

Fossil fuel divestment

Statement

Oxfordshire Community Foundation (OCF) acknowledges that pollution and climate change, expedited by the burning of fossil fuels, is a serious concern. However, the foundation does not believe it is appropriate to pursue a policy of divestment in respect of its endowment funds.

The rationale is as follows:

- The benefit of a campaign of divestment is questionable. Over 90% of world oil reserves are controlled by governments, so the impact of individual shareholders on the trajectory of the industry will be limited. This is similar in other fossil fuel sectors.
- Divestment campaigns are concerning, as the fossil fuel industry will continue to be an important element of the world economy and will continue to influence the lives of people living in Oxfordshire, whether charities participate as shareholders or not. If ethical investors refuse to participate there may be less incentive for management teams at these companies to bring about positive ethical change.
- Monies have been donated to OCF for a specific charitable purpose relating to improving community welfare in Oxfordshire. Restricting the investment universe could impair OCF's ability to maintain and grow its endowment over time. It therefore does not seem appropriate for the current stewards of OCF capital to impose subjective and unrelated ethical restrictions to the possible detriment of the purpose for which the OCF donations are designed.
- OCF has carefully selected asset managers CCLA and Brompton for their rigorous investment processes. For instance, CCLA does a lot of work around the quality of corporate governance before investing, with the aim to hold companies that will achieve sustainable earnings growth over the long term. Their investment processes naturally lead them to have a low weighting to the energy sector.