



# Our State Pensions Should be Fossil Free

## Background on Divest Washington

### WHO IS DIVERST WASHINGTON?

We are beneficiaries of State of Washington pension funds and other Washingtonians affected by climate change and pollution. Fossil fuels are destroying our future. Our state government should not invest in companies that cause us future financial and physical harm. For this reason, Washington State Investment Board (WSIB) must divest its holdings from fossil fuels.

### DOES WASHINGTON STATE INVEST IN FOSSIL FUELS?

Yes! In 2021, 4.7% of WSIB funds (over \$8 billion) was directly invested in fossil fuels. Another 14% of WSIB funds was in index funds or other broad market funds that include some fossil fuel investments, and 4% of WSIB funds was in banks that fund fossil fuels ([The Quiet Culprit: Pension Funds Bankrolling the Climate Crisis](#)).

### FOSSIL FUELS ARE A BAD INVESTMENT

The energy sector, which dominated the S&P 500 in the 1980's with 29% of the market, is only 5% today. The MSCI All World Index (ACWI) did better when excluding fossil fuels than when including them over the past 12 years ([Two Economies Collide](#)). Recent studies show that fossil fuel investments decreased pension public equity portfolio profits over the past 10 years ([CalPERS Corporate Knights Report](#)).



### WASHINGTON STATE INVESTMENTS IN FOSSIL FUELS HARM THE CLIMATE AND COMMUNITIES

WSIB invested \$400M in the Rio Grande LNG plant, although that community is fighting it. WSIB also invested in PSE, which built the Tacoma LNG plant. According to Bill McKibben, ["If the LNG build-out continues—here and in Canada and Australia—its sheer size will overwhelm our efforts to rein in global warming"](#). We don't know for sure how much fossil fuels WSIB is invested in now, because WSIB does not report on holdings in a manner that clearly identifies fossil fuel investments, has no climate emissions goals for their portfolio, and does not measure or report on their scope 1, 2, and 3 climate emissions.

### WE URGE WSIB TO IDENTIFY AND REMOVE FOSSIL FUELS FROM HOLDINGS:

1. Make NO NEW investments in fossil fuels since they pose a financial, health, and climate risk to Washingtonians.
2. Identify all current fossil fuel investments by name and total dollar amount annually, and track progress toward zero fossil fuel holdings by 2026.
3. By 2026, PHASE OUT ALL CURRENT fossil fuel investments identified above. In 2026, provide a timeline to remove the few fossil fuel holdings still in hand.

For more information or to get involved in Divest Washington, go to [DivestWA.org](#). Thank you!