

The key message of this document is that: “Fossil fuel investments are a risk for both investors and the planet, so we’re calling on institutions to divest from these companies.” And that “The negative impacts of climate change will fall disproportionately on the poorest parts of the world.”

Initiatives for your consideration:

- Investing any funds in an environmentally responsible manner/social justice eg. Incorporating divestment from fossil fuel industries objective in Investment Policy or timelines for divestment.
- Choosing a bank that invests in an environmentally responsible/ethical manner
- Sourcing power from renewable energy eg. Powershop 100% renewable or “green energy” option with provider.
- Informing employees of a superannuation option that is environmentally responsible eg Eco Pool option with Hesta (non-tobacco and non-fossil fuel)

Such actions might have other benefits for your organisation, such as marketing opportunities. For example being the first organisation based in Ballarat to divest their funds from fossil fuel could garner national attention.

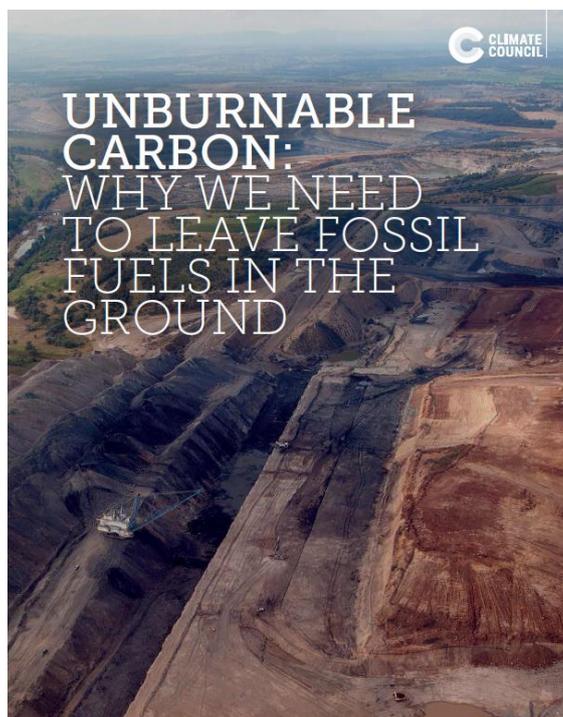
Divestment is motivated by three main areas: Environmental, financial and ethical.

Financially it makes sense because of the shifting nature of policy the assets may become stranded there is an inherent risks with a “carbon bubble” and there are tools for “climate proofing” an organisation.

The environmental reasons are the direct impact from fossil fuel extraction and contributions to climate change.

The ethical considerations are that we in Australia are contributing per capita more than any other country. As shown above “The negative impacts of climate change will fall disproportionately on the poorest parts of the world,” also it will effect future unborn generations. Is this in conflict with your organisations invest policy. Is social justice a consideration for your investment portfolio? The effects may be far away but with our knowledge we are making informed decisions to pollute the planet, is it worth the extra yield?

Background to some of the issues



Recently there has been a number of quality reports published relating to climate change and problems and risks posed by fossil fuel energy production and extraction in terms of environmental, health and economic risks and hazards. They highlight different areas such as the human impact, environmental impact and appropriate responses in the form of evidence based policy suggestions.

The report findings are summarised:

[Climate Council: Unburnable Carbon: Why we need to leave fossil fuels in the ground](#)

The Climate Council defines why climate change is a problem and what needs to happen. Also showing that Australia per capita is one of the highest emitters, which makes climate change a social justice issue, it has unfair global impacts “new investment in fossil fuels, particularly in coal, needs to be reduced to zero as soon as possible.”

The Climate Council is an independent, crowd-funded organisation providing quality information on climate change to the Australian public.
CLIMATECOUNCIL.ORG.AU

Acknowledgement: Tony Goodfellow

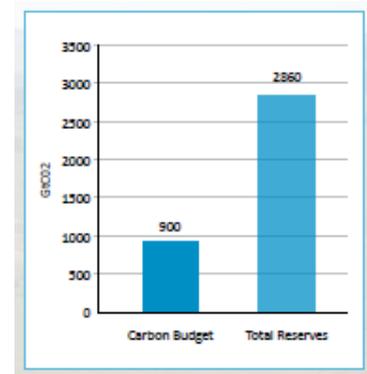
KEY FINDINGS

1. To tackle climate change, 195 countries around the world, including Australia, have agreed to keep global temperature rise to no more than 2°C.

- Already at a global temperature rise of less than 1°C, climate change is making many extreme weather events in Australia significantly worse. For instance, hot days have doubled in the last 50 years, while heatwaves have become hotter, last longer and occur more often.
- A 2°C rise in global temperature will have serious impacts on the lives and livelihoods of many people world-wide, and could trigger major changes in the Earth System. For instance, a 2°C rise could trigger the melting of the Greenland ice-sheet, which would eventually raise sea level by about 7 metres, inundating major cities world-wide.

