



IMPACT INVESTING AND THE CHOICE TO DIVEST

A primer on the Divest Invest movement
for investors, family offices and foundations

Written by Impact Investors for Impact Investors

Pymwymic Field-Building Centre

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A WORD FROM OUR FOUNDERS

For longstanding European investors and family offices, careful stewardship implies not only guidance of wealth, land and resources, but also a deep understanding that choices are made with a multi-generational outlook.

Whether in forestry or agricultural holdings, in the governance of the privately-held business itself, or investment choices made for the family office portfolio, wise decision-makers actively consider future generations when considering results.

But largely, looking forward, we investors and stewards have 'ducked' the issue of climate change, the most imminent and pressing concern for future generations. If you don't believe in climate change, read no further. For impact investors and family offices who believe that global climate change is one of the great dangers facing populations everywhere, we have been frustrated spectators to decades of debate and slow policy shifts...while the clock ticks on and on and on, extreme weather becomes more extreme, and the risks of inaction become more clear. With climate change and wealth holders, there has been an unfamiliar sense of powerlessness to respond.

But now, we believe there is a way to take action.

A recent movement has taken form, and leading European families, family foundations, pension funds and faith-based groups have decided to join, *to put our money where our meaning is*, by divesting our portfolios of fossil fuels. Some of us have taken the unusual step of discussing this decision publicly, hoping to amplify our actions by supporting 'Europeans for Divest Invest.'

This primer on Divest Invest outlines both the moral and business case for action, and provides an initial roadmap for how to redirect your old fossil fuel holdings towards new generations of investments that can build a clean energy world.

Pymwymic is a longstanding community of European impact investors, bound by our commitment to learn, share and invest for positive impact across generations.

In the context of climate change, in the last decades we have invested into soil restoration, healthy aquaculture, new energy systems, and car-sharing; we have helped educate members about healthy forest farming, carbon capture, and biomimicry for business models. But still, while the clock ticked, we looked for more significant personal action on climate change.

Divesting is a difficult choice. The Pymwymic Investors' Community has many members with family businesses whose wealth is based on oil. And many families who made wealth in the generations before oil, in the time of tall ships and trade. A family office survives when it invests with a long-term outlook, and moves with the winds of time and change. As the current Nobel Prize winner says, "*The times they are a-changin'.*" We believe the time to divest from fossil fuels is now. We hope to help you consider this one action to counteract an imminent global danger.

At the very least, we ask that you have the conversation about Divest Invest with your Next-Gens, your significant other, or your Board. It will make for a lively debate, focused on the future your wealth is actively creating.

With thanks,

Frank van Beuningen & Margaret van Beuningen,
Founders, Pymwymic

[The 'Put Your Money Where Your Meaning Is Community' of Impact Investors](#)

INTRODUCTION

The decades of negotiation, deal making and compromises that have taken place to bring our collective governments to agreement on climate change is almost unfathomable. When the US and China joined nearly 200 other signatories in the emissions-cutting agreement, ratification was finally confirmed and there was a sense of global breakthrough ...but the feeling of triumph was short-lived, as US candidates ignored the issue and the final election results now call the agreements into question.



Waiting for policy change can be a bit like Waiting for Godot.* If you are an investor, family, or decision-maker frustrated by decades of policy discussion and negotiation around one of our most urgent global challenges, there is now a way to take positive action for climate change.

The Divest Invest movement asks you to consider ridding your portfolio of fossil fuel investments (divesting) and reinvesting into clean and renewable solutions for the future.

Divesting is both an ethical choice for future generations, and excellent business sense for your holdings. Once divested, investment capital is transferred over time into actively climate positive choices.

The Divest Invest movement is a gathering global effort, reaching significant scale in a few short years. If you are a family principal or the guardian of wealth for a foundation or charity, Divest Invest is a choice you will soon face with your portfolio.

We believe fossil fuels should – and will soon – join the list of stocks on negative screening lists.

In this report, we look further into the Divest Invest movement; its expansion into Europe; its advocates and naysayers; and the investment choices we make which impact the future of our planet.

* A play by Samuel Beckett, wherein Godot never appears.

