

Wellcome's opaque fossil fuel investments harm its global health mission

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The Wellcome Trust's commitment to tackle the health impacts of carbon emissions is threatened by its own lingering investments in the fossil fuel industry.

So why does it continue to shun calls to divest while raising the status of [climate change](#) in its strategy?

In a special report published by *The BMJ* today, independent journalist Tim Schwab explains that Wellcome has long faced criticism about its £28 billion endowment's deep investments in fossil fuels. Its most recent annual report states that 4% of its public and private equity holdings are in "energy" equal to around £1bn, including a stake of more than £300m in BP and Shell.

But Schwab has uncovered that Wellcome's financial stake in the continued use of fossil fuels extends well beyond its shareholder positions in oil and [gas companies](#).

In recent tax filings in the United States, Wellcome reported more than \$130 million in deductible "qualified expenses" related to "intangible drilling" costs between 2014 and 2018.

Intangible drilling costs usually describe the expenses involved in constructing new oil wells, and the related tax deductions function as government subsidies that prop up the [fossil fuel industry](#)—and that can incentivize expanded oil and gas production.

Wellcome said the deductions detailed in its tax forms relate to "a number of legacy private equity positions through funds and co-investments in energy-related businesses," but would not provide *The BMJ* with details, nor would it agree to interviews.

Ellen Dorsey, executive director of the Global Wallace Fund, a US-based charity that chose to divest its endowment from oil, gas, and coal a decade ago, described the news as "absolutely unbelievable." She said: "We receive charitable tax status to serve the public good, and our investments shouldn't be undercutting the public good. There isn't a significant foundation that works on climate or health and doesn't know that this debate is happening, and that they should make the decision to divest."

Robin Stott, a member of the executive committee of the UK Health Alliance on Climate Change, said: "It worries me that Wellcome may be engaging in this kind of rather covert or oblique way of supporting the fossil fuel industries."

Worldwide, more than 1300 large institutions, including 200 philanthropies, have announced their commitment to divest a total wealth of more than \$14trn.

Yet Wellcome has pushed back on divestment as far back as 2015 when the Guardian newspaper announced a campaign targeting Wellcome and the Gates Foundation.

At the time, Wellcome's director Jeremy Farrar called divestment a "grand gesture," arguing that the charity can be far more effective at fighting climate change by having a seat at the table and pressuring fossil fuel companies to change their business practices. However, Wellcome refused to specify what the trust had achieved through his strategy.

Brett Fleishman, head of global finance campaigns at environmental group 350.org, says "nothing has been achieved at the table through shareholder action ... that meaningfully aligns with climate science."

In 2015, Wellcome announced a £75m five year programme called Our Planet, Our Health, described as "a new initiative to investigate the connections between environment and health."

Yet this commitment represented a minuscule portion of the billions of pounds in charitable expenditures Wellcome had made over the previous five years—and seems like a strikingly small sum, considering how prominently the charity promotes its work on climate change, notes Schwab.

Saskia Heijnen, a former Wellcome staffer who helped get the Our Planet, Our Health programme off the ground, notes that while the trust has immense resources at its disposal to aggressively tackle health crises—which it has done in epidemics such as Ebola, Zika, and COVID-19—it hasn't put its full weight behind fighting climate change.

By the end of 2019, the Gates Foundation had divested its \$50bn endowment from fossil fuels which could put new pressure on Wellcome to extricate its endowment from fossil fuels, suggests Schwab.

But tax records from 2019 report the foundation having many investments in [fossil fuels](#), including some of the world's largest oil, gas, and coal companies such as Exxon, Chevron, and Glencore, raising questions about what it means to divest.

Brett Fleishman of 350.org, which maintains a database of groups that have pledged to divest, explains: "It would be very weird for an institutional investor to announce divestment but fake it. We are happy to make the adjustment on our database if the Gates Foundation can't

meaningfully respond to requests for clarification."

More information: Tim Schwab, How Wellcome's opaque fossil fuel investments harm its global health mission, *BMJ* (2021). [DOI: 10.1136/bmj.n1202](https://doi.org/10.1136/bmj.n1202)

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