2. Most of the world's fossil fuel reserves must be left in the ground, unburned, to keep global temperature rise to no more than 2°C.

- The carbon budget is a scientifically based method to determine how much carbon humanity can “spend”. The higher the probability of limiting warming to no more than 2°C, the more stringent the budget.
- To have a 50% chance of meeting the 2°C warming limit at least 62% of the world's fossil fuel (oil, gas, coal) reserves must be left in the ground, unburned. To have a 75% chance of meeting the 2°C warming limit, at least 77% of the world's fossil fuels cannot be burned.
- Coal is the fossil fuel with the greatest proportion that cannot be used; 88% of global reserves are unburnable.



3. Australia is potentially a huge contributor to global CO2 emissions through domestic use and exports. Use of our coal must be severely constrained to tackle climate change effectively.

- If all of Australia's coal resources were burned, it would consume two-thirds of the global carbon budget (based on a 75% chance to meet the 2°C warming limit).
- It is likely that over 90% of Australian coal reserves are unburnable under even the most generous carbon budget.
- Exploitation of Australia's Galilee Basin coal deposits is incompatible with effective action on climate change.

4. The remaining carbon budget is decreasing rapidly. This is the critical decade to get emissions tracking downwards and to move investment away from fossil fuels.

- Energy policies that support substantial fossil fuel use are inconsistent with tackling climate change. Huge new fossil fuel developments, like the Galilee Basin in Australia, the tar sands in Canada and new resources in the Arctic, cannot be developed.
- To have any chance of meeting the 2°C policy target, new investment in fossil fuels, particularly in coal, needs to be reduced to zero as soon as possible.
- To be consistent with the carbon budget approach, Australia needs to move to an emissions reduction target of 15% below 2000 levels by 2020, and to a 40-60% reduction below 2000 levels by 2030.
- Meeting the carbon budget also presents opportunities for the Australian economy by replacing its ageing, inefficient fleet of power stations with modern, clean renewables and by shifting our export industries to low-carbon primary products and minerals.

[UN Ecosystems and Human Well-being Synthesis](#)

The UN released a synthesis report documenting the health effects of climate change. It shows that the impact of climate change is a social justice issue because the hazards are exported from richer to poorer countries:

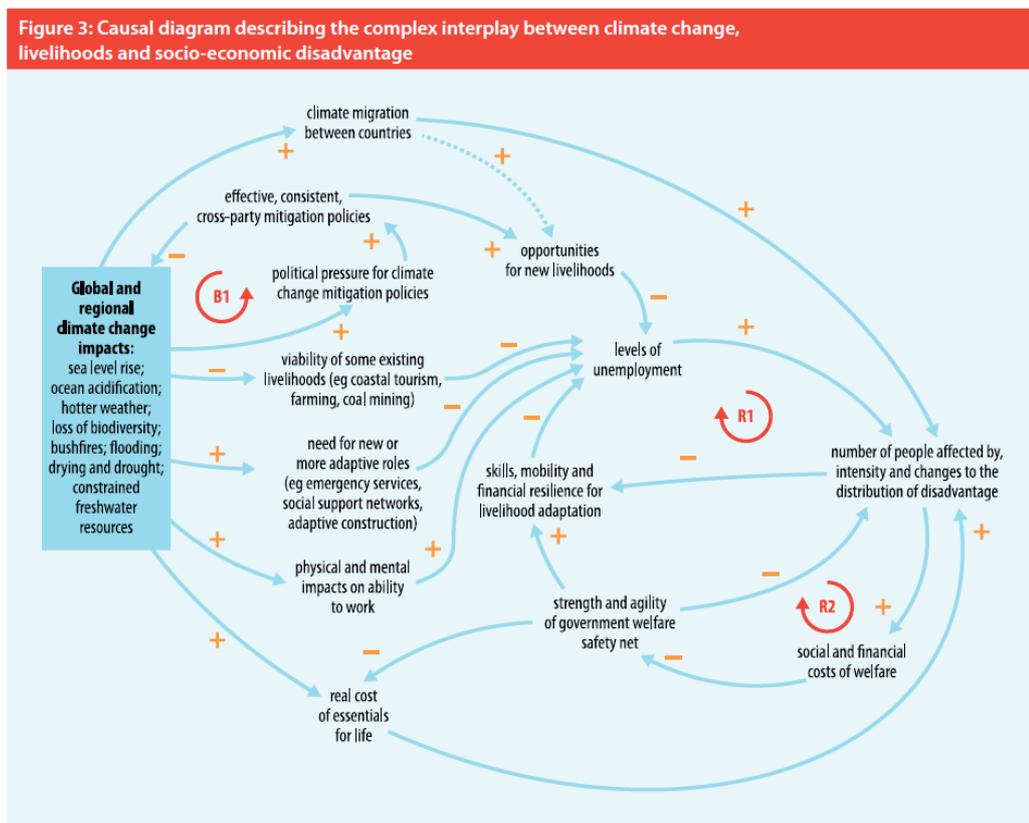
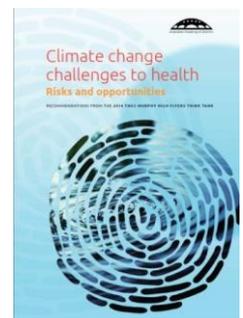
“The negative impacts of climate change will fall disproportionately on the poorest parts of the world—for instance by exacerbating drought and reducing food production in the drier regions—but the buildup of greenhouse gases has come overwhelmingly from richer populations as they consume more energy to fuel their higher living standards.” UN MEA Health Synthesis