A QUICK RECAP ON CLIMATE PROGRESS AND THE 'CARBON BUBBLE'

Global agreement on climate change finally gained significant momentum in December 2015 when for the first time in history, 195 countries signed a legally binding global climate deal in Paris. According to this agreement, global warming should remain well below 2°C in relation to pre-industrial temperatures. A study by the Carbon Tracker Initiative states that to have an 80% chance of staying below 2°C, only 20% of total fossil fuel reserves can be burned.¹ Therefore as most fossil fuel companies' assets are then technically 'unburnable' or 'stranded', their valuation on the stock market could be deemed inaccurate and hence creating the so-called 'carbon bubble'. This theory has been recognised by financial institutions such as Goldman Sachs, Morgan Stanley, Citibank, HSBC and Moody's, which all warn of potential over-valuations in carbon assets. Additionally, central banks such as The Bank of England and De Nederlandse Bank are researching the systemic effects of the potential inflation of a 'carbon bubble' on global financial markets.



WHAT IS DIVEST INVEST?

Divest Invest was first mobilized on college campuses in the United States and Australia in 2012, as students demanded their university endowments divest of oil. The idea took flight, quickly growing to other universities, charities and congregations around the world. Several faith-based organisations joined, including the Church of Sweden, which was fully divested by 2014. A further significant moment occurred in 2015, when one of the Rockefeller family charities (whose famous family wealth came from oil) made the public commitment to divest its portfolio from fossil fuels. By 2015, Europe's groundswell began when a group of foundations and family offices launched Europeans for Divest Invest. With a regional hub led by UK-based Sarah Butler-Sloss and Mark Sainsbury, and high activity in Berlin, the group now includes several European trusts and foundations, including the Waterloo Foundation, Tellus Mater and the Frederick Mulder Foundation.² To date in Europe, 71 institutions have publicly pledged about €1.96 trillion in assets.³ Many other private investors and organisations have also chosen to act, and to make this public pledge.

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*If you own
fossil fuels, you own
climate change.*”

Dr Ellen Dorsey, Executive Director of the
Wallace Foundation and founder of Divest Invest

The step of pledging publicly takes courage. Indeed, the pioneering foundations that catalyzed Divest Invest were recently granted the Nelson Mandela-Graca Machel Innovation Award for Brave Philanthropy in recognition of their courage.

WHY DIVEST INVEST?

Investing in fossil fuels is now risky business...

According to Europeans for Divest Invest, the tide is turning on the historically strong yields for shareholders of fossil fuel companies, primarily for three main reasons.⁴ First, there is now an increased regulatory

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We see that more and more investors realize that sustainable investments are no longer a niche product in their traditional asset allocation strategy. Investors are increasingly using a more integrated approach. They invest in direct impact investments, while at the same time lowering the carbon footprint of their listed portfolios. As a result they combine meaningful impact alongside financial results.”

Jacco Minnaar, Director Energy & Climate
at Triodos Investment Management

risk from recent agreements and the resulting foreseen 'carbon bubble'. Secondly, fossil fuel enterprises are continuing investments into drilling and developing further reserves that not only may never be burned, but are increasingly costly, especially when oil's profit margins have been declining since 2015.⁵ The final reason is socio-economic: there is evidence that investing in climate solutions instead of fossil fuels is beneficial for our economies, not only in terms of job creation but also in improvement of air quality and lower health costs.⁶ While oil climbs slightly from a historic low and OPEC re-imposes output limits, the price of renewables is diminishing so quickly that, according to a report by Carbon Tracker, the cheapest energy options in 2016 are wind and solar,⁷ and Bloomberg reports that 'Clean Energy Investment outpaces Gas and Coal 2 to 1'.⁸ With increased attention on the divestment movement, the companies that contribute to accelerating climate change with destructive consequences on the environment and society become more isolated and stigmatized and hence, more volatile. A wealth holder or wealth steward's responsibility must now include a close examination of the fiduciary wisdom of holding fossil fuel stock.

DIVESTING IS A MORAL CHOICE

Increasingly, divesting a portfolio of long-held fossil fuel stocks is a clear ethical choice for individuals and organizations to align with a clean energy future. For these families and foundations, it is wrong to profit from fossil fuels that are partially responsible for great



environmental risk. *“Slowing climate change feels like the cause of our time,”* observes Lissa Widoff, executive director of the Robert and Patricia Switzer Foundation. *“This was how we could mobilize resources in a positive direction.”*⁹ Many family Next-Gens point to the success of historical divestment campaigns, where a global sense of ‘doing the right thing’ eventually toppled investments in slavery, tobacco, and apartheid. These Next-Gens see the same moral imperative in now fighting climate change.

