

November 17, 2015

Response of the ACSRI to the CDCJ Proposal of October 2015

Executive Summary

The Advisory Committee on Socially Responsible Investing (“ACSRI” or “the Committee”) has decided not to recommend to the Trustees a proposal of the student group Columbia Divest for Climate Justice (“CDCJ”) calling for divestment from the Columbia endowment of all stocks or bonds in firms listed in the Carbon Underground 200TM. The more the Committee has deliberated over the possibility and the scope of a possible divestment recommendation, however, the stronger has become the feeling that divestment is too narrow a lens through which to consider Columbia University’s engagement with the climate change issue. The Committee has also become acutely aware that it is the wrong forum to debate and then propose the specifics of a Columbia University action plan. In light of the grave threats posed by climate change and the University’s capacity to play a national leadership role, the ACSRI thus recommends that President Bollinger appoint a representative committee to formulate a Plan of Action that contemplates engagement across the University. We expect that such a Plan of Action would address (i) further efforts by the University to shrink its carbon footprint including specific goals, (ii) further support for the University’s leadership in climate change research, (iii) support for research into new technologies related to renewable energy as well as atmospheric carbon abatement, (iv) support for public educational efforts on the mechanisms of climate change and the risks, (v) support for legal, economic, and regulatory analysis of the current US and international approaches to climate change.

Precisely because the science regarding climate change has been disputed on non-scientific grounds and because the public policy issue, the looming threat of climate change, is so serious, ACSRI may well recommend, as matter of socially responsible investing, a targeted fossil fuel divestment/no-investment policy that are aimed at “standing up for the science.” This would mean targeting for divestment (or non-investment) publicly traded firms that engage in climate change denialism whether by “word” or by “deed.” Such an approach responds to the particular role and responsibility of a university in a democratic society. The Committee would of course also consider a differently targeted divestment petition from the CDCJ or other group.

A principal basis for the Committee’s decision not to support the CDCJ petition is that it calls for broad-based divestment without regard to whether such divestment would affect the future behavior of any particular firm. Divestment would be undertaken solely as a matter of symbolic speech. The strategy draws no distinctions based on the conduct of the firms in question, even where differences in conduct materially affect the firm’s carbon burden.

In rejecting broad-based divestment as a requirement of socially responsible investment, the ACSRI wants to be clear that its negative recommendation would not conflict with a decision

by the Trustees acting as financial fiduciaries that fossil fuel investments, in whole or in part, present unacceptable risks of value erosion and that it is appropriate to adopt investment strategies designed to minimize exposure to such risk. The Committee also invites the Trustees to consider sending a letter to its investment managers similar to the one sent by David Swensen, head of the Yale Investment Office, which stated that “Yale asks [its investment managers] to avoid companies that refuse to acknowledge the social and financial costs of climate change and that fail to take economically sensible steps to reduce greenhouse gas emissions.”¹

The ACSRI also believes that the University should continue its policy of active engagement through the proxy process for energy firms that remain in the endowment. This would be facilitated by the University’s signing onto the Carbon Disclosure Project,² CERES,³ or another appropriate forum that requires full disclosure on climate change. We will make a specific recommendation shortly.

In light of support for divestment expressed by some alumni, the ACSRI recommends that the University establish a separate “fossil free” investment vehicle to receive the contributions of alumni who would prefer such investment management for their contributions to the University’s endowment.

We think the efforts of the CDCJ to call the University community’s attention to the grave threat presented by climate change are commendable and much to be praised. In the Committee’s view, galvanizing a broader, deeper response by the University should have greater impact than divestment, which would operate in the symbolic realm only.

Report

In fall 2013 the student group “Columbia Divest for Climate Justice” (“CDCJ”⁴) presented a petition to the Advisory Committee on Socially Responsible Investing (“ACSRI” or “the Committee”) requesting that Columbia University divest from the 200 companies on the “Carbon Underground 200TM list.”⁵ In May 2014 the ACSRI declined to recommend the requested action to the Trustees on the grounds that it did not meet the three criteria for

¹ See Letter of David Swensen to Yale Investment Managers, reprinted in *Financial Analysts Journal* (May/June 2015), pp 11-12, available at <http://www.cfapubs.org/doi/full/10.2469/faj.v71.n3.3> [visited on Nov. 5, 2015].

² <https://www.cdp.net/>.

³ <https://www.ceres.org/>.

⁴ In the 2014-15 academic year the group changed its name from Barnard/Columbia Divest for Climate Justice because of the formation of a specific Barnard group targeting the independently managed Barnard endowment.

⁵ The Carbon Tracker Initiative is led by Jeremy Leggett, a geologist and former executive in the fossil fuel industry who developed the concept of “stranded assets.” The original list of 100 coal and 100 oil and gas companies who hold the largest fossil fuel reserves is being kept up to date by fossilfreeindexes.com [visited on Nov. 5, 2015], an investment firm led by Stuart Braman, a Columbia alumnus and adjunct research scientist at the Lamont-Doherty Earth Observatory.

divestment: (1) that there must be broad consensus in the Columbia community, (2) that the merits must lie clearly on one side, and (3) that there be no feasible alternative to divestment. However, the Committee also decided that the issue warranted further investigation and thus established a standing subcommittee on fossil fuels. The ACSRI report to the community on the original CDCJ proposal is found on its website, <http://finance.columbia.edu/content/socially-responsible-investing>. The initial ACSRI report, which this Committee endorses, explicitly applied the three divestment criteria, which reflect a strong presumption against divestment in favor of engagement and other alternatives that pursue the same objective.