Is your organisations investment portfolio structured in accordance with the core values and ethical standards of the organisation? Does that include Social Justice?

Is there a case to argue that action needs to be taken on climate change because it is a social justice issue? Not just the financial and environmental risks.

[Australian Academy of Science Report – Climate change challenges to health: Risks and Opportunities](#)

The Executive summary states: “The report also makes it clear that those who suffer the worst effects of climate change will, in general, be the most vulnerable members of society—in particular, the sick, the elderly, the very young and the poor.”



Arrows with a positive sign (+) indicate a change in the variable at the arrow-tail leads to a change in the variable at the arrow-head in same direction. Arrows with a negative sign (-) indicate a change in the arrow-tail variable leads to an inverse change in the arrow-head

Acknowledgement: Tony Goodfellow

The prestigious Australian Academy of Science in conjunction with the Australian Medical Association released the report outlining the health impacts from climate change. It is a call to action by taking account the costs of climate change, both today and tomorrow:

“The AMA commends the Academy of Science for producing this Report,” A/Prof Owler said.

“The Report brings together high level research across science, social science, and technology to provide a comprehensive overview that fills the knowledge gap on the impacts of climate change on human health.

“The health effects of climate change include increased heat-related illness and deaths, increased food and water borne diseases, and changing patterns of diseases. In addition to their impact on health infrastructure and services, extreme events such as droughts, flooding, and storms could be responsible for death and disease.

The Australian Academy of Science has the goal of zero emissions by 2015.

From a UK perspective by MedAct comes a report [‘Investments – Why Unhealthy the UK healthy community’s investments in fossil fuels are bad for health.’](#)

“The financial case for divestment is most strongly predicated on the ‘carbon bubble’, the threat of devaluation that fossil fuel assets would face if adequate political action is taken to keep climate change in check. As discussed, staying within the upper limit considered reasonably safe by climate scientists (a 2oC warming scenario) - requires that approximately 60-80% of known fossil fuel reserves remain in the ground.”

THE CASE FOR DIVESTMENT: A FOUR-POINT SUMMARY

1. It goes against health organisations' **values**, objectives and responsibilities to invest in the fossil fuel industry, in view of the health hazards posed by climate change and fossil fuel-related air pollution, alongside other impacts of fossil fuel extraction and consumption.
2. Health professionals have an influential **voice** in public debate, and divestment has historically been a successful strategy in campaigning against injustices that threaten health.
3. The global carbon budget, and the associated concept of stranded assets or a ‘carbon bubble’, create a long-term financial case for divestment as a strategy for managing **risk**, while the risk indicators for divestment are low. Data shows that fossil free portfolios track the market well, and in some cases outperform their fossil fuel equivalents.
4. The leadership example of other institutions has shown the benefits to **reputation** associated with divestment and re-investment in alternative energy sources, and risks to sustained investment in fossil fuel companies.

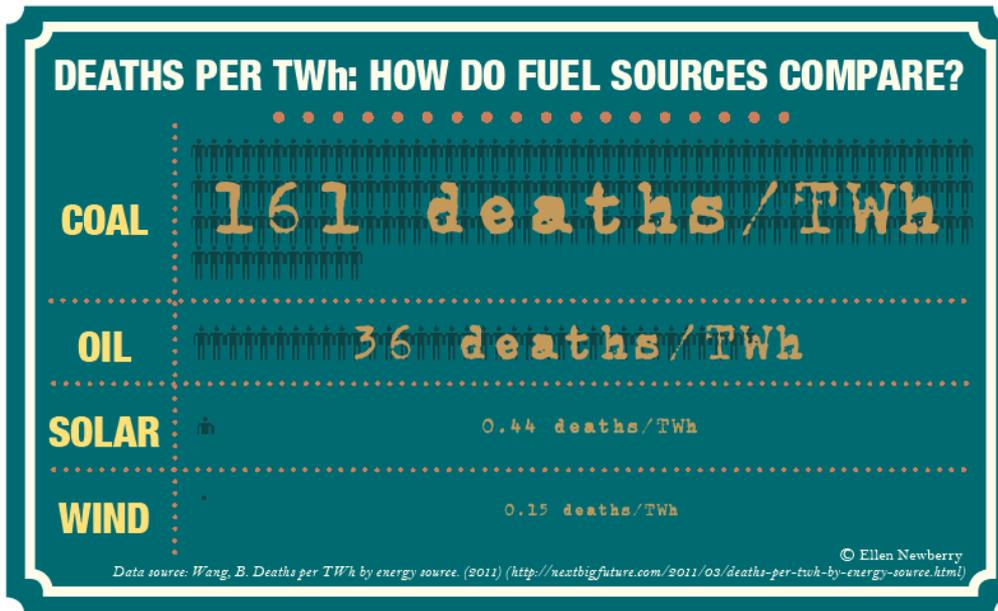
MedAct writes that:

