consider whether they too could divest, both as individual Quakers and as meetings. This briefing gives the context and details of the BYM decision, explains the divestment process and gives ideas for taking action. It should not be considered investment or financial advice. Friends requiring financial advice should contact a qualified and regulated Independent Financial Adviser.

Why divest from the fossil fuel industry?
The money we have control over, whether it is a little or a lot, gives us power. Refusing to profit from the fossil fuel industry makes a clear moral statement and helps to question the social and financial acceptability of ongoing fossil fuel extraction. This in turn will create space for restrictive legislation on the industry to enable us to keep to our ‘carbon budget’. This is the amount of carbon we are able to burn if we are to have a chance of preventing the worst impacts of climate change. Scientists agree that to stay within our carbon budget means no more than 20% of the carbon dioxide embedded in proven conventional fossil fuel reserves.

What is divestment?
Divestment, or ‘disinvestment’ as it is sometimes termed, is the opposite of an investment – it simply means getting rid of investments in a particular company or industry that you consider to be unethical and contrary to your values. The investment might be in a particular stock, bond or a fund that includes one or more unethical stocks.

Revised in January 2016 by Quakers in Britain. For more information or additional copies, contact Sunniva Taylor on 0207 663 1047 or sunnivat@quaker.org.uk or visit www.quaker.org.uk/divestfossilfuels.

A large-print edition is also available; please contact publications@quaker.org.uk or call 020 7663 1162.

Students march with banner calling on Oxford University to divest. Photo: Hugh Warwick/ 350.org
worldwide can be burnt. There is no room in the carbon budget for the burning of unconventional fossil fuels, such as tar sands oil. Yet since 2007 fossil fuel reserves have actually grown as the industry spends vast amounts of money expanding exploitable reserves.

The fossil fuel divestment campaign challenges this business model and exposes the contradiction of a reducing global carbon budget and increasing fossil fuel reserves.

**Britain Yearly Meeting’s divestment decision**

The decision to divest from fossil fuel extraction companies was made in October 2013 after a process of discernment by Britain Yearly Meeting Trustees and Meeting for Sufferings. The investment committee sought advice from their investment managers and staff in Quaker Peace & Social Witness (QPSW) before making the recommendation to divest. The existing fossil fuel investments were with BG Group, representing 2.73%, and Statoil, representing around 1.12% of the value of the portfolio, which was around £21m at the time.

**The importance of investing in ‘the alternative’**

Seeking to create “an economy in which our testimonies can flourish” became a priority for Quakers in Britain in 2011. At Yearly Meeting in 2012 it was further agreed that Quakers should be “putting our money and energies into places which support our testimonies; accounting for ‘peace’, ‘joy’ and ‘respect’ alongside financial values”. Investing in “the alternative” is crucially important to the flourishing of a new economy, an economy that faces up to climate change and is based on principles of justice and peace. Transferring capital out of the fossil fuel economy and into sustainable and just organisations is a powerful step in our transition journey. The odds are stacked in favour of big business, and sustainable ventures need our financial support to prosper.

**What impact has the BYM decision had?**

The Britain Yearly Meeting divestment decision is part of a global wave of activity across different denominations. The Quaker decision came early in the life of the Operation Noah Bright Now campaign, which calls for Church denominations to divest from fossil fuels. Quakers have set an enormously valuable example as the first Christian denomination in the UK to take corporate action. Bright Now has an active campaign to encourage the Methodist Church and the Church of England to divest from fossil fuels. The United Reformed Church in Scotland announced its decision to divest in March 2015. The Church of Sweden, the World Council of Churches, the Uniting Church of Australia, Anglican dioceses in New Zealand and Australia, and the United Church of Christ in the United States have all also committed to divest.

The fossil fuel divestment campaign, gathered under the “fossil-free” umbrella is now global, and focuses on universities, churches and municipalities. There is a truly widespread campaign with significant activity across North America, Europe and Australasia. Aotearoa/New Zealand Friends have agreed not to make any investments that profit from fossil fuels and have urged their membership to do the same. A number of Meetings within Philadelphia Yearly Meeting have divested, shifting $2m out of fossil fuels and into a new Quaker Green Fund. Dover Friends in New Hampshire, Mid-Thames Area Meeting, Manchester & Warrington Area Meeting, and the North East Thames Quaker Trust have also divested. There are likely to be many more not known to QPSW. The church divestment campaign sits alongside an increasing number of council and
Taking action on divestment

Increasing numbers of Quakers are considering divesting from the fossil fuel industry as individuals and as meetings. The following questions might arise as part of that process.