During the 2014-2015 academic year ACSRI devoted considerable time to developing an approach that could lead to targeted divestment, focused on a singular feature of the fossil fuels divestment debate, namely, a denial in some circles of the underlying scientific facts of climate change. That is, in addressing divestment questions relating to South Africa or Sudan, the underlying facts of apartheid or Sudanese government participation in the genocidal violence in Darfur were not in dispute. Rather, the divestment decision turned on socially responsible investment behavior in light of such facts. In the case of fossil fuels, however, the serious threshold problem is that the core facts of anthropogenic influence on global climate are denied by important governmental leaders and are regarded as highly contestable within mainstream political discourse despite the overwhelming scientific consensus. This is partly because energy companies engaged in fossil fuel extraction can exert significant leverage on public policy formation and have in various ways fostered denial of climate change science.⁶ Actions to avert climate change ultimately depend upon the concerted actions of governments, especially legislatures, and will entail tough choices, trade-offs, and compromises by political leaders, as they balance private economic interest and public environmental concern. Thus the denial of human agency in climate change is a first order problem in the climate change debate. The consensus scientific evidence indicates that climate change is, in effect, an on-rushing train, and we stand in the tracks. It's the denial of the science that keeps us frozen on the tracks rather than engaged in the concerted actions necessary to jump away.

These considerations led us to work on an approach that we call “standing up for the science.” Columbia University is the producer of some of the key research in the climate change domain;⁸ the social function of the University generally is to foster research that produces new knowledge and to help assure that this research guides the important public policy questions of the day. Precisely because the science regarding climate change has been disputed on non-scientific grounds and because the public policy issue, the looming threat of climate change, is so serious, ACSRI may well recommend, as matter of socially responsible investing, a targeted

⁶ The possible role of particular firms in promoting materially misleading assessments of climate change risk has recently come under investigation by the New York State Attorney General and other governmental actors.

⁸ A list of centers consulted during the 2014-2015 academic year, with links to their websites, can be found in Appendix A to this document.

fossil fuel divestment/no-investment policy, and other strategies, that are aimed at “standing up for the science.” This would mean targeting for divestment (or non-investment) publicly traded firms that engage in climate change denialism whether by “word” or by “deed.” Such an approach responds to the particular role and responsibility of a university in a democratic society.

A “stand up for the science” approach shares the focus on the energy sector, specifically on companies engaged in fossil fuel extraction,⁹ of broader calls for divestment, but attempts to discriminate on the basis of the companies’ specific behavior and action. These are possible parameters:

- First, a company’s role in stirring up popular confusion about the scientific conclusions regarding anthropogenic influence on global climate by sponsoring and publicizing specious research or overemphasizing small differences in the scientific community. This we call “denying the science by word.”
- Second, a company’s attention to alternative solutions as measured by credible investment in low-carbon/renewable energy or carbon capture technology. This can be called “affirming the science by deed.”
- Third, a company’s investment in high carbon-content resource exploration and development, resources that can never be consumed in light of the climate change concern. This can be called “denying the science by deed.”

In short, the strategy would be to distinguish among firms on a list like the Carbon Underground 200TM between those companies whose deeds and actions bespeak a rejection of climate change science and those whose deeds and actions indicate acceptance of the science. As with the Sudan divestment approach adopted by the Trustees, the goal would be to produce a list of “divest/do not invest” companies. The impact would be measured not just in a decision to “divest” from a particular company but rather to call attention to company behavior that “denied the science.”

Our work plan for the 2015-16 included an effort to see if this approach could be operationalized through various public metrics so as to provide a basis for a specific recommendation to the Trustees.

In September 2015 the CDCJ student group asked us to consider anew the petition for divestment from the Carbon Underground 200TM, asserting that various procedural flaws meant that the proposal had never been squarely addressed by the ACSRI notwithstanding the specific response in May 2014.¹⁰ Rather than debate the procedural claims, the Committee decided to

⁹ The approach could also include companies like coal-burning electricity generators that could switch to a lower carbon fuel source like natural gas but resist doing so.

¹⁰ The 2015 CDCJ Proposal is Appendix B to this document.

consider the CDCJ Proposal de novo. There has been substantial Committee turnover since 2013-14 and it was worth testing whether views had evolved since the last consideration.

Specifically, the current CDCJ Proposal (October 2015) calls for (1) a “freeze” on any new investments in the publicly traded companies identified in the Carbon Underground 200TM list; (2) a public divestment commitment to divest from “direct ownership of fossil fuel holdings and from any commingled funds that include fossil fuel public equities and corporate bonds” in an advance of the December 2015 United Nations climate change meeting; (3) a five year divestment period to facilitate a low-cost transition to other investments. Representatives of the CDCJ presented their proposal at the October 2015 ACSRI meeting and responded to questions of Committee members.

The Committee has decided not to recommend the CDCJ Proposal. While accepting climate change science and the grave risks associated with global warming, the ACSRI does not believe that such an across-the-board divestment approach would satisfy the demanding criteria for a divestment recommendation. The Carbon Underground 200TM list consists of “the top 100 coal companies globally and the top 100 public oil and gas companies globally, ranked by the potential carbon emissions content of their reported reserves.”¹¹ Divestment on the basis of identification on this list would not distinguish among firms on the basis of their current conduct (e.g., the rate to which they are adding to reserves or the extent of research and development investment in renewables or in carbon-reducing technologies). The list includes natural gas companies as well as coal-mining companies, yet the substitution of natural gas for coal is one immediate way of reducing the carbon footprint of energy production. The list also omits electric utilities that generate a disproportionately high share of electricity from coal despite the opportunity to shift to natural gas.

Broad-based divestment by Columbia would be unprecedented given the pattern of the University’s previous divestment decisions. In the case of South Africa and Sudan, for example, the goal of divestment was to persuade companies that did business with those two regimes to stop doing so, and thereby impose a penalty on governments that engaged in conduct that was profoundly morally objectionable. Because most of the targeted companies did only a relatively small fraction of their business with the particular regimes, it was reasonable to think that the stigma associated with divestment could change the companies’ behavior. In the case of fossil fuels companies, divestment is unlikely to have any such effect. The largest companies generally look to retained earnings to finance their activities; the stigma of divestment is unlikely to lead the firms to turn away from their core business. Broad-based divestment would be undertaken without any regard to whether it would affect the future behavior of any particular firm. Rather it would be undertaken solely as a matter of symbolic speech. As such it would draw no distinctions based on the conduct of the firms in question even where differences in conduct materially affect the firm’s carbon burden.

¹¹ <http://fossilfreeindexes.com/research/the-carbon-underground/> [visited Nov. 5, 2015].