British Medical Association (BMA) voted to end its investments in the fossil fuel industry and increase investment in renewable energy, because of the serious health threat posed by air pollution from coal, oil and gas, which accounts for 29,000 early deaths in the UK each year.

In doing so, it joined the 180 other institutions, with total investments worth over \$50 billion, to divest from fossil fuels last year.^[2] Many members of the health community are now calling on other health organisations to divest, as they have already done from tobacco, on the basis of these health risks. The sums in question are not trivial: the Wellcome Trust, for example, has holdings of £450 million in just four of the major fossil fuel extraction companies.

Acknowledgement: Tony Goodfellow

FIGURE 3. Estimates of human mortality associated with selected forms of energy generation.



[Climate Council: Joint Statement on the Health Effects of Coal in Australia](#)

The Climate Council outlines what the direct effects of coal are and what some responses can be including attitude toward investment “Coal’s human health risks must be properly considered and accounted for in all energy and resources policy and investment decisions”.



4 KEY FINDINGS

1. Coal mining and burning coal for electricity emits toxic and carcinogenic substances into our air, water and land.
2. Coal pollution is linked to the development of potentially fatal diseases and studies show severe health impacts on miners, workers and local communities.
3. Australia’s heavy reliance on coal for electricity generation and massive coal industry expansion present significant risks to the health of communities, families and individuals.
4. Emissions from coal mine fires, like the recent Hazelwood mine fire in Victoria, and the release of heavy metal and organic compounds, pose health risks for surrounding populations, such as respiratory and heart disease, cancers and other health conditions.

4 KEY RECOMMENDATIONS

1. National standards for consistent air, water and soil quality monitoring at and around every coal mine and power station in Australia conducted by an independent body with no relationship to the coal industry
2. Adequate funding allocated for research to evaluate the health, social and environmental impacts of coal in coal mining communities.
3. **Coal’s human health risks must be properly considered and accounted for in all energy and resources policy and investment decisions.**
4. We also encourage the investment in education and training opportunities to support coal mining communities to transition away from fossil fuel industries towards new industries.

Acknowledgement: Tony Goodfellow

[Climate Council Briefing Paper: Health Effects Of Coal](#)

Another briefing paper by the Climate Council with the recommendation “Coal’s human health risks must be properly considered and accounted for in all energy and resources policy and investment decisions.”

[Full Cost Accounting for the Life Cycle of Coal – Center for Health and the Global Environment Harvard Medical School](#)

This report is from Harvard which shows that the costs of coal are “externalized” and that coal “generates a waste stream and carries multiple hazards for health and the environment.”

Each stage in the life cycle of coal—extraction, transport, processing, and combustion—generates a waste stream and carries multiple hazards for health and the environment.

These costs are external to the coal industry and are thus often considered “externalities.” We estimate that the life cycle effects of coal and the waste stream generated are costing the U.S. public a third to over one-half of a trillion dollars annually.

Table 2: Selection of institutions to have announced divestment from fossil fuel investments