For several charities and faith-based funds, divesting of fossil fuels aligns with a mission to help the world’s most vulnerable populations, those most directly impacted by rising water in low lying islands and river communities, or in poor farmland where drought and extreme weather worsen incomes. *“The destruction of the Earth’s environment is the human rights challenge of our time,”* says Archbishop Desmond Tutu. Organisations whose primary mission is to make a positive social and environmental impact, can show consistency and integrity by divesting from fossil fuel enterprises.

“ As a responsible investor we look upon ourselves as owners of the companies we invest in. We do not want to own, and thereby fund, the extraction of fossil fuels. Instead we want to own and fund companies that stand for solutions. Furthermore we see a financial risk in owning fossil fuel companies. Their value consists to a large extent of fossil fuel reserves that risk losing in value, since they cannot be extracted if we are to have a liveable planet.¹⁰ ”

Gunnela Hahn,
Head of Responsible Investment at the Church of Sweden

Writer Naomi Klein refers to the oil industry as one whose ‘business plan is at odds with life on Earth.’ For most Pymwymic investors, how we deploy capital is how we activate our moral choices, how we demonstrate both integrity and alignment with our beliefs. But we also recognize that, for older European families and institutions, this moral choice is sometimes complicated.

“ For a Dutchman, holding Royal Dutch Shell has for generations been a blue-chip stock in the portfolio. Especially when the stock is passed down through generations, there is a tie with family history and heritage. This is your gift from your grandfather, or even, for many Pymwymic families, the basis of the family wealth. We know it is a very large decision for a longstanding family office to divest,” says Frank van Beuningen, Founder of Pymwymic. “We took our time with the decision. We ultimately let go of the emotional tie to the past generations, by taking action to protect future generations. Future generations need us to act for climate stability.” Margaret van Beuningen-McGovern continues, “We have long been invested in renewables, but finally totally divested for two reasons. As conveners of Pymwymic, we feel compelled to ‘Put Our Money Where Our Meaning Is’ for climate change. And secondly, we truly believe the economics of oil no longer make sense. ”

Frank van Beuningen and Margaret van Beuningen - McGovern
Founders, Pymwymic

THE LEADING ROLE OF FAMILIES AND FAMILY FOUNDATIONS IN DIVEST INVEST

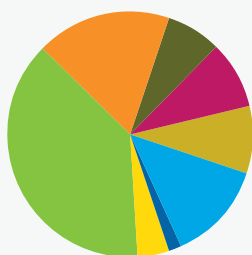
So who is choosing to lead? Family foundations, faith-based groups and charities represent half of the institutions divesting globally. Particularly in Europe, family offices have played an essential role in leading the way to a clean energy future. The Wermuth Family Office in Berlin is one such family and founder Jochen

Wermuth comments, *“I divested first for moral reasons. I do believe, as Desmond Tutu says: ‘Climate Change is the human rights issue of our times.’ But then I found out it also made even more financial sense.”* He continues, *“Clearly divesting was more difficult where investments were in existing funds, but it was possible to communicate with fund management and to encourage them to divest for moral and financial reasons too, or to eventually redeem from such funds.”*



Other family offices publicly pledged to divest include The Roddick Foundation (UK), Fondation Nicolaus Hulot (FR), The Frederick Mulder Foundation (UK), Rockefeller Brothers Fund (USA), and hundreds of others. “This movement is rapidly growing, and it’s because of two things,” said Stephen Heintz, the president of the Rockefeller Brothers Fund. “There is

a moral imperative to save the planet, and to do so we need to end the fossil fuel era now. In addition to this making moral sense, it makes economic sense, because the fossil fuel assets owned by those companies are risky assets, and they are assets that are losing value.”¹¹



WHO IS DIVESTING IN EUROPE?¹²

Philanthropic foundations	38.2%	Private companies	8.8%
Faith-based organizations	17.6%	Municipalities	7.3%
Educational institutions	13.2%	NGO's	4.4%
Pension funds	8.8%	Healthcare institutions	1.4%

MAPPING THE MOVEMENT

Without doubt, the Divest Invest campaign has gained worldwide awareness. But how much wealth has actually moved? The positive dilemma faced in answering this question is that the campaign to divest is now the fastest growing movement in the history of the world, with amounts needing updating daily. As of December 2015, 545 institutions divested about \$3.4 trillion and a further 50,000 individuals committed nearly \$5.2 billion.¹³ To give a sense of how fast the movement is growing, that is 68 times the \$50 billion that had been announced just 14 months previous. Continuing this growth, since the signing of COP21 in 2015, the value of the assets committed to divestment has grown about 31%.¹⁴

And once the choice is made, where to invest?