Last year the Committee recommended that the Trustees divest from companies that operated private prisons on the grounds that the companies' business prospects were linked to an increase in already historically high levels of incarceration so as to be inconsistent with the University's mission and values. It is hard to take such a position with respect to all fossil fuels firms given the University's own position as a major user of fossil fuels in its on-going activities, both directly (gasoline for its fleet of vehicles; natural gas to heat its buildings) and indirectly (electricity produced by fossil-fuel burning generation). Indeed, one specific action taken by the University to reduce its carbon footprint has been to substitute natural gas for heating oil. Where is the consistency in saying that divestment from large natural gas producers is required as a matter of socially responsible investing?

The Committee does not believe that its consideration of a more tailored approach to the divestment question would undercut a broad-based movement that seeks to deprive fossil fuel firms of a "social license" and thereby to hasten legislative engagement with the underlying climate change issue. For example, thus far no major research university has signed onto broad-based fossil fuel divestment from its endowment. Harvard, Yale, Princeton, MIT, and the University of California have rejected divestment outright.¹² Stanford and Oxford have taken a more targeted approach, undertaking to avoid direct investments in coal companies and tar-sands development.¹³

The more the Committee has deliberated over the possibility and the scope of a possible divestment recommendation, the stronger has become the feeling that divestment is too narrow a lens through which to consider Columbia University's engagement with the climate change issue. The Committee has also become acutely aware that it is the wrong forum to debate and then propose the specifics of a Columbia University action plan, which presumably would address (i) further efforts by the University to shrink its carbon footprint including specific goals (ii) further support for the University's leadership in climate change research, (iii) fostering research into new technologies related to renewable energy as well as atmospheric carbon abatement, (iv) support for public educational efforts on the mechanisms of climate change and the risks, (v) support for legal and regulatory analysis of the current US and international approaches to climate change. Thus we recommend that President Bollinger appoint a representative committee charged with making recommendations for a Columbia University response to the challenge of climate change with the goal of producing a Plan of Action that engages efforts and capacities across the University.

ACSRI appreciates that its charter extends to "social responsibility" in investing, not the economics, and is also mindful of the disputed economic case, from an endowment management perspective, for divestment from companies that produce fossil fuels. While we ultimately

¹² The University of California recently disposed of its direct holdings in coal and tar sands companies as a matter of investment strategy not divestment policy.

¹³ A list of actions by other universities as of October 30, 2015 is provided in Appendix C.

believe that a successful solution to climate change will need to marry economic and environmental/social welfare arguments, we have not attempted to resolve the economic case from the University's perspective. In rejecting broad-based divestment as a requirement of socially responsible investing, we want to be clear that our negative recommendation would not conflict with a decision by the Trustees acting as financial fiduciaries that fossil fuel investments, in whole or in part, present unacceptable risks of value erosion and that it is appropriate to adopt investment strategies designed to minimize exposure to such risk. The Committee also invites the Trustees to consider sending a letter to its investment managers similar to the one sent by David Swensen, head of the Yale Investment Office, which stated that "Yale asks [its investment managers] to avoid companies that refuse to acknowledge the social and financial costs of climate change and that fail to take economically sensible steps to reduce greenhouse gas emissions."¹⁴

The ACSRI also believes that the University should continue its policy of active engagement through the proxy process for energy firms that remain in the endowment. This would be facilitated by the University's signing onto signing on to CDP,¹⁵ CERES,¹⁶ or another appropriate forum that requires full disclosure on climate change. We will make a specific recommendation shortly.

Subsequent to the filing of the CDCJ Proposal, the ACSRI has received emails and phone messages of support for the Proposal from various alumni. The Committee proposes that the University establish a separate "fossil free" investment vehicle to receive the contributions of alumni who would prefer such investment management for their contributions to the University's endowment.

We think the efforts of the CDCJ to call the University community's attention to the grave threat presented by climate change are commendable and much to be praised. In the Committee's view, galvanizing a broader, deeper response by the University should have greater impact than divestment, which would operate in the symbolic realm only.

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¹⁴ See Letter of David Swensen to Yale Investment Managers, reprinted in *Financial Analysts Journal* (May/June 2015), pp 11-12, available at <http://www.cfapubs.org/doi/full/10.2469/faj.v71.n3.3> [visited on Nov. 5, 2015].

¹⁵ <https://www.cdp.net/>.

¹⁶ <https://www.ceres.org/>.

Appendix A

Response of the ACSRI to the CDCJ Proposal of October 2015

Over the course of the 2014-2015 academic year, we consulted with colleagues from:

CDP, www.cdp.net

Center on Capitalism and Society, <http://capitalism.columbia.edu/>

Center on Global Energy Policy, <http://energypolicy.columbia.edu/>

Center for International Earth Science Information Network (CIESIN), <http://www.ciesin.org/>

Lamont-Doherty Earth Observatory (LDEO) and Department of Earth and Environmental Sciences in the Graduate School of Arts and Sciences, <http://www.ldeo.columbia.edu/>

Columbia Center on Sustainable Investment, <http://ccsi.columbia.edu/>

The Sabin Center for Climate Change Law and Environmental Law Clinic,
<http://web.law.columbia.edu/climate-change>

Proposal for Divestment from the Top 200 Publicly-Traded Fossil Fuel Companies

Authored by Columbia Divest for Climate Justice and published on October 6, 2015

Columbia Divest for Climate Justice (CDCJ) presents the following proposal for fossil fuel divestment to the Board of Trustees and President Lee Bollinger.

1. Summary.

Given that the international community has agreed upon 2°C as the maximum ‘safe’ limit for global warming, and given that communities of color and low-income communities who have historically contributed the least to the problem will be affected the most;

Given that 80% of proven fossil fuel reserves must stay in the ground in order for that limit not to be exceeded;

Given that the fossil fuel industry instead continues to explore for new reserves, obstruct regulation that would reduce society’s use of fossil fuels, and fund climate denial to obscure the importance of such action;

Given that the fossil fuel divestment movement is growing at a rapid pace – with \$2.6T of assets under management committed to divestment, as of September 2015 – and has proven to be effective in revoking the social license of the fossil fuel industry;

And given that the Columbia University community has shown a significant level of support for the petition of Columbia Divest for Climate Justice over the past three years;

The Board of Trustees of Columbia University must:

- 1) Immediately implement a freeze on any new investments in the top 200 publicly traded fossil fuel companies currently holding the vast majority of the world’s proven coal, oil and gas reserves defined in the Carbon Underground 200TM list.ⁱ
- 2) Publicly commit to divesting the Columbia University endowment from direct ownership of fossil fuel holdings and from any commingled funds that include fossil fuel public equities and corporate bonds, in advance of the COP-21 conference taking place in December 2015.
- 3) Ensure the divestment of these funds within 5 years’ time after the initial commitment, allowing for fund managers to evaluate reinvestment strategies and minimize transaction costs in a gradual process.