Investor	Country	Category	Strategy	Divestment	Date of announcement
Second AP Fund	Sweden	Pension	Partial divestment	12 coal and 8 oil-and-gas companies.	Oct-14
ANU	Australia	College	Partial divestment	Iluka Resources, Independence Group, Newcrest, Sandfire, Oil Search, Santos and Sirius, representing 5.1% of holdings.	Oct-14
Rockefeller Brothers Fund	US	Family fund	Fossil fuels	Initially, coal and tar sands. Ultimately, all fossil fuels.	Sep-14
Storebrand	Norway	Pension	Partial divestment	13 coal extractors and six firms that are heavily exposed to oil sands, later decision to divest from coal-heavy utilities.	Jan-14
Boxtel	Netherlands	Local authority	Partial divestment	200 fossil fuel companies that hold the largest coal, oil, and gas reserves.	Oct-13
Orebro	Norway	Local authority	Fossil fuels	All fossil fuels	Jun-13
Church of Sweden	Sweden	Religious	Fossil fuels	All fossil fuels	Sep-14
The University of Glasgow	UK	College	Partial divestment	Divested £18m from the fossil fuel industry and froze new investments	Oct-14
Green Mountain College	US	College	Partial divestment	200 fossil fuel companies that hold the largest coal, oil, and gas reserves.	May-13
Hampshire College	US	College	Fossil fuels	All fossil fuels	Dec-11
Peralta Colleges	US	College	Partial divestment	200 fossil fuel companies that hold the largest coal, oil, and gas reserves.	Dec-13
Prescott College	US	College	Partial divestment	200 largest fossil fuel corporations over the next 3 years	Feb-14
San Francisco State Univ	US	College	Partial divestment	Coal and tar sands companies, began process to look at fully divesting from the fossil fuel industry	May-13
Sterling College	US	College	Partial divestment	200 fossil fuel companies that hold the largest coal, oil, and gas reserves.	Feb-13
Stanford	US	College	Coal	Coal mining companies	May-14
World Council of Churches	Switzerland	Religious	Fossil fuels	All fossil fuels	Jul-14
The University of Sydney	Australia	College	Carbon	Cut its fossil fuel investments by reducing the carbon footprint of its portfolio by 20% over three years	Feb-15
Oslo	Norway	Local authority	Coal	Coal companies	Mar-15
Nordea	Sweden	Asset Manager	Coal	Up to 40 coal-mining companies	Jan-15
KPL Pension Fund	Norway	Pension	Coal	Companies that derive more than 50 per cent of their revenues from coal	Nov-15
Local Government Super	Australia	Pension	Coal	Companies that make more than a third of their revenues from coal mining or coal-fired electricity generation	Oct-14
Norges Bank IM	Norway	Sovereign Wealth Fund	ESG	22 carbon-intensive fossil fuel companies	Feb-15
The Guardian Media Group	UK	Media	Fossil fuels	All fossil fuels. Pledge to reinvest cash released in pro-environment/climate companies.	Apr-15

Source: HSBC, Company websites

Acknowledgement: Tony Goodfellow

Response

A response to the need to address climate change could take the form of a plan that looks at risks, ways to adapt and responsibilities.

The direct demonstrated harm associated with fossil fuel life cycle - has caused individuals, universities, trusts, organisation and companies to begin questioning their contribution to the problem and formulating responses – including divestment as well as others. See the current campaigns underway.

<http://www.theguardian.com/environment/2015/mar/15/climate-change-un-backs-divestment-campaign-paris-summit-fossil-fuels>

There are a number of possible responses one could be divesting finance from fossil fuel projects. This campaign has the support of the UN, Prince Charles, indigenous groups, the ANU has divested there are companies and NGO's that assist with divestment. The divestment argument is framed as a risk for both investors and the environment. Ban Ki-moon stated "Please reduce your investments in the coal- and fossil-fuel-based economy." OECD Secretary-General Angel Gurría states "The looming choice may be either stranding those [fossil fuel] assets or stranding the planet."

"Climate change is a deeply moral issue...once again we can join together as a world and put pressure where it counts." Desmond Tutu

"...business-as-usual' is not a viable option for the fossil fuel industry in the long term." Paul Spedding, Oil & Gas Sector Analyst HSBC

Here are some areas to look at:

Potential Initiatives: To source power from renewable energy provider

The idea is to source power for daily activities from solar or wind energy such as domestic PV or externally by a company that has a 100% renewable option such as a "green option" with current power provider. If you haven't been proactive then your organisation is probably getting it's energy from the dirtiest fuel possible – Brown coal. It may be far away but it is still happening.

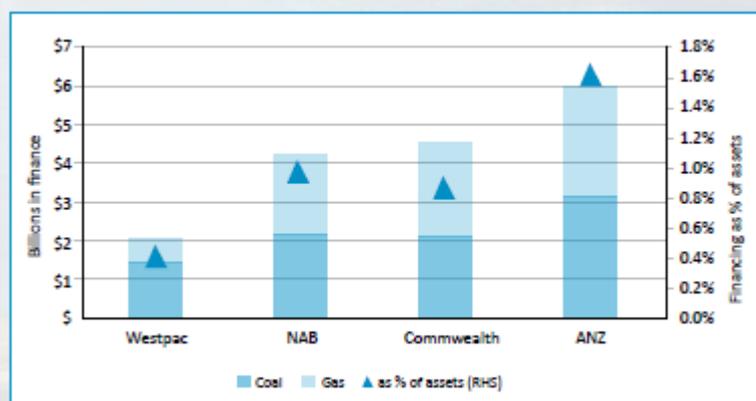
Potential Initiative: Bank Choice – Environmental considerations.

Investigate the choice of bank (or banking option) that aligns with the core values and ethical standards of the organisation.

Why?

Here are 4 banks with considerable investment in coal (darker part).

Figure 4: Big four bank lending to fossil fuels, 2008–2013¹⁸



Banks that are heavily invested in the fossil fuel industry.