After the choice to divest is made, the most relevant and compelling decision is where to invest. Luckily, there are a growing number of investment opportunities in the global transition to a low-carbon energy system, and the sector is in constant expansion. Investments in climate solutions are forecasted to be financially robust in the long-run: according to a recent Mercer study, “The average annual returns from the coal sub-sector could fall by anywhere between 18% and 74% over the next 35 years. Conversely, the renewables sub-sector could see average annual returns increase by between 6% and 54% over a 35-year time horizon (or between 4% and 97% over a 10-year period).”¹⁵

Renewables come to maturity

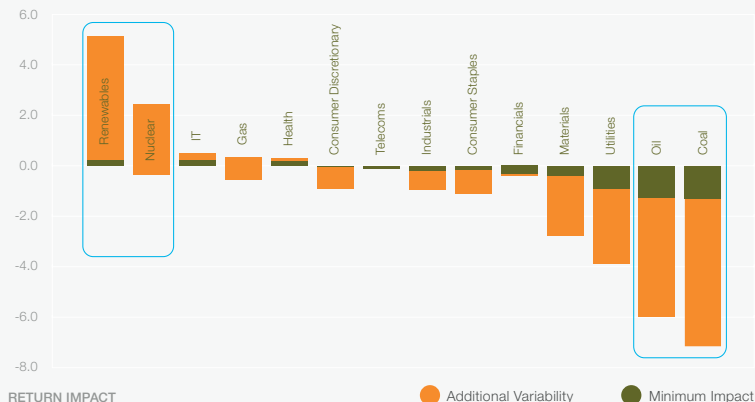
Fueled by government subsidies over the past decades, renewable technologies are now reaching maturity and with that, opening up their accessibility and decentralisation. Vandebrom, a peer-to-peer network of renewable energy providers and consumers has proven the success to be had from not just looking at the technology to produce the energy, but the delivery systems. “The suppliers, who now have a direct way of selling to the consumer, can finally get a better price for their energy, allowing them to make further investments.”¹⁶ Yet as government subsidies for setting up renewable technologies are being removed, governments should be reassigning this investment to develop storage systems and distribution models that are now apposite to the new energy market.

New energy frontiers still need major investment

According to Bloomberg New Energy Outlook 2016 report, “Cheaper coal and cheaper gas will not derail the transformation and decarbonisation of the world’s power systems.”¹⁷ In fact, Bloomberg goes on to suggest that by 2027, new wind and solar technologies will be more cost effective than already in-place fossil fuel generators. Global energy demand and consumption remain on the rise so investment in new technologies, flexible-capacity systems and additional scaling solutions for existing renewable technologies is critical. We’ve already seen solar panels transform from bulky, utility-only technology to in-your-pocket-portable, and now we’re starting to see



10 YEAR MEDIAN ANNUAL RETURN IMPACT SECTORS¹⁸



oversimplifies the issue and overstates the potential financial impact on our investments.”²¹

We need fossil fuels in the next decades and divesting won’t change anything

According to the International Energy Outlook 2016 (IEO2016) the total world consumption of marketed energy will increase by 48% from 2012 to 2040. If these forecasts are accurate, there is undoubtedly a global necessity of considerable investments in the energy sector – both fossil fuels and renewables. At the very least, the last

fossil fuel cars are expected to be on the roads through 2050. The energy landscape is rapidly changing and barrel oil prices have dropped dramatically, while the prices of wind and solar electricity have become dramatically more affordable, with solar at 3¢ per kWh in Saudi Arabia and wind at 6¢ in the shallow waters of Denmark. For the decades ahead, we will be in energy transition.

the cost and size reduction in high capacity batteries – thanks mainly to Tesla. The combination of solar and high capacity battery systems will transform power usage profiles and drive further economies of scale within the renewables sector. For both wind and solar, a vast array of new storage solutions is being developed: as the price of energy drops, the price of storage must also drop. Bloomberg New Energy Finance predicts \$9.2 trillion of new clean energy investment worldwide by 2040, yet warns “to bridge the gap to a two-degree emissions trajectory, we would need another \$5.3 trillion, or \$212 billion per year, over the next 25 years.”

