

**Statement Regarding VPIC Divestment Subcommittee Process**  
**Vermont Senate Committee on Government Operations**  
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I am writing in support of the VPIC sub-committee process to investigate divestment from fossil fuels in the state pension funds. Treasurer Pearce and VPIC Chair Tom Golonka have thus far followed an expeditious, transparent, and inclusive process.

Last week's sub-committee meeting, which focused on how ESG (environmental, social, and governance) investing and divestment fit within the context of pension fund fiduciary duty, was very constructive and laid the groundwork for the rest of the process. In my view, the four legal experts that spoke at the meeting agreed that considering ESG factors, including the step of divestment, is consistent with fiduciary duty as long as the financial interests of plan beneficiaries remain the paramount concern and the process adheres to the standard of prudent care.

The proposed new joint study with NEPC and an additional investment consultant makes sense as a next step to evaluate the prospects for divestment from coal, ExxonMobil, and the broader fossil fuel industry. The treasurer has solicited input from a wide range of stakeholders at every stage of the process. She has sought my suggestions for consultants who have the expertise in ESG investing that will be critical in giving the divestment proposal a fair and thorough look.

Treasurer Pearce has also invited divestment advocates and myself to help shape the scope of the proposed study, which will be essential in producing a final report that the VPIC board can effectively use to make its decisions.

I am encouraged by this process and look forward to continuing to contribute my time as it moves forward.