Our investments are important for our financial security. Will divestment reduce the potential value of my investments?

Considerable thought has been devoted to this question, and the consensus of opinion is that divestment from fossil fuel companies does not automatically adversely affect your investments. An extensive study has shown that carefully diversified portfolios that do not contain fossil fuels do not necessarily suffer. The divestment campaign argues that fossil fuel company valuations are based on the estimated value of fossil fuel reserves, the vast majority of which will have to remain ‘in the ground’ in order to prevent catastrophic climate change. This means that companies heavily involved in fossil fuels are overvalued and are not the solid investments they appear to be.

As trustees we have a duty to maximize the income of our investments; can we still divest?

Trustees have a responsibility to balance both the need for financial return and the values that the organisation hold.

The Trustee Act 2000 states:

‘In exercising any power of investment a trustee must consider:

• the suitability of the type of investment to the charity (for example whether it is consistent with the charity’s ethos or any relevant requirements or policies it might have); and

• whether a particular type of investment is appropriate.’

How do I know which companies to avoid?

The Carbon Tracker Initiative compiled the original list of the 200 companies most involved in fossil fuels. This list was updated in April 2014 by Fossil Free Indexes. This Carbon Tracker 200 is the globally accepted ‘no buy’ list for the divestment campaign and would be appropriate to share with your investment advisor if you have one.

The list is available from: http://gofossilfree.org/companies/

Where can I/we reinvest money?

Renewable energy is an obvious area to choose but there are many other ways to support the new economy. Keep an eye out for local ventures and think about whether there are other ways that your money could be used positively to support the interests of the meeting (e.g. invest in social housing). Ask your investment advisor for suggestions. Other sources of information about alternative investment opportunities include:

Ethex: www.ethex.org.uk
Abundance Generation: www.abundancegeneration.com
Triodos renewables: www.triodos.co.uk/en/personal/ethical-investments/renewables/overview/
CAF Venturesome: www.cafonline.org
Your ethical money: www.yourethicalmoney.org.uk
Allia: www.allia.org.uk
Quaker Housing trust: www.qht.org.uk
I/we don’t hold any investments. What can I/we do?

It may be that you don’t hold personal investments but that you hold a pension. QPSW is supporting the GreenLight campaign, which is engaging with pension providers on climate change issues, including holding investments in fossil fuel projects. See www.greenlightcampaign.org.uk for information on how you can get involved. Similarly you may be a meeting without investments but have staff for whom you provide a pension.

I/we don’t hold any investments in the fossil fuel industry. What can I/we do?

If you do hold investments but none are in fossil fuel companies the first thing you could do is to decide not to make any new investments in companies listed in the Carbon Tracker 200. You can also decide to begin to use a proportion of your funds to reinvest in companies and industries that will contribute to the formation of the ‘new economy’.

Our investments are fossil-free but what about our current account?

Banks make investments with the money we deposit with them through our current accounts. Many have large investments in fossil fuel companies. Depending on who you bank with it is possible to be supporting the fossil fuel industry indirectly. Move Your Money has advice about fossil-free banking.

Are there other ways I/we can support the fossil fuel divestment campaign?

If you are a student or alumni of a university you could support their campaign. If there isn’t one, maybe you could start one. Oxford has launched a city divestment campaign and more UK towns and cities will be announcing campaigns soon. Look out for your local campaign or find out more from www.gofossilfree.org/uk about starting your own.

I/We have divested – now what?

Tell us about it so we can share the news!

Email sunnivat@quaker.org.uk.

Consider sharing your experience with other churches or groups you are in contact with.

Consider whether it might be appropriate to set a date in the future to review your investments again. Different opportunities to invest in sustainable industries may have arisen since you last reviewed your investments, or the companies you hold might have changed their activities.

Endnotes

1. See www.quaker.org.uk/ending-fossil-fuel-dependency
2. Bright Now is a campaign run by Operation Noah, an ecumenical Christian charity providing leadership, focus and inspiration in response to the growing threat of catastrophic climate change. Bright Now is calling on the Churches and the Christian community in the UK to:
   - divest from companies involved in the extraction of fossil fuels
   - take a leading and influential role in the national debate on the ethics of investment in fossil fuels
   - support the development of clean alternatives to fossil fuels through their investment policies.
3. www.gofossilfree.org