THE ARGUMENTS AGAINST DIVESTING...

The ‘carbon bubble’ doesn’t exist

In response to questions from concerned shareholders in 2014, Shell released a report explaining their position on the ‘carbon bubble’ hypothesis.¹⁹ In a public statement, they challenged the assumptions used in the ‘carbon bubble’ theory and wrote, “We do not believe that any of our proven reserves will become stranded ... Energy demand growth, in our view, will lead to fossil fuels continuing to play a major role in the energy system – accounting for 40-50% of energy supply in 2050 and beyond. The huge investment required to provide energy is expected to require high energy prices and not to the drastic price drop envisaged for hydro carbons in the carbon bubble concept.”²⁰ BP is on record as saying, “We’re aware of [the carbon bubble research], but believe the analysis we have seen

“As a family office we have invested in diverse energy assets, from renewables to oil and gas. We aren’t supporters of a 100% divest approach but are more pragmatic and support what makes sense for us. In our opinion the world is not black and white but grey. Sometimes it is more beneficial to make something existing more efficient and cleaner than starting something new.”

Bernard Jan Wendeln, Managing Director,
WEGA Invest GmbH

A second argument is that selling stock simply shifts ownership, and doesn’t impact the financials for these large corporations. Several larger US universities, including Stanford, have recently decided not to divest, because of a perceived negative financial impact on their endowment portfolio, and in turn, the ability to fund school resources. These institutions made the difficult decision in the face of great student pressure to divest.

INVESTMENT EXAMPLES

Investments across all asset classes in the clean, smart, and green energy sector are rapidly accelerating, as the urgency of our climate situation becomes clear. Investors are encouraged to discover the developments and subsectors of energy, to find the best option for Putting Your Money Where Your Meaning Is.

Some ways for investors to get started in renewables and clean energy investment include:

I. EARLY AND GROWTH STAGE

For experienced venture investors, several European incubators are now focused on supporting early stage companies targeting clean energy and climate solutions. In Holland, Rockstart runs an annual smart energy program focused on microgrid autonomy, data intelligence and security. The pan-European Climate-KIC venture accelerator supports companies who have a business model for 'positive climate impact.' At the seed stage, there are often investor opportunities to assist clean energy companies in developing countries. Pymwymic has helped to fund both Gham Power, installing solar micro-grids in Nepal, and Waste Capital Partners, transforming urban waste to energy in India. Some other innovative companies on our radar are:



BLACK BEAR CARBON

Black Bear brings the circular economy to tires. They enable the production of valuable raw materials (carbon black) from end-of-life tires for re-use in new tires, technical rubber products, plastics, paint and ink. Whilst primarily focused on the production of high quality carbon black, the process also yields an important bi product – green energy. This is in the form of high calorific gas and oil, which can be converted to heat, electricity or steam and provides an additional income stream within the business model.

THE MOBILITY HOUSE

The Mobility House aims to promote the 'Energiewende' and facilitate an emissions-free future. With innovative charging and energy storage solutions, The Mobility House aims to help electric mobility achieve scale and breakthrough. Their technologies allow them to integrate electric vehicles into the power grid as an aggregated swarm storage of batteries as well as a stationary storage device from vehicle batteries. Founded in 2009, The Mobility House supports all leading car manufacturers in over 10 countries throughout the world from its locations in Munich, Zurich and San Francisco.



Clean energy investment takes many forms. You can select a primary focus on the type of energy - wind, solar, hydro, geothermal, or bio - or learn more about other subsectors of the energy market, including:

- Manufacturers of renewable technology (Vestas, Canadian Solar)
- Project financing (Triodos)
- New Battery Technology (Tesla)
- Storage Solutions (Johnson Controls)
- Asset Finance (Hannon Armstrong)
- Financing new distributed energy models (BEE Belgium; Vandebron NL)
- Energy efficiency ("smart energy") for consumer market (Nest smart meters, Tesla solar roof panels)

For family offices and business owners, one initial and close-to-home opportunity to offset climate change is to invest into the energy efficiency of your current building.



