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Climate crisis: Wellcome has failed to set a clear red line for the fossil fuel industry

Rob Abrams *climate and health campaign and programme lead, Medact*

The Wellcome Trust has taken the decision to stop investing in a number of fossil fuel companies, which is certainly great news. In 2015 the *Guardian* and Medact launched a call for the Wellcome Trust to divest from its fossil fuel investments.¹ Despite a high profile campaign involving major voices from the fields of public and global health, Wellcome refused to divest and instead pursued a strategy of shareholder engagement, in fact increasing the amount of money it invested in fossil fuels the following year.²

Wellcome claimed that it would be able to use its institutional clout as an investor to force big fossil fuel companies to change their act and join the clean energy transition. This recent decision to stop investing shows us that the strategy simply did not work, and as such Wellcome has taken a bold and necessary step in deciding to pull its investments from these companies.³

However, as important as this recent decision is, Wellcome has unfortunately missed a crucial opportunity to demonstrate serious leadership on the climate crisis. Had Wellcome decided to go public with the decision when it was made earlier this year, rather than choosing not to actively seek press coverage, it could have provoked a very useful public conversation on fossil fuel investments and the role of philanthropic bodies in embedding social values in their policies. What's more, Wellcome has failed to set a clear red line for the fossil fuel industry. Though the organisation has sold its stakes in two of the largest oil and gas companies, BP and Shell, as well as two of the largest mining companies, BHP Billiton and Rio Tinto, it still maintains other fossil fuel investments.⁴

There are some tough questions that Wellcome needs to answer on this. From an outside perspective, it almost feels as if Wellcome has ditched these particular investments because these happen to be the ones it got caught red handed with (all of these companies have, over the past four years, appeared in the top directly held public equity holdings that Wellcome is obliged to provide information on in its annual report). When it comes to the "smaller" fossil fuel investments that Wellcome has stated that it still holds, it has said that it still prefers a shareholder engagement strategy. This makes very little sense.

When you engage with a fossil fuel company on climate change as a shareholder, you are effectively asking it to voluntarily change its entire business model, not just a few isolated internal policies. There is virtually no evidence of this ever being achieved in any industry, let alone fossil fuels. The idea that a "smaller" fossil fuel company might be more willing to make this kind of fundamental change—more so

than a big company such as BP or Shell—equally makes little sense. Smaller companies will naturally be more dependent on their core business model.

This is also an issue of transparency. For a major institution that has recently gone through an internal restructuring to prioritise the health impacts of climate change as one of its three main funding streams, the fact that information on its remaining fossil fuel investments is not publicly available is troubling. Wellcome's last annual report, published in September 2021, stated that around 3% of its investments were in the energy sector. With an endowment worth around £38bn (€45bn; \$46bn), that is still a significant amount of money potentially still being invested in burning fossil fuels, even accounting for the recent decision.

Wellcome still has time to change tack on fossil fuel investments and demonstrate genuine climate leadership. But to do so it must be clear about how much it is investing, in which companies. It must then act to put in place an effective fossil fuel divestment policy.

Competing interests: RA is the climate and health campaigner at Medact. He was involved in Divest London (now known as Fossil Free London), which supported the original Wellcome divestment campaign in 2015.

- 1 Keep it in the ground. *Guardian* 2015. <https://www.theguardian.com/environment/ng-interactive/2015/mar/16/keep-it-in-the-ground-guardian-climate-change-campaign>
- 2 Kmietowicz Z. Wellcome Trust increases investment in fossil fuels despite calls to divest. *BMJ* 2015;351. <https://www.bmj.com/content/351/bmj.h7019>. doi: 10.1136/bmj.h7019 pmid: 26721763
- 3 Waterson J, Carrington D. Wellcome Trust sells stakes in large oil and mining companies. *Guardian* 2022 Jul 21. <https://www.theguardian.com/environment/2022/jul/21/wellcome-trust-sells-stakes-in-large-oil-and-mining-companies>
- 4 Mahase E. Climate crisis: Wellcome sells some fossil fuel investments as climate leaders call for full divestment. *BMJ* 2022;378.