Columbia has a moral obligation to stop funding an industry that undermines the safety of its students’ futures and the integrity of its own climate scientists’ ground-breaking research. By immediately committing to divest from the fossil fuel industry, Columbia will join hundreds of universities, cities and countries, religious congregations, and other mission-oriented institutions that have already issued bold commitments for climate justice. Columbia will also have the chance to stand out in history as a leader among Ivy League institutions.

2. Fossil fuels and climate change

In 2009, over 100 countries including the United States and China signed the Copenhagen Accord.ⁱⁱ The Accord affirms that **global warming must stay below 2°C** in order to avert “dangerous anthropogenic interference with the climate system,” even though low-lying nations are projected to disappear at an increase of 1.5°C.ⁱⁱⁱ After only a 0.8°C rise in temperatures in the 20th century, the impacts of climate change are already being seen in the form of increasingly intense natural disasters, melting glaciers, ocean acidification, increasing conflicts over food insecurity, spreading tropical disease, and more.^{iv} Scientists are asserting that a 2°C rise in average global temperature may trigger disastrous nonlinear processes, such as the melting of the Greenland and West Antarctic ice sheets and a faster rise in sea levels than ever expected.^v The effects of climate change are, however, not far in space or time – tremendous storms like Hurricanes Irene and Sandy have already devastated the Northeast and New York City itself.

Under a business-as-usual (BAU) scenario for carbon emissions, the United Nations’ Intergovernmental Panel on Climate Change (IPCC) projects global temperatures to rise between **3.7-4.8°C by 2100**.^{vi} Meanwhile, the World Bank has reported that “there is no certainty that adaptation to a 4°C world is possible.”^{vii}

To stay within the 2°C limit of global warming, we can only afford to emit 565 more GT of carbon dioxide.^{viii} However, current global proven reserves of fossil fuels amount to a massive 2,795 GT of carbon dioxide – nearly five times the ‘carbon budget’ we are allotted.^{ix} **The fossil fuel industry plans to burn those reserves and irreversibly change our planet and humanity as we know it.**

Estimates give us 16-28 years before we exceed our ‘carbon budget’ to stay with 2°C.^x Meanwhile, carbon emissions from burning coal, oil, and gas are currently rising to record levels, not falling,^{xi} and the top 200 fossil fuel companies spent \$674B in 2012 alone on exploring for new reserves.^{xii}

Meanwhile, fossil fuel companies also continue to fund climate denial – for example, Exxon pledged to stop funding climate denial in 2007 but has since contributed \$2.3M to members of Congress who deny climate change and the American Legislative Exchange Council (ALEC), a corporate lobbying group that denies climate change.^{xiii} At the same time, a report by the Union of Concerned Scientists (UCS) revealed an internal memo indicating that Exxon has been factoring climate change into its own operating decisions since 1981.^{xiv} As shown by the UCS report, fossil fuel companies have specifically recycled the techniques of Big Tobacco to fund an intentional campaign of disinformation and inaction on climate change, despite knowing its devastating risks. Fossil fuel companies suggest in their publicity platforms that they are investing into renewable energy in order to soften their images, but their operational budgets show that they do not, in fact, invest significantly into renewable energy development. For example, BP tried to change its image by renaming itself Beyond Petroleum; however, they sold off their solar energy division in 2011.^{xv}

Columbia University must divest our endowment from the fossil fuel industry, because transitioning from fossil fuels to renewable energy is central to the work necessary for a sustainable future. However, fossil fuel companies have refused to act in the best interest of humanity.

3. Fossil fuel extraction is unethical; climate change is a social justice issues

While climate change is and will be affecting us all, it disproportionately affects low-income communities and people of color – both on a global and local scale, even though these communities have historically contributed the least to the problem. **Climate justice** is the framework for considering and a call to action for addressing this paradox.

For example, in the last 25 years, 95% of deaths that resulted from natural disasters occurred in developing nations.^{xvi} While a major drought in the US can lead to higher food prices, a major drought in a country like Sierra Leone that relies heavily on subsistence agriculture can trigger mass starvation. As sea levels rise, low-lying countries like Bangladesh will experience extreme flooding and simply not have the infrastructure or resources to support their populations. In both of these examples, what is clear is that climate change will continue to be something that people of privilege consider a threat to “their grandchildren,” while it has already been a reality for frontline communities across the world (predominantly in the Global South)^{xvii}.

Here in New York City, the aftermath of Hurricane Sandy in 2012 demonstrated how class and racial divides influence the distribution of the worst effects of climate change. For example, the New York Environmental Justice Alliance has documented how major industrial areas that are populated mostly by people of color are in storm surge areas, making the residents vulnerable to toxic pollution from increasing numbers of natural disasters.^{xviii}

The climate justice framework sheds light on climate change as a grave public health issue.^{xix} Warming and increased flooding also lead to increased spread of disease, particularly in countries with poor sanitation.^{xx} Between 2030 and 2050, climate change is expected to cause approximately 250,000 additional deaths per year, from malnutrition, malaria, diarrhoea and heat stress.^{xxi} More recent estimates have put the number at 300,000 deaths and suggest that an additional 325 million people are seriously (though non-fatally) affected by climate change.^{xxii}

As UN Secretary-General Ban Ki Moon has said, “Climate change is the single greatest threat to sustainable development.”^{xxiii}

Fossil fuel divestment requires consideration of the same racial, social, and economic inequities that inspired the Board to take leadership by divesting from private prisons.

Columbia must now divest from fossil fuels and take a moral stand for the people who will most significantly and immediately be affected by unchecked climate change – from Red Hook to Bangladesh.