II. EUROPEAN CLEAN ENERGY INVESTMENT FUNDS



TRIODOS RENEWABLES EUROPE FUND

For a transition from a carbon-based economy to a sustainable economy, it is essential to reduce energy demand, to use energy as efficiently as possible and to invest massively in renewable energy systems, while switching to low carbon fuels. As an impact investor, Triodos Investment Management offers sustainable investment solutions across all asset classes as alternatives for fossil fuel investment from organic farming, to sustainable real estate, to renewable energy. An example in renewable energy is Triodos Renewables Europe Fund. Launched in June 2006, Triodos Renewables Europe Fund offers private and institutional investors the opportunity to actively contribute to the growth of renewable energy production in Europe. The open-ended fund with a fund size of €70 million, invests in equity and subordinated debt of small to medium-sized European producers of green power, primarily wind and solar energy power plants. Triodos Renewables Europe Fund has a diversified geographical portfolio with a mix of investments in seven different European countries.



WERMUTH GREEN GATEWAY FUND 2 (GGF2)

GGF2 invests €5–€30 million growth capital in international best-in-class energy and resource efficiency companies mainly in Western Europe with revenues in excess of €10 million. The fund offers products and services that make their clients more resource efficient and its unique selling point is its proven ability to support expansion in global growth markets. The idea is to combine both high financial returns and positive environmental impact. Currently targeting €250 million, Green Gateway Fund 2 builds on the success of Green Gateway Fund 1 which helped its EU growth-stage resource-efficient portfolio companies sell their products to emerging markets where energy consumption per unit of GDP is four times higher than in the EU. GGF2 is growing 166% in Sales compared to time of investment, and doubling valuation, based on indicative third party bids in ongoing financing rounds.



PYMWYMIC - HEALTHY ECOSYSTEMS IMPACT FUND

Preserving the Earth's ecosystem is fundamental for food security, climate change mitigation, poverty reduction and social stability, as well as overall sustainable development. Pymwymic Healthy Ecosystems Impact Fund I ("PymHEF") is an investment fund that invests in impact companies with a profitable product or service to conserve and restore ecosystems. The mission is to promote disruptive, innovative business models across the fundamentals of restored soil, water and the food and fiber supply chain. This allows for atmospheric carbon to be effectively and efficiently stored, thus aligning to the Divest Invest mission. Targeting €30 million, the fund invests in a diversified portfolio of early to growth-stage companies, across sectors such as sustainable food systems, aquaculture, forestry, water, and waste management. Geographically, the investment focus is Europe, with global impact potential. The fund's strength lies with Pymwymic's investment experience in Healthy Ecosystems, its extensive global investor network and its strong deal pipeline and outreach potential.

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“Investors are key in driving the transition towards a more sustainable society.”

Jacco Minnaar, Triodos.

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Investing into New Energy, Across Asset Classes

The most constant factor of new energy investment over the last 20 years has been its volatility. Last year, global investment in new energy was down 43% over the same period a year earlier.²² But we remain convinced. In the next 25 years, an expected \$9.2 trillion will be invested into renewable energy. By 2040, on current trajectories, 60% of the global power capacity will come from zero energy sources and in Europe, an estimated 50%- 70% of power generation will come from renewables, with rooftop solar accounting for a majority of growth.²³ We still need an additional \$5.3 trillion in new energy investments to meet a 2-degree emissions trajectory. Concurrently, while we race against emissions, technology enabled solutions will allow consumers to use distributed energy, smart meters and smart grids to personalize use, saving Europe potentially €100 billion per year.²⁴ Renewable, clean, smart energy is our future.

III. GREEN BONDS

One of the heralded success stories in sustainable finance in recent years is the success of green bonds, which went from \$11 billion in 2014 to \$42 billion in 2015, and is expected to hit 80% year-on-year growth from 2015 to 2016. To date, the majority of issuance has been from corporations (Unilever, Apple), utility companies (GDF Suez) and banks – the World Bank has issued over 100 green bonds in 17 currencies.²⁵ Nearly 15% of green bonds issued are in the energy sector and the green bond market is expected to continue to grow as post COP2 energy targets run parallel with the new infrastructure needs of developing countries.

