Friends and Ethical Investing

Friends groups have a long and proud tradition of ethical investing. Friends have consistently sought congruity of our values when we consider what types of investments we should hold.

Friends Fiduciary and many other Friends Meetings and organizations already have “screens” against (or have divested from) companies that produce:

- weapons or weapon components
- alcohol
- tobacco
- gambling
- for-profit prisons

and companies are screened for environmental concerns, social issues, and forms of governance.
What are the reasons that have led Friends to divest?

- When industries participate knowingly in on-going practices which cause great harm, death, loss of dignity, etc. Profiting from such harm has simply been incompatible with our identity as a faith community;
- When an industry or company continues these harmful practices even when brought to their attention—when they are uninterested or unwilling to mitigate or reduce harm;
- When, despite dialog, there is a stubborn resistance to change and efforts made to prevent mitigation or regulation that would lead to limiting these harmful practices;
- When the industry actually counterattacks, using false and misleading information to undermine their critics. Examples of this include the tobacco industry that hired firms to deny the health
effects of smoking and successfully delayed legislative action for at least a decade.

- When we seek to witness to our moral beliefs as expressed in the testimonies, even if the results may be uncertain. We have repeatedly made a stand for a principled insistence that investing and profiting from a particular industry needs to be discussed in the wider society. The decision to divest from alcohol, weapons, gambling and for-profit prisons has no immediate or visible impact, but it is a stand which serves to express and influence the moral code.
Which companies are the worst offenders?

We’re all complicit in fossil fuel consumption, and we should do all that we can to reduce our own use, but the real culprits — the ones who are rigging the system — are the fossil fuel companies. Not only do these 200 coal, gas and oil companies own the vast majority of the proven oil, gas and coal reserves, they also represent a significant percentage of the entire global market. These companies, incidentally, are also the largest contributors to politicians’ of all stripes in this country and across the world — they’re the ones writing laws, and getting billions in government handouts each year.

There are many more companies that contribute indirectly to climate change — the multinationals that build drilling equipment, lay oil pipelines, transport coal, and utilities that buy and trade electricity. But right now, we need to be laser-focused on keeping all that coal, gas and oil in the ground, and these 200 companies are the ones that own the vast majority of those reserves.
Investing in Clean Energy

Report after report has shown that investing in clean energy, efficiency, and other sustainable technologies can be even more profitable than fossil fuels. It’s a growing market, with over $260 billion invested globally in 2011, and a safe place for your institution to invest.

Socially responsible mutual funds exclude all companies involved in the extraction or production of fossil fuels—oil, coal, or gas.

- The [Green Century Balanced Fund](#), in addition to investing fossil-free, in 2009 became the first mutual fund publicly to release a carbon-footprint report of its holdings—which was 66 percent smaller than that of the companies making up the S&P 500.

- [Pax World Global Environmental Markets Fund](#) invests pollution control, waste management, and water infrastructure, in addition to its investments in clean-energy and energy efficiency.
• **Portfolio 21** maintains a company-wide policy of avoiding fossil-fuel investing.

• **Calvert’s Global Alternative Energy Fund** requires 80 percent of its holdings to be invested in clean energy. According to Calvert’s Melinda Lovins, the remaining 20 percent of the fund currently excludes fossil-fuel companies, though this can change, according to the fund manager’s preferences.
For More Information

- Visit our section on Fossil Free Friends at
  [http://www.quakerearthcare.org/article/fossil-free-friends](http://www.quakerearthcare.org/article/fossil-free-friends)
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