Search:

Name	Amount Invested (millions)	Position	Take Action
AMP	See next column	AMP does not appear in our lending figures but holds shares in numerous coal and gas companies, including Yancoal, Origin Energy and BHP Billiton	ⓘ Tell them to stop
ANZ	\$6,749m	Invested in fossil fuels	⚠ Put them on notice ⓘ Tell them to stop
Citi	\$607m	Invested in fossil fuels	ⓘ Tell them to stop
Commonwealth Bank	\$5,199m	Invested in fossil fuels	⚠ Put them on notice ⓘ Tell them to stop
HSBC	\$1,236m	Invested in fossil fuels	ⓘ Tell them to stop
ING	\$484m	Invested in fossil fuels	ⓘ Tell them to stop
Macquarie Bank	\$331m	Invested in fossil fuels	ⓘ Tell them to stop
National Australia Bank	\$4,695m	Invested in fossil fuels	⚠ Put them on notice ⓘ Tell them to stop
Westpac	\$3,182m	Invested in fossil fuels	⚠ Put them on notice ⓘ Tell them to stop

If you are with one of the big four Australian banks, your money is being used to finance fossil fuel projects. The big four Australian banks make loans for fossil fuel intensive projects and businesses and arrange finance from other lenders. Without big four involvement, these projects would be far less likely to go ahead. Since 2008, the big four have together loaned close to \$19 billion to fossil fuel projects such as coal mines, coal-fired power stations, coal ports, gas plants and gas export facilities.¹⁷ This includes projects threatening ecosystems such as the Great Barrier Reef and NSW's Leard State Forest. ANZ is the biggest lender to coal and gas projects, both in total and as a proportion of its assets, but each of the big four have offered billions in finance

Australian banks have increasingly financed renewables, but on a lesser scale than for fossil fuels. Between 2005 and 2010, Westpac led in renewables lending, both relative to its size and relative to its coal financing; ANZ was next, followed by the Commonwealth Bank and NAB.¹⁹ Westpac reports around half its financing for power generation since 2010 is for renewables. This does not include financing for extraction and export projects, where Australia's contribution to fossil fuel supply is rapidly increasing.²⁰ Some may view renewables as 'offsetting' fossil fuel finance, as renewables are necessary for a low carbon economy. Even so, the big banks still offer more financing to fossil fuels than renewables. Others argue the current scale of fossil fuel financing cannot be justified, even with more renewables. While renewable energy is a critical climate change solution that requires investment, continuing to invest in fossil fuels will result in sustained or increased levels of carbon emissions, which science already indicates are dangerously high. Fossil fuel emissions must fall soon and quickly if we are to avoid catastrophic climate change

None of the big four banks have ruled out further fossil fuel financing. By contrast, the World Bank and many other development banks – including in the US, Scandinavia and the UK – have ruled out financing new coal power plants in all but exceptional circumstances.²¹

For those concerned about letting their savings help extract and burn fossil fuels, there are many alternatives. Many of the smaller listed retail banks have not been involved in fossil fuel financing. Banks that confirm they do not lend to coal and gas include:

- bankmecu
- Defence Bank
- Bendigo Bank
- Members Equity Bank
- Beyond Bank
- People's Choice Credit Union

Many mutual funds and credit unions have also stayed away from financing fossil fuels. The Market Forces website provides a fuller list of banks that state they do not lend to coal and gas, as well as a short 'How to Switch Banks and Make it Count' guide on how to maximise the impact of your switch.

"Over the long term, statistics show that performance of the average ethical fund compares favourably to the average conventional fund," says [Marnie Baker](#), banking and wealth executive at Bendigo and Adelaide Bank. "In fact, during the global financial crisis, ethical funds were among the better performers and were a lot less volatile than other funds."

“So what is ethical banking?”

At its most pure, ethical banking describes organisations that are primarily concerned with the social and environmental impacts of their investments and loans. The most notable association for ethical banking is the [Global Alliance for Banking on Values: www.gabv.org](http://www.gabv.org) - Bankmecu (who we invest in) is the only Australian member of this organization.”

What’s wrong with my current bank?

Many people either don’t realise, or have never thought about what their banks use their money for and unfortunately, its not always good news. Concerns include the funding of food price speculation, arms trade involvement and support for questionable environmental practices such as old growth logging.

At the moment the number one issue of concern to our stakeholders is the financial support Australian banks provide to carbon intensive activities, such as coal mining. While the major banks disclose some information on their own approach to managing climate change risk, their lack of disclosure on carbon intensive financing presents a major risk to the banks and their shareholders.

Market Forces has recently published a table which lists ANZ as the biggest lender to coal and gas exports over the last 5 years: <http://www.marketforces.org.au/banks/map/>

From <http://www.australianethical.com.au/news/ethical-banking>

Tools: <http://www.marketforces.org.au/banks/compare>

From Market Forces:

Between 2008 and 2013, ANZ, Commonwealth, NAB and Westpac have loaned almost \$20 billion to fossil fuel projects in Australia.