For Columbia to divest from the fossil fuel extraction industry is to announce to the world that we are committed to fighting for human rights, on behalf of all of our current and future students. The fossil fuel industry is actively contributing to the release of carbon into the atmosphere and has no foreseeable plans to halt its activity. By remaining complacent on this issue, Columbia is, in fact, assisting highly immoral and unethical activities.

4. Divestment is an effective tactic for social change

Divestment has been used as a powerful catalyst for change in cases when other tools were proven ineffective. A particularly instructive example is that of apartheid in South Africa. The apartheid divestment campaign began at Stanford and Michigan State in 1977. It eventually led over 150 universities to divest from companies involved with South Africa's oppressive regime. In 1978, following a year-long student campaign, Columbia agreed to stop investing in bonds and financial institutions directly involved with the South African regime. From 1982-1985, student organizers such as the group Coalition for a Free South Africa (CFSA) continued organizing for full university divestment from companies with major South African interests. In 1982, after a blockade of Hamilton Hall and protests by thousands of students, the University committed to full divestment and withdrew their funds by 1991.^{xxiv} Studies suggest that while the direct economic impact of this large-scale divestment was minimal, the long-term social impact was substantial. By demonstrating that participation in apartheid South Africa was unacceptable, these universities sparked a national movement. The US government soon followed suit, passing sanctions against South Africa.^{xxv} When Nelson Mandela was released from prison and he made a speaking tour across America, his organizers said the Bay Area was "a must stop" for Mandela, as he had to personally thank the University of California system and the surrounding cities for divesting, an action that he saw as a turning point for the anti-apartheid movement internationally.^{xxvi}

Columbia's Board has recently shown leadership by voting for Columbia to become the first university in the nation to divest from private prisons, following the inspiring organizing work of the student group Columbia Prison Divest.^{xxvii}

By divesting from fossil fuel companies, Columbia can help remove the veneer of respectability from those who seek to profit from fueling climate change.

5. Fossil fuel divestment is a successful, global movement

The first fossil fuel divestment campaign in the US started at Swarthmore College in 2010. The movement snowballed in November 2012, when Bill McKibben and 350.org spread the call for divestment campaigns through a public speaking tour called "Do the Math."

As of September 2015, according to a report published by Arabella Advisors, 430 institutions and 2,040 individuals across 43 countries and representing **\$2.6 trillion** in assets have committed to divest from fossil fuel companies. An estimated 3-8% of these funds are invested in fossil fuels, representing anywhere from **\$78 billion to \$208 billion**.

The divestment movement has grown exponentially since Climate Week in September 2014, when Arabella Advisors last reported that 181 institutions and 656 individuals representing over \$50 billion in assets had committed to divest (\$1.56 billion to \$4.16 billion divested). At that time, divestment advocates pledged to triple these numbers by the December 2015 Paris UN climate negotiations. Three months before the negotiations, we have already witnessed a **fifty-fold increase** in the total combined assets of those committed to divest from fossil fuels.

The organization 350.org/Go Fossil Free^{xxviii} lists more than 20 American universities that have committed to varying forms of divestment, including Stanford, which pledged to divest direct holdings from 100 coal companies in May 2014 and has an endowment valued at \$18.7B.^{xxix} Locally, The New School voted in February to divest its \$220M endowment from all fossil fuel holdings and explore reinvestment opportunities into renewable energy.^{xxx}

From May to June alone, the University of Washington^{xxxi} system pledged to divest its \$2.8B endowment from direct holdings in coal, becoming the largest public university to do so; the University of Hawaii^{xxxii} system pledged to divest its \$66M endowment from all fossil fuel holdings; Georgetown University^{xxxiii} pledged to divest its direct holdings from coal; and the Rhode Island School of Design^{xxxiv} pledged to divest its \$330M endowment of its direct holdings in fossil fuel stocks, valued at \$6M.

On September 9, the University of California system announced that it has disinvested its \$100 billion endowment and pension fund from investments in coal and oil sands companies worth \$200 million.^{xxxv}

Divestment campaigns are also active at universities across the globe. In October 2014, Glasgow University^{xxxvi} became the first European university to divest its \$27M of fossil fuel holdings; most recently, the University of Oxford^{xxxvii} pledged not to make future direct investments in coal and oil sands in June. On the frontlines of climate change, the College of the Marshall Islands voted to divest from fossil fuels in December 2014.^{xxxviii}

On the governmental front, action has ranged from Norway divesting its \$890B sovereign wealth fund^{xxxix} from companies that rely more than 30% on coal for their revenues (thereby implicating utilities, as well) to the 41 city governments that have pledged to divest (as of March 2015).^{xl} On July 7, New York State Senator Liz Krueger and Assembly Assistant Speaker Felix W. Ortiz announced the new bill Krueger is sponsoring: the Fossil Fuel Divestment Act(S.5873/A.8011).^{xli} The bill would require the State Comptroller to divest the Common Retirement Fund (CRF) from coal within one year and from all fossil fuel holdings by 2020.^{xlii} There are divestment bills in the pipeline in other states, including for Massachusetts'^{xliii} \$62.3B pension fund and California's pension funds.^{xliv}

On September 29, 2015, **Mayor Bill de Blasio announced a proposal to divest New York City's \$160 billion pension fund from coal.**^{xlv}

International financial services firms have taken action as well – in 2013, Norwegian pension fund and insurer Storebrand (with \$74B in assets) divested from 19 fossil fuel companies, and French insurance company AXA announced it will divest more than \$500M of coal-related assets and reinvest into renewables this past May^{xlvi, xlvii}.

Assets by philanthropic foundations that have pledged to divest represent \$5B according to Divest-Invest Philanthropy, a platform calling on foundations to sign onto a commitment letter and begin the processes of divestment and reinvestment in low-carbon alternatives^{xlviii}. At this time, 103 foundations have become signatories since January 2014. One notable signatory is the Rockefeller

Brothers Fund, with more than \$860M in assets, which pledged to divest from fossil fuels in September 2014^{xlix}.

