

Divestment Workshop Notes



Against:

Fossil fuels still useful, particularly gas. Gas is used by 82% of UK households for heating and without it many more would be in fuel poverty due to the higher price of electricity. Both electricity and oil are more carbon-intensive than gas.

Wind and solar power are not "fossil fuel-free". To supply 25% of global energy demand (2.5 TW) would require 450 million tonnes of steel and 90 million tonnes of crude oil to build the infrastructure. Many rare earth materials come from China with damaging carbon and ecological impacts.

Gas with carbon capture and storage is the only realistic way forward.

For:

Explanation of how markets work.

Primary Markets: Buying shares directly from the company and thus giving money to the company

Secondary Markets: Buying shares on the stock market which are being sold by individuals. This is what the majority of trades are and the company whose shares are being bought and sold do not know (or care) about this really.

Divestment is mainly about removing the social license for these companies to operate, not damaging them economically. It's a statement and a way to drive change at a higher level.

Divesting also reduces "portfolio carbon emissions" and investing ethically can help show support for low carbon economies.

Not investing in fossil fuels is proven to be less risky, can produce higher returns and does not risk damaging the reputation of institutions.

What are the concerns?

Hypocrisy – we still use oil for heating, we need FFs, especially for heating and transport
But a slippery slope argument is an easy way to avoid any action – we should do all we can, in investments and beyond, whilst recognising that we can't do everything right now.

O&G industry has skills and expertise to change crisis
But they're not making the investment

O&G lifts people out of poverty
Climate change will keep them there

CCS is the solution

Is the tech up to scale?

Losing influence and seat at the table

This only makes sense when you're using that influence and think that it's effective

What can you do if you have fossil fuel investments?

Phase them out

What if that doesn't work or your fund manager disagrees? Move to a different fund or fire the manager if necessary.

Why don't we look at investing differently? Instead of saying "this isn't having a negative impact", look for an investment which you can say "This has a positive impact on the world around us".

Discussion: Disagreement that renewables are carbon-intensive to build and doubt about the accuracy of the figures used in the first presentation.

Questions on whether it is necessary to make a public statement "we will never invest in fossil fuels" if you don't invest in fossil fuels and don't intend to. Not all institutions can't make that statement as a high-level strategy, global markets and investment needs are all factors. The actions are more important and is it wrong that pressure groups attack institutions who don't make the statement when their actions are correct? Why don't they attack the ones who invest more? Are pressure groups actually helping or just muddying the waters?