The coal and gas boom is threatening our farms, water resources, health, the environment and natural icons such as the Great Barrier Reef. It is also jeopardising our chances of keeping global warming to within manageable limits.

The big banks are custodians of the majority of Australians’ money. They need to be held accountable for how it is used.

See which banks have been lending to dirty coal and gas exports

LOANS TO COAL & GAS PORTS

Since January 2008 over \$80 billion has been loaned to coal, oil and gas projects in Australia. The table below shows the commercial banks that have loaned the most money to fossil fuel projects, as well as leading lenders to sectors of the fossil fuel industry. Use the tabs to see the leading lenders to coal and gas power, coal export ports, mines and LNG plants. To see information on bank loans to a specific project, click on its name or location.

Coal and gas exporters want to massively expand over the coming decade, putting farmland, water, health, the environment and the climate at risk. Take action: use this map to tell the banks that loans to coal and gas exports have to stop.

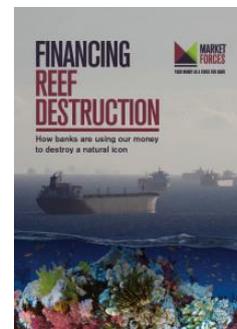
Fossil Fuels					
Fossil Fuels	Coal Mining	Coal Ports	Coal Power	Gas Power	LNG Plants
TOP COMMERCIAL BANKS lending to fossil fuels in Australia					
BANK	AMOUNT LOANED	NUMBER OF DEALS	TAKE ACTION		
ANZ	\$6,536m	55	f	t	e
Commonwealth Bank	\$5,019m	31	f	t	e
National Australia Bank	\$4,444m	37	f	t	e
Sumitomo Mitsui Banking Corp	\$3,478m	22	f	t	e
Bank of China	\$3,346m	8	f	t	e
Mizuho Financial Group	\$3,283m	27	f	t	e
Westpac	\$2,985m	32	f	t	e
Bank of Tokyo-Mitsubishi	\$2,055m	22	f	t	e
State Bank of India	\$1,870m	5	f	t	e



Use our interactive map to see which banks have been lending to coal and gas export projects. You can use the map to contact the banks and pressure them to stop lending to environmentally destructive coal and gas projects.

If you're with one of the "big four" Australian banks you can put them on notice, telling them if they keep funding fossil fuels, you'll move to another bank.

[Our report](#), Financing Reef Destruction, describes the threats faced by the Great Barrier Reef World Heritage Area from expanding coal and gas exports and identifies the banks most actively financing coal and gas projects in the World Heritage site.



It also shows you how you can contact the big four Australian banks and call on them to end investments in dirty coal and gas export projects in the Great Barrier Reef.

Ethical and Environmental Investment

Divestment is the opposite of an investment – it simply means getting rid of stocks, bonds, or investment funds that are unethical or morally ambiguous.

“When you invest your money, you might buy stocks, bonds, or other investments that generate income for you. Universities (and colleges in the US), religious organizations, retirement funds, and other institutions put billions in these same kinds of investments to generate income to help them run. Fossil fuel investments are a risk for both investors and the planet, so we’re calling on institutions to divest from these companies.”

Divestment is motivated by three main areas: Environmental, financial and ethical.

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The ethical considerations are that we in Australia are contributing per capita more than any other country. As shown above “The negative impacts of climate change will fall disproportionately on the poorest parts of the world,” also it will effect future unborn generations. Is this in conflict with your organisations invest policy. Is social justice a consideration for your investment portfolio? The effects may be far away but with our knowledge we are making informed decisions to pollute the planet, is it worth the extra yield?

The ANU and Sydney University have committed to divestment and others will follow.

See the report Climate Proofing Your Investment for more information.

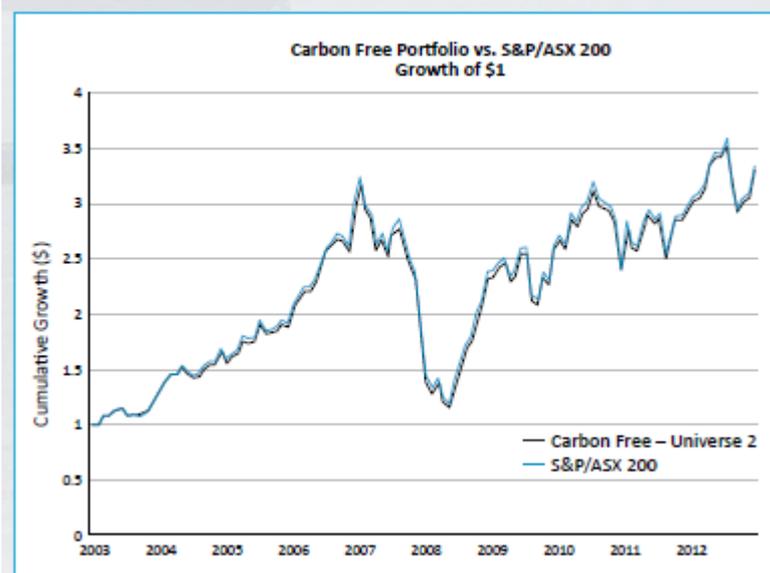


Acknowledgement: Tony Goodfellow

Figure 2: ASX 200 companies with fossil fuel exposure: suggested investor attitude