In light of the Pope's recent encyclical on climate change *Laudato si'*, the growing number of religious congregations divesting from fossil fuels is seen by some commentators as positioning climate change more strongly as a moral issue^l. The Vatican itself is considering divestment, but the first to act was the United Church of Christ, which voted to divest from all fossil fuels in stages in 2013^{li, lii}. In 2014, the World Council of Churches – which represents half a billion Christians – voted to divest from all fossil fuels^{liii}. In May, the Church of England announced it had dropped \$18M worth of oil sands and thermal coal investments^{liv}. At the end of this June, the Lutheran World Federation announced a policy of not investing in fossil fuels^{lv}. The leadership of the Episcopalian Church voted last week to divest \$380M of holdings from fossil fuel companies and to instruct parishes and dioceses to start moving funds away from fossil fuels and towards renewable energy^{lvi}. The neighboring Union Theological Seminary voted to divest their \$108.4M endowment from all fossil fuels in 2014^{lvii}. While Christian denominations have been the center of divestment activity so far, there is broad momentum from a spectrum of religious groups calling for a strong COP-21 agreement.

Divestment has also drawn attention from public health, development, and scientific experts. The British Medical Association became the first health organization to divest from all fossil fuels in 2014, and an organization representing more than one million medical students signed a petition calling for the Bill and Melinda Gates Foundation and the Wellcome Trust to divest^{lviii, lix}. They claim fossil fuel investments contradict the Hippocratic Oath. Academics Stand Against Poverty (ASAP), an association of 2,000 researchers, have issued a statement calling for divestment, as well^{lx}.

Finally, *The Guardian* has become a strong voice in the divestment campaign with their “Keep It In the Ground” campaign, calling on the Bill & Melinda Gates Foundation (and the Wellcome Trust) to divest from the Carbon Underground list of top 200 fossil fuel companies^{lxi}. Despite not yet winning the campaign, they have raised serious questions in the United Kingdom; two-thirds of UK survey respondents now view fossil fuel investments as ‘risky’^{lxii}.

Many actors that have made divestment pledges have cited a study by the Stranded Assets Programme at the University of Oxford's Smith School of Enterprise and the Environment completed in 2013.^{lxiii} It suggests that the number of campaigns in the fossil fuel divestment movement is growing faster than in any previous divestment campaign, such as the campaign against apartheid in South Africa in the 1960s and 1970s.

6. Why divestment from the Carbon Underground 200 is necessary

The Carbon Underground 200TM list was created by Fossil Free Indexes – founded by Columbia alumnus, adjunct associate research scientist at the Lamont-Doherty Earth Observatory, and financial services professional Stuart Braman, Ph.D.^{lxiv}

The list identifies the top 100 public coal companies and the top 100 public oil and gas companies globally ranked by the potential carbon emissions content of their reported reserves. Fossil Free Indexes have assessed that “the reserves of these companies total 555 gigatons (Gt) of potential CO₂ emissions, almost five times more than [their proportion of the carbon budget that] can be burned for the world to have an 80% chance of limiting global temperature rise to 2°C (3.6° F).”^{lxv}

Our campaign’s focus on divesting from the Carbon Underground 200TM list is echoed by hundreds of fossil fuel divestment campaigns around the globe. Using a list of pre-selected companies to define the “fossil fuel industry” makes the task of divestment clearer for fund managers.

Some institutions have recently committed to divesting from the coal industry, including Stanford and Norway’s sovereign wealth fund. Divesting from coal is clearly important; coal is the most carbon-intensive fossil fuel and the industry is undergoing structural decline.^{lxvi}

However, the science makes it clear that an end to coal would not keep us within 2°C of warming – we must leave the majority of *all* fossil fuel reserves in the ground if we are to ensure a stable climate system. Divesting from coal sends the wrong message about the change that we need.

As Fossil Free Stanford has written to their Trustees as they continue to advocate for full fossil fuel divestment, “**No amount of action against coal can mitigate the impacts of oil and gas enough to protect the hundreds of millions of people, countless species, and trillions of dollars threatened by climate change.**” This is why we urgently call for divestment from the top 200 fossil fuel companies. Columbia has the opportunity to lead, rather than follow, other major educational institutions by divesting from the Carbon Underground 200TM list.

7. Support for fossil fuel divestment at Columbia

Since our founding in Fall 2012, Columbia Divest for Climate Justice has garnered incredible support for fossil fuel divestment across the university. In October 2013, 73.7% of Columbia College voted in favor of fossil fuel divestment in the first-ever ballot referendum at Columbia College.^{lxvii} The Columbia College Student Council (CCSC) then adopted the referendum as its official position and pledged to advocate for divestment. Support has not been confined to Columbia undergraduates. In September 2014, Columbia Divest mobilized more than 300 students from Barnard, the Law School, Mailman, SIPA, and the Graduate School of Arts and Sciences, among other schools, to attend the People’s Climate March.^{lxviii} The March was the largest climate demonstration in global history, with more than 300,000 people gathered here in NYC. Columbia was the largest university contingent.

A petition signature calling on the Board to divest has more than 2,000 signatures from students and alumni, representing almost all of the undergraduate and graduate schools across campus. This winter, Professors Todd Gitlin and Paige West co-authored an open faculty letter to the Board, which currently has over three hundred signatures from faculty across all departments, including many scientists from Lamont-Doherty Earth Observatory. *The Guardian* covered the letter in the spring.

We have engaged with all possible channels of administration, from working for years through the Advisory Committee for Socially Responsible Investing process to meeting, of course, with members of the Board of Trustees. President Bollinger has been supportive of our campaign, stating that it is accepted that **divestment would have no significant impact on the endowment.**

There is also strong alumni support. In addition to many petition signatures from alumni, we work with a number of individuals who have remained active in the Columbia community by attending our weekly meetings and organizing their classmates. On Monday, October 5, alumni called President Bollinger and Professor Gordon of the ACSRI to voice their support for divestment.

This spring, Divest Barnard launched its own campaign across the street. They have already met with President Spar, and they have organized students on their campus. The neighboring Union Theological Seminary voted to divest their \$108.4M endowment from all fossil fuels in 2014^{lxix}, and the Jewish Theological Seminary's List College just launched a divestment campaign including a unanimously endorsed letter from their student governing board to their chancellor.^{lxx}

Graduate students have been organizing their peers at the Law School, School of International and Public Affairs, Mailman School of Public Health, and in the Graduate School of Arts and Sciences. We are building exciting cross-university coalitions and doing the work of educating and engaging with the university about climate justice, in general, rather than only fossil fuel divestment.