IV. PUBLIC MARKETS

On some investor platforms, there are as many as 1300 clean energy stocks on global marketplaces and as many as 11 global indexes. While still a relatively small offering, the sector has seen significant growth since early 2000s. This acceleration was supported by governments setting long term renewable energy targets and the accompanying subsidies. Moving from solar and wind, the listed companies now extend to smart grid technologies, capacity management and ecosystem services. Analysts are now concerned however that in light of the US election, the sector could face a more volatile and uncertain future than when it began. Two examples are:



ENVIVA PARTNERS

Most of Enviva's customers are European power companies, which buy the partnership's wood pellets under long term contracts. This market is expected to continue to grow quickly because converting coal plants to burn sustainably sourced wood pellets is easily one of the most cost effective ways for an electricity utility to reduce its carbon footprint. Enviva has most of its plants in the US Southeast, where the warm climate and plentiful rainfall results in fast growing forests which lend themselves to sustainable forestry.



ITM POWER

ITM Power manufactures integrated hydrogen energy solutions, which are rapid response and high pressure, meeting the requirements for grid balancing and energy storage services and for the production of clean fuel for transport, renewable heat and chemicals. Technology is at the heart of their business and their electrolyser solutions offer rapid response and are modular and fully scalable.

WHAT CAN YOU DO NOW?

DETERMINE YOUR 'ENERGY STRATEGY'

Determining your strategy that aligns to your family's value set is the initial consideration. As a first step, share this report and news articles about Divest Invest with your family decision-makers. If you believe climate change is a serious issue, can you form a basis of your wealth from fossil fuel stocks?

Most Pymwymic investor members that are interested in divesting from fossil fuel investments are intending to re-invest in sustainable and clean technologies. Luckily, the range of options has never been stronger, with choice between existing technologies, scaling solutions, improving energy efficiency, specific sector focus (such as transport or energy storage) or a concentration on supporting the investigation and development of new technologies in the clean energy sector.

COMMIT.

The clean technology sector is evolving daily and with that, so are the investment opportunities.

In 2015, as part of the COP-21 Paris accords, the leaders of twenty countries joined private investors such as Richard Branson, Bill Gates, Jack Ma, and Vinod Khosla to create the 'Mission Innovation: Breakthrough Energy Coalition' as part of a strategy to reinvigorate and accelerate global clean energy innovation with the objective to make clean energy widely affordable.^{26,27} Two new web portals were launched, aiming to aggregate much of the fast-changing landscape.

In Europe, the Mission Innovation immediate targets include increasing sustainable construction technologies; vehicle decarbonisation; biofuels; supporting innovation in all renewables; CO2 capture and storage; energy storage and more. The new energy sector is at the tipping point of becoming one of the most exciting, purposeful and potentially profitable sectors – and we have the opportunity to participate.

TAKE ACTION.

Eliminating fossil fuels from a portfolio, and the reinvestment into a clean energy future, needs consideration, consultation and strategy - and typically can take up to two years to implement. The Divest Invest movement recognizes the wisdom of careful action, and asks you to take a first step, by making a pledge to

- Make no new investments in the top 200 oil, gas and coal companies.
- Sell existing assets tied to these oil, gas and coal investments within 3-5 years.
- Invest in climate solutions, such as zero carbon energy, energy efficiency, sustainable agriculture, water efficiency and more.

Taken publicly or privately, the pledge creates a moment of decision about the future you are choosing. We began this report with the idea of stewardship. In truth, we are all stewards – of the planet and of the future. For those of us lucky enough to enjoy wealth and privilege, the choices we make with our capital clearly set our intentions for the future.

IN GRATITUDE

We would like to express our thanks to Triodos Investment Management and Wermuth Asset Management who supported the creation of this report and remain committed partners in our community of Impact Investors.

Thank you also to our network of experts, colleagues and friends of Pymwymic - Veerle Berbers, Martin Schootstra, Jochen Wermuth, Sandra Bergsteijn to name but a few - who offered their knowledge and experience to help guide our research and findings.

Finally, thank you to the quiet community of families, foundations and individual Pymwymic Impact Investors – and all impact investors globally – who consistently put their money where meaning is, in service to global solutions. In these critical times, strength is derived from joining efforts to amplify our impact as investors and work towards a better future for next generations. Will you join us?



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