CATEGORY	SUGGESTED RESPONSE	COMPANIES
TIER 1: substantially involved in fossil fuel extraction.	Divestment candidates	WOODSIDE PETROLEUM, ORIGIN ENERGY, SANTOS, CALTEX, OIL SEARCH, BEACH ENERGY, AURORA OIL & GAS, WHITEHAVEN COAL, KAROON GAS, AWE, SENEX ENERGY, DRILLSEARCH, LINC, AQUILA RESOURCES, HORIZON, BURU ENERGY, COALSPUR
TIER 2: substantial exposure, including fossil fuel generation and pipelines	Divestment candidates	ENVESTRA, APA GROUP, AGL ENERGY, ENERGY WORLD
TIER 3: large fossil fuel reserves, but smaller exposure relative to overall company activity	Divestment or engagement candidates	BHP BILLITON, RIO TINTO, WESFARMERS
TIER 4: indirect fossil fuel exposure.	Initial engagement candidates; divestment if outcome of engagement unsatisfactory (see Section 6)	ASCIANO, ANZ, AURIZON, AUSDRILL, BOART, CARDNO, COMMONWEALTH BANK, DECMIL GROUP, DOWNER EDI, INCITEC PIVOT, LEIGHTON HOLDINGS, LEND LEASE, MACQUARIE GROUP, MINERAL RESOURCES, MONADELPHOUS, NATIONAL AUSTRALIA BANK, NRW HOLDINGS, ORICA LIMITED, QBE INSURANCE, QUBE HOLDINGS, SUNCORP, TOLL HOLDINGS, TRANSFIELD SERVICES, TRANSPACIFIC INDUSTRIES, UGL, WESTPAC, WORLEYPARSONS

Figure 3: Historical simulation: fossil free portfolio, optimised to minimise tracking error¹¹



“These results show that screening out fossil fuel extraction and downstream industries can have negligible impact.”

Taking proactive steps to addressing the risks posed by climate change may result in favourable funding and might be a requirement of funding. For Example the Department of Human Services and Department of Health’s [climate change policy](#):

Acknowledgement: Tony Goodfellow

Department of Health and Human Services: Climate change adaption

The Department of Health and Human Services aims to ensure that the human and health service sectors undertake appropriate measures to address climate change risks, such as exposure to more frequent and extreme weather events, its impacts on clients, services, assets and potential impacts on population health. Consistent with this, funded organisations are encouraged to:

include climate change risks within the scope of their risk management practices;

prepare climate change adaptation plans detailing adaptation goals, objectives and risk treatments, or embed measures within existing planning processes; and

implement climate adaptation measures in a timely manner.

For further information please see 'Climate Proofing Your Finances: making your money fossil free' -

<http://350.org.au/news/>

See 'Recommendations for investors, companies and campaigners in Stranded assets and the fossil fuel' Divestment campaign: what does divestment mean for the valuation of fossil fuel assets? - The Stranded Assets Programme at the University of Oxford's Smith School of Enterprise and the Environment -

<http://www.smithschool.ox.ac.uk/research-programmes/stranded-assets/SAP-divestment-report-final.pdf>

Centre for Sustainable Health Care UN Healthy investments Fossil fuel investment and the UK health community

<http://www.medact.org/wp-content/uploads/2015/02/UnhealthyInvestments-Spreads-Final-Version.pdf>

<http://www.theguardian.com/environment/2015/mar/15/climate-change-un-backs-divestment-campaign-paris-summit-fossil-fuels>

<http://www.theguardian.com/commentisfree/2015/apr/27/divestment-fossil-fuels-apartheid-barclays>

Prince Charles regarding divestment - <http://www.ft.com/cms/s/0/d6fa0eae-ea73-11e4-a701-00144feab7de.html>

Potential Initiatives: Super

- Investment – Divestment in fossil fuel/ setting timelines or thresholds –
 - Climate Proofing Your Finances: making your money fossil free - <http://350.org.au/news/>
- Bank
 - <http://www.marketforces.org.au/banks/compare>
- Electricity – sourced from renewable energy
 - <http://www.powershop.com.au/>
 - <http://www.greenelectricityguide.com.au/>
- Accreditation and Training - <http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>
- Super
 - <http://superswitch.org.au/compare-funds/>
- System to monitor “environmental harms” that is responsive and dynamic and clearly defined
- Public environmental reporting - <http://docs.health.vic.gov.au/docs/doc/Environmental-Reporting-Guidelines-2012-13>
- Health <http://caha.org.au/>
- Solutions <http://breaze.org.au/>

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