



ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING

ANNUAL REPORT 2020-2021

Advisory Committee Members:

Merritt Fox, Chair Fall 2020
Bruce Usher, Chair Spring 2021
Howard Buffett
Daniel Howard
Ruby Khan
Bridget Realmuto LaPerla
Benjamin Lebwohl
Sharon Liebowitz
Joshua Mitts (Spring 2021)
William Shamma
Courtney Thompson
Regen Wallis
Michael Wang

Executive Vice President and CFO:
Anne Sullivan, ex officio, non-voting

Associate Director, Socially Responsible Investing:
April Croft, ex officio, non-voting

Table of Contents

I.	Introduction and Background	p. 3
II.	2020-2021 Committee Membership	p. 4
III.	2020-2021 Agenda	p. 4
IV.	Activities of the ACSRI 2020-2021	p. 6
	<ul style="list-style-type: none">• Lifting of Policy of Divestment/Non-Investment of Companies Operating in Sudan• New Fossil Fuel Investment Policy and Thermal Coal Non-Investment Monitoring• Private Prison Operators Non-Investment Monitoring• Tobacco Non-Investment Monitoring• 2021 Proxy Voting Season	
V.	Attachments	
	A. Lifting of Policy of Divestment/Non-Investment of Companies Operating in Sudan	p. 11
	B. Fossil Fuels:	
	i. ACSRI Fossil Fuel Recommendation	p. 15
	ii. Thermal Coal Screening and Non-Investment List	p. 18
	C. Private Prison Operators Screening and Non-Investment List	p. 22
	D. Tobacco Screening and Non-Investment List	p. 24

Introduction and Background

During the 2000 spring semester, Columbia established two committees to assist the University in addressing its responsibilities as an institutional investor: the [Advisory Committee on Socially Responsible Investing](#) (“ACSRI” or the “Committee”) and The Subcommittee on Shareholder Responsibility of the Committee on Finance (“The Subcommittee,” formerly Trustees Subcommittee on Shareholder Responsibility “TSSR”). The ACSRI is a permanent addition to the University, with the mandate to set its own agenda within the broad arena of socially responsible investing (“SRI”). Its mission is to advise the University Trustees on ethical and social issues that arise in the management of the investments in the University’s [endowment](#).

The ACSRI has established a membership process to ensure that it is broadly representative of the Columbia community. The President of the University appoints twelve voting members (four faculty, four students and four alumni), who are nominated, respectively, by the deans of the schools, the Student Affairs Committee of the University Senate, and the Office of University Development and Alumni Relations. The President designates the Committee chair who presides at meetings of the Committee. The Chair certifies the minutes, all other official publications and any recommendations forwarded to the University Trustees or the University on behalf of the Committee. In addition, two administrators (the Executive Vice President for Finance and IT and the Associate Director for Socially Responsible Investing) sit as non-voting members of the Committee.

As the legal and fiduciary responsibility for the management of the University’s investments lies with the University Trustees, the ACSRI’s recommendations are advisory in nature. The Subcommittee on Shareholder Responsibility deliberates and takes final action upon the recommendations of the ACSRI. In some circumstances, The Subcommittee may bring ACSRI recommendations to the full Board of Trustees for action.

The following report provides an overview of the Committee’s activities during the 2020-2021 academic year. This includes information on the ACSRI’s:

- recommendations and votes on shareholder proposals during the 2021 proxy voting season (the period between March and June when most publicly-traded corporations hold annual meetings);
- recommendations regarding fossil fuels and Sudan; and
- non-investment monitoring processes for private prison operators, thermal coal and tobacco.

2020-2021 Committee Membership

The ACSRI voting membership during the 2020-2021 academic year is listed below*:

Name	Membership Category	School Affiliation	Membership Start Year
Bridget Realmuto LaPerla	Alumni	Earth Institute / MBA Candidate 2019	2018-2019
Sharon Liebowitz	Alumni	GSAPP	2019-2020
Courtney Thompson	Alumni	Graduate School of Business	2018-2019
Regen Wallis	Alumni	Columbia Business School	Spring 2020

Daniel Howard	Student	Columbia College / Graduate School of Arts and Sciences	Spring 2018
Ruby Khan	Student	SIPA	2019-2020
William Shamma	Student	SEAS	2019-2020
Michael Wang	Student	Columbia College	2018-2019

Merritt Fox (Chair, Fall 2020)	Faculty	School of Law	2017-2018
Howard W. Buffett	Faculty	SIPA	November 2020 (Fall)
Benjamin Lebwohl	Faculty	CUIMC	2019-2020
Joshua Mitts	Faculty	School of Law	March 2021 (Spring)
Bruce Usher (Chair, Spring 2021)	Faculty	Columbia Business School	Spring 2019

**Membership totals more than twelve due to member/s serving only one term during the academic year. On occasion, membership terms may be extended to complete outstanding projects.*

2020-2021 Agenda

One of the core annual activities of the ACSRI is to make recommendations to the Trustees on how the University, as an investor, should vote on selected shareholder proposals for U.S. registered public companies in which the University has a direct holding in its endowment and for securities held in Columbia's name but are separately managed/not managed by the Columbia Investment Management Company ([IMC](#)). As a general matter, the ACSRI expects that making recommendations to The Subcommittee with respect to shareholder proposals will continue to be one of its primary activities.

