



September 19, 2016

Swift Foundation Joins Divest-Invest

Dear Divest-Invest Foundations, Fellow Philanthropists and Colleagues,

We commend the leadership of Divest-Invest in catalyzing our discussions about shareholder activism and the role we play in the movement to divest the endowment from destructive fossil fuels into renewable energy. As proud members (as of September 2016) of Divest-Invest, the Swift Foundation is pleased to report that, as of September 2015, our endowment is 99% fossil fuel free.

With this letter, we want to share our path towards divestment and to foster and invite constructive collective action to address some unintended negative social and environmental consequences of the transition to renewable energy.

The Carbon 200 or a Broader No Buy List?

Our decision to sign on the Divest-Invest Pledge was not quick: Because the Swift's mission is to support land stewards and their allies who protect biological and cultural diversity through grants, investments and leadership, we debated whether the Carbon 200 companies should be the single focus for screening our endowment.

Swift decided that while addressing climate change through divestment is a critical goal, we also wanted our screening approach to reflect our concern with other troublesome industries, which are both destroying the very biodiversity required for carbon sequestration while contributing to carbon emissions.

Agrochemical corporations, for example, are pushing genetically modified and hybrid seeds, requiring toxic pesticides, herbicides and chemical fertilizers for the global food system resulting in high global greenhouse gas emissions and harmful environmental consequences. Another industry of concern is the mining of minerals and metals, which has grown exponentially over the last decade in scale and impact, penetrating into the last remaining refuges of bio-cultural diversity, similar to oil and gas extraction.

We therefore elected to develop an ESG screening approach to our endowment portfolio that explicitly addressed our mission while setting aside a portion of our investments for mission-aligned investments with potentially lower returns and liquidity. To ensure that the portfolio reflected our mission and our

1157 Coast Village Road, Suite A | Santa Barbara, California 93108
(831) 662-1945 | jen@swiftfoundation.org | www.swiftfoundation.org

The Swift Foundation supports local stewards and their allies who are dedicated to protecting biological and cultural diversity, building resilience amidst climate change and restoring the health and dignity of communities globally.

grantee-partners' work, the Swift Foundation board created a list of No Buy Guidelines and principles for ESG screenings to add to our investment statement.

A Big Surprise

Flash forward two years.

In March 2016, we noticed something unusual about the portfolio. Swift Foundation held only four companies on the Carbon 200 Index representing less than 1% of our holdings. By implementing the ESG screenings via our No Buy list, our financial advisors, [Manchester Capital Management](#), had chosen fund managers who had eliminated the Carbon 200 Index!

These new fund managers who implemented our No Buy Guidelines in constructing portfolios for Swift Foundation include: [Trillium Asset Management](#), [Breckenridge Capital Advisors](#), [Walden Asset Management](#), [Boston Common Asset Management](#), [Community Capital Management](#), and [Parametric](#).

Consequently, the Swift Foundation would like to provoke a deeper discussion in the investment community around human rights violations and environmental impacts associated with the renewable energy sector.

What's Next? Addressing Renewable Energy's Unintended Consequences

Swift Foundation is concerned with how to reduce the negative social and environmental footprint of renewable energy technologies over their entire lifecycle, and how investors can empower communities to control these new technologies as part of their local economies.

Our grantee-partners have experienced land grabs due to wind farms, manipulation of Free, Prior and Informed Consent provisions, and conflict and violence provoked by corporations seeking community land for large scale renewable energy generation. This is especially noticeable in Indigenous communities where pristine collective land exists, made accessible for corporate projects with the support of government allies. We have also become more aware of the environmental impacts related to the mining of rare earth materials that make up some of the solar and wind components.

As a consequence, we are working with our grantee-partners to develop a briefing paper on these issues, including options that could foster a Just Transition. We invite you to contact us regarding this research and how to expand education and outreach within the investor community and beyond about the urgent need to address these issues.

Swift Foundation is proud to participate and support the Divest-Invest movement. We look forward to working with the philanthropic and investment communities to analyze and challenge the shortcomings of the energy transition in order to realize its positive potential for the planet and communities.

Sincerely,



Jennifer Astone, Ph.D.
Executive Director