Our campaign and members have been featured in or written for media outlets from *The Nation*, *Yahoo! Finance*, *MSNBC*, *Columbia Spectator*, *Bwog*, *The Christian Science Monitor*, *Huffington Post*, and more. We are connected to the Divestment National Network, and a coalition of New York City schools campaigning for fossil fuel divestment including Divest NYU.

We are committed to ensuring that Columbia stands up for students and a future free of climate chaos by divesting from fossil fuels, and our campaign has seen unprecedented levels of interest and recruitment – with more than 100 new members coming to our first meeting this fall. We are confident that our campaign will continue until Columbia divests fully from the fossil fuel industry.

Endnotes:

- ⁱ <http://fossilfreeindexes.com/research/the-carbon-underground/>
- ⁱⁱ <http://www.c2es.org/international/negotiations/cop-15/copenhagen-accord-targets>
- ⁱⁱⁱ Copenhagen Accord; <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf>
- ^{iv} http://www.ipcc.ch/pdf/assessment-report/ar5/syr/AR5_SYR_FINAL_SPM.pdf
- ^v James Hansen; <http://www.washingtonpost.com/news/energy-environment/wp/2015/07/20/the-worlds-most-famous-climate-scientist-just-outlined-an-alarming-scenario-for-our-planets-future/>
- ^{vi} IPCC, 2014; <http://www.carbonbrief.org/blog/2014/04/degrees-of-change-the-ipcc%E2%80%99s-predictions-for-future-temperature-rise/>
- ^{vii} <http://www.worldbank.org/en/news/feature/2012/11/18/Climate-change-report-warns-dramatically-warmer-world-this-century>
- ^{viii} This estimate refers to the amount of CO₂ that can be emitted prior to 2050 in order to maintain an 80% chance of avoiding 2°C of warming. The IEA and the IPCC present slightly different carbon budgets based on different timeframes and levels of certainty. However, all estimates suggest that a significant fraction of fossil reserves must be left in the ground.
- ^{ix} <http://math.350.org/>
- ^x <http://www.theguardian.com/environment/2013/sep/27/ipcc-world-dangerous-climate-change>
- ^{xi} <http://news.nationalgeographic.com/energy/2015/04/150421-US-carbon-emissions-rise/>
- ^{xii} <http://www.unep.org/unea/introduction.asp>
- ^{xiii} <http://www.theguardian.com/environment/2015/jul/15/exxon-mobil-gave-millions-climate-denying-lawmakers>
- ^{xiv} <http://www.theguardian.com/environment/2015/jul/15/exxon-mobil-gave-millions-climate-denying-lawmakers>
- ^{xv} <http://www.greentechmedia.com/articles/read/is-there-still-a-role-for-oil-companies-in-renewables>
- ^{xvi} https://www.genevaassociation.org/media/201070/geneva_report%5B2%5D.pdf or <http://unu.edu/publications/articles/solutions-for-those-at-risk-in-climate-disasters.html#info>
- ^{xvii} http://www.huffingtonpost.com/2013/10/30/climate-change-vulnerability-index-countries-impacts-costs_n_4174938.html
- ^{xviii} http://switchboard.nrdc.org/blogs/ahuang/hurricane_sandys_disproportion.html
- ^{xix} <http://www.cdc.gov/climateandhealth/effects/>
- ^{xx} <http://www.who.int/globalchange/publications/climatechangechap5.pdf>
- ^{xxi} <http://www.who.int/mediacentre/factsheets/fs266/en/>
- ^{xxii} <http://www.theguardian.com/environment/2009/may/29/1>
- ^{xxiii} <http://www.unric.org/en/latest-un-buzz/28783-un-secretary-general-climate-change-biggest-threat-to-sustainable-development-xxiv>
- ^{xxiv} <http://nvdatabase.swarthmore.edu/content/columbia-university-students-win-divestment-apartheid-south-africa-united-states-1985>
- ^{xxv} <http://richardknight.homestead.com/files/uscorporations.htm>
- ^{xxvi} <http://www.nytimes.com/1990/07/01/us/mandela-ends-tour-of-us-with-oakland-appearance.html>
- ^{xxvii} <http://columbiaspectator.com/news/2015/06/22/columbia-will-divest-private-prison-industry>
- ^{xxviii} gofossilfree.org/commitments/
- ^{xxix} <http://news.stanford.edu/news/2014/may/divest-coal-trustees-050714.html>
- ^{xxx} <https://gofossilfree.org/usa/fossil-fuel-divestment-victory-at-the-new-school/>
- ^{xxxi} <http://www.washington.edu/news/2015/05/14/uw-regents-vote-to-divest-from-coal-companies/>
- ^{xxxii} <http://www.theguardian.com/environment/keep-it-in-the-ground-blog/2015/may/22/university-of-hawaii-system-votes-to-divest-from-fossil-fuels>
- ^{xxxiii} http://www.huffingtonpost.com/2015/06/08/georgetown-divestment-coal_n_7536724.html
- ^{xxxiv} <http://www.630wpro.com/2015/06/03/risd-announces-that-it-will-divest-from-fossil-fuels/>
- ^{xxxv} <http://www.latimes.com/local/education/la-me-ln-uc-coal-20150909-story.html>
- ^{xxxvi} <http://www.theguardian.com/environment/2014/oct/08/glasgow-becomes-first-university-in-europe-to-divest-from-fossil-fuels>
- ^{xxxvii} <http://www.theguardian.com/environment/2015/may/18/oxford-university-rules-out-investing-in-coal-and-tar-sands>
- ^{xxxviii} <http://www.samoanews.com/content/en/first-college-pacific-islands-divests-fossil-fuels>
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- ^{xli} <http://us5.campaign-archive1.com/?u=6cc9e13b2caab006f927d6a06&id=6291b602a1&e>
- ^{xlii} <http://open.nysenate.gov/legislation/bill/S5873-2015>
- ^{xliii} http://insideclimatenews.org/news/11062015/mass-lawmakers-propose-5-billion-pension-fund-cleansing-divestment-oil-coal-gas?utm_source=Inside+Climate+News&utm_campaign=077fc95ec-e-Weekly_Newsletter_6_13_2015_11_2015&utm_medium=email&utm_term=0_29c928ffb5-077fc95ece-327531193
- ^{xliiv} <http://www.reuters.com/article/2015/06/24/california-divestiture-coal-idUSL1N0ZA1N320150624>
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- ^{xlii} <http://www.theguardian.com/environment/2015/may/22/axa-divest-high-risk-coal-funds-due-threat-climate-change>
- ^{xliiii} <http://divestinvest.org/philanthropy/>
- ^{xliiii} http://www.nytimes.com/2014/09/22/us/heirs-to-an-oil-fortune-join-the-divestment-drive.html?_r=0
- ^{xliiii} <http://www.vox.com/2015/4/29/8512853/fossil-fuel-divestment>
- ^{li} <http://www.theguardian.com/environment/2015/jul/01/vatican-may-consider-divestment-from-fossil-fuels-despite-popes-call-to-arms>
- ^{lii} http://www.nytimes.com/2013/07/04/us/church-dropping-fossil-fuel-investments.html?smid=tw-share&_r=1
- ^{liii} <http://thinkprogress.org/climate/2014/07/11/3459111/wcc-christians-divests/>
- ^{liii} <http://www.theguardian.com/environment/2015/apr/30/church-of-england-ends-investments-in-heavily-polluting-fossil-fuels>
- ^{liv} <https://www.lutheranworld.org/news/lwf-announces-decision-not-invest-fossil-fuels>
- ^{lvi} <http://thinkprogress.org/climate/2015/07/06/3677181/episcopal-church-climate-change-divest/>
- ^{lvii} <https://utsnyc.edu/divestment/>
- ^{lviii} <http://www.climateactionnetwork.net/uk-doctors-vote-to-end-fossil-fuels-funding/>
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- ^{lxii} <http://www.ft.com/cms/s/0/28f00388-0df3-11e5-9a65-00144feabdc0.html#axzz3fJgoRD39>
- ^{lxiii} <http://www.smithschool.ox.ac.uk/research-programmes/stranded-assets/SAP-divestment-report-final.pdf>
- ^{lxiv} <http://fossilfreeindexes.com/portfolio/stuart-braman/>
- ^{lxvi} [CTI Study re: Coal]
- ^{lxvii} <http://columbiaspectator.com/news/2013/10/18/heinrich-wins-senate-seat-divestment-passes-overwhelmingly>
- ^{lxviii} <http://columbiaspectator.com/news/2014/09/22/peoples-climate-march-draws-college-student-crowd-call-action-climate-change>
- ^{lxix} <https://utsnyc.edu/divestment/>
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Fossil Fuel Divestment & Disinvestment as of October 2015

