

Adopted Monday April 5th, 2020

The New School Faculty and Staff Senate Resolution Calling on TIAA to divest from fossil fuels and deforestation

As TIAA investments are one of most important household assets for The New School faculty and staff and are crucial for our adequate retirement income, the University is responsible for attaining the highest return, adjusted for underlying long-term value and risks – including financial, operational, and regulatory risks. Given this responsibility, amidst a climate of ongoing divestment and the imminent risks of climate change, The New School Faculty and Staff Senate calls for TIAA to divest from fossil fuels and deforestation.

Resolution:

Be it RESOLVED by The New School Faculty and Staff Senate that the faculty and staff urge The New School Board of Trustees to demand that TIAA take the following actions in a transparent, time-bound manner: Immediately divest from any interest in the Cricket Valley Energy Center and any other power plants or other facilities which extract, process, transport or utilize fossil fuels; Develop and apply guidelines for transparent, time-bound divestment from portfolio companies in sectors associated with fossil fuel extraction, production and transport, as well as from energy companies which continue to construct and operate fossil fuel powered electric infrastructure; Develop and apply guidelines for transparent, time-bound engagement with portfolio companies in sectors exposed to deforestation risk in order to reduce and eventually eliminate deforestation and to uphold the human rights of affected small-holders and Indigenous peoples, and to provide consumers with relevant information regarding the exposure of their investments with regard to causing deforestation and to acquiring land previously farmed by small-holders; Publicly disclose the full information about TIAA's farmland holdings in the U.S. and abroad, including the exact locations and boundaries and the dates the lands were acquired, to better inform TIAA clients about these investments and the potential risks involved.

Global Heating Context:

A recent report, published in *Environmental Research*, shows that fossil fuels caused 8.7 million deaths in 2018, disproportionately affecting black, brown, indigenous and poorer communities. Scientists agree that the burning of fossil fuels has raised global temperatures by an average of 1.1C (2F) since pre-industrial levels, which, if left unchecked, would flood coastal areas, displacing and destroying lives all across the globe. The latest UN Intergovernmental Panel on Climate Change reports that we have only nine years to quickly shift from a fossil fuel-based energy economy if we are to avoid disastrous tipping points. At the UN Summit on climate change in December 2015, nations recognized their common moral obligation and agreed to reduce using fossil fuels in order to limit further temperature increases to 1.5-2 C degrees.

TIAA Holdings:

TIAA currently has 10 billion dollars invested in industries promoting fossil fuel production, distribution and consumption. These investments include direct financing for the construction of a fracked-gas powered electric generating station known as Cricket Valley Energy in Dover New

York, in an economically disadvantaged community, adjacent to one of the largest freshwater wetlands in the Northeastern United States. Additionally, TIAA has invested heavily in deforestation including \$641 million invested in palm oil and other agribusiness companies associated with deforestation, land grabbing, labor abuses, human rights violations, and severe climate impacts; billions of dollars in farmland in Brazil and has expanded agriculture in the threatened ecosystem of the Cerrado, contributing to deforestation, water contamination, and human rights violations against local communities; and buying farmland in the United States, leading a trend of corporate and institutional land accumulation that threatens the future of family farming.

The Case for Divestment:

There are two primary reasons for divestment. One is financial and the other is to uphold the ethical commitments that The New School has pledged. On the financial side, the world's biggest fund manager, Black Rock, has committed to divest from thermal coal and to begin moving away from fossil fuels. The Institute for Energy Economics reported that fossil fuel stocks have underperformed over the last five years as compared to the General Stock Index and that, as the economy shifts toward renewable energy, the fossil fuel industry is likely to be holding billions in "stranded assets" with stock prices likely to plummet quickly. Further, TIAA has put its clients' funds at risk by acquiring land from sellers that a Brazilian court has found to have illegally grabbed land. Hundreds of universities across the country are signatories to the American College and University Presidents' Climate Commitment, and The New School has already divested its endowment from fossil fuels. These continued fossil fuel and deforestation investments may expose TIAA and its beneficiaries—including faculty and staff members with retirement investments—to a host of material financial risks including operational risk, market risk, regulatory risk, policy risk and reputational risk, as well as physical risks related to the unsustainable exploitation of ecosystems.

On the ethical side, many of the faculty and staff members of The New School have investments in TIAA and recognize the responsibility that comes with such financial involvement. The Organization of Economic Cooperation and Development (OECD), the United Nations Environment Program, and the United Nations Guiding Principles on Business and Human Rights all call upon the financial sector to do its part in reducing climate emissions and respecting human rights. TIAA represents itself as a leader in responsible investing and the inclusion of Environmental and Social Governance (ESG) in its investment decisions. Currently, even the best portfolio offered to New School employees, the "Social Choice" fund, still contains 36 stocks in some of the worst polluting fossil fuel corporations. The UN-endorsed Principles for Responsible Investing commit TIAA to incorporate Environmental, Social and Governance (ESG) risks into investment decision-making; seek disclosure of ESG issues; promote implementation of the principles within the investment industry; enhance its effectiveness in implementing the principles; and report on its activities and progress towards implementing the principles. Further, investments in TIAA that contribute to deforestation and rural land grabs represent a contradiction between the university's stated mission and its history of leadership in environmental and social justice.