Another core annual activity is the Committee's monitoring of the non-investment lists (screens) for Private Prison Operators, Thermal Coal and Tobacco. The non-investment lists are updated each academic year and are shared with the Columbia Investment Management Company, which will refrain from investing in those companies.

- In March 2017, the Trustees voted to support a policy of divestment from companies deriving more than 35% of their revenue from thermal coal production. (See Attachment B.ii: Thermal Coal Screening and Non-Investment List)
- In June 2015, the Trustees voted to support a policy of divestment in companies engaged in the operation of private prisons and to refrain from making new investments in such companies. The Committee instituted the private prison operators screen in accordance with the June 2015 Trustee Statement on Prison Divestment Resolution. (See Attachment C: Private Prison Operators Screening and Non-Investment List)
- In accordance with the Committee's January 2008 Statement of Position and Recommendation on Tobacco Screening, the Committee screens for domestic and foreign companies engaged in the manufacture of tobacco and tobacco products. (See Attachment D: Tobacco Screening and Non-Investment List)

During the 2020-2021, the ACSRI also completed:

- a three-year review to assess whether Columbia's Sudan divestment policy was still in the best interest of Sudan's citizens. The ACSRI voted on December 9, 2020 to recommend to the University Trustees to end divestment from companies operating in Sudan. The decision was based on its evaluation of recent changes in political and social conditions in Sudan – concluding that “investment is necessary to stabilize the country and reduce human rights violations.”

On January 20, 2021 the Board of Trustees voted to lift the University's policy of divestment/non-investment of companies operating in Sudan. This divestment policy was in place from 2006-2020. (See Attachment A: Lifting of Policy of Divestment/Non-Investment of Companies Operating in Sudan).

- its review of a fossil fuel divestment proposal from the student group, Extinction Rebellion, and made a [recommendation](#) of both divestment and engagement to the University Trustees. (See Attachment B.i. New Fossil Fuel Investment Policy).

Upon approval of its recommendation by the Trustees, the ACSRI also began its search for a fossil fuel research service provider to support the implementation of the [new fossil fuel investment policy](#).

Activities of the ACSRI 2020-2021

Lifting of Policy of Divestment/Non-Investment of Companies Operating in Sudan

In April 2006 the Trustees adopted the ACSRI's recommendation for divestment from Sudan. Specifically, the ACSRI's Statement of Position and Recommendation on Divestment from Sudan (April 4, 2006) recommended the University's divestment from, and prohibition of future investment in, all direct holdings of publicly-traded non-U.S. companies whose current activities, directly or indirectly, substantially enhance the revenues available to the Khartoum government, including companies involved in the oil and gas industry and providers of infrastructure. At the time, the ACSRI's work focused on non-U.S. companies. This is because beginning in 1997, the U.S. government imposed comprehensive economic, trade and financial sanctions against Sudan, effectively barring U.S. companies from conducting business with the Government of Sudan, except those explicitly permitted by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC). These sanctions were tightened in 2007. Thus, the recommended divestment/no investment principle as applied to Sudan extended the principles behind the sanctions that the U.S. government had decided were desirable and efficacious to non-U.S. companies.

In February 2009, the ACSRI recommended that the language regarding the University's position include specific reference to providers of military and defense services.

The independence of the Republic of South Sudan in 2011 did not substantively affect the University's screening process, which focuses on companies activities of which enhance the revenues of the Khartoum government in northern Sudan.

On January 13, 2017, citing "positive actions" by Sudan, President Obama signed an executive order to permanently revoke most sanctions against Sudan following a six-month waiting period. During that six-month period, the Treasury Department authorized Americans to do business in Sudan including the exportation of U.S. products. Sanctions tied to Sudan as a state sponsor of terrorism (i.e. weapons sales) remain in place.

On October 6, 2017, the U.S. government announced a decision to revoke economic sanctions with respect to Sudan effective October 12, 2017 in "recognition of the Government of Sudan's sustained positive actions." The ACSRI has attempted to determine, to the best of its ability, whether the positive actions cited in the report relied upon by the U.S. government address fully the concerns that formed the basis for the University's divestment position in 2006. Although the Committee acknowledges that the situation is complex and multi-faceted, its assessment is that the "positive actions" cited by the U.S. government were related to greater cooperation with the United States by the government of Sudan with regard to fighting terrorism and that concerns regarding humanitarian treatment of citizens in Sudan remain, particularly in the Darfur region.

These concerns were the original motivating force behind ACSRI's recommendations to the Trustees in 2006. Consequently, the Committee was not prepared at that time to reverse its position but agreed to re-examine its position at least once every two years.

With the decision of the U.S. government in 2017, it became legally practical again for many U.S. companies to do business in Sudan. Given this change, in the spirit of the original divestment proposal, last year the ACSRI updated its “Monitoring Process” to include examination