IVY Peer Group

School	Divestment Request	Action Taken	Date
Brown	Request to divest from coal only	Rejected	October 2013
Columbia	Request to divest from Carbon Tracker 200 Companies	Rejected, but original proposal was resubmitted in October 2015. Current proposal is under review	May 2014
Cornell	Request to divest from fossil fuels; strong faculty support	Rejected	May 2014
Dartmouth	Request to divest from fossil fuels	No Final Action Taken (College President Phil Hanlon asked the Advisory Committee on Investor Responsibility to prepare a report that details the implications of withdrawing the College's investments in publicly-traded fossil fuel companies)	September 2014
Harvard	Request to divest from fossil fuels; strong faculty support	Rejected	October 2013
U. Pennsylvania	Request to divest from fossil fuels	Undergraduate student referendum passed in February 2015. Motion now needs to go through six additional steps of approval.	February 2015
Princeton	Request to divest from fossil fuels	Rejected	July 2015
Yale	Request to divest from fossil fuels	Rejected	August 2014

University Endowments >\$1 billion

School	Divestment Request	Action Taken	Date
Amherst	Request to divest from coal only	No action taken	March 2015
Cambridge University	Request to divest from fossil fuels	The University Council has voted to support a wide-ranging investigation of the University's £2.2 billion endowments fund. Aiming to make investment more "environmentally and socially responsible", the review plans to last a year and involve collaboration from students, academics and staff	May 2015
Duke	Request to divest from fossil fuels	Rejected	January 2015
Georgetown	Request to divest from fossil fuels	Divested from coal	June 2015
Middlebury	Request to divest from fossil fuels	Rejected	August 2013
MIT	Request to divest from fossil fuels	Rejected	October 2015
Oxford University	Request to divest from fossil fuels by students, academics and alumni	Rejected Ruled out future investments in coal and tar sands in endowment, but said it would not divest from all fossil fuels as demanded by thousands of students, academics and alumni	May 2015
Stanford	Request to divest from fossil fuels	Divests only from companies that mine coal	May 2014
Swarthmore	Request to divest from fossil fuels	Rejected	May 2015
Tufts	Request to divest from fossil fuels; strong faculty support	Rejected Divestment Pursue the establishment of a Sustainability Fund, both as a statement of the direction in which we would like to see the University move eventually and to test the feasibility of this kind of investment.	February 2014

University of California	Request to divest from fossil fuels	Sold off about \$200 million of direct holdings in coal and oil sands companies in 2015 however "...there has been no official change in University of California policy with regard to coal mining or oil sands companies"	September 2015
University of Washington	Request to divest from fossil fuels	Voted to prohibit direct investment of endowment funds in publicly traded companies whose principal business is the mining of coal for use in energy generation	May 2015
University of Wisconsin	Request to divest from fossil fuels	No action taken	February 2014
Vassar	Request to divest from fossil fuels	Rejected	February 2013
Wellesley	Request to divest from fossil fuels	Rejected	March 2014
Williams	Request for divestment from coal	Rejected Williams is investing up to \$50 million over the next five years in efficient buildings, renewable energy projects and climate change education aiming to achieve carbon neutrality by the end of 2020. Committed to reduce our net greenhouse gas emissions to 35 percent below 1990 levels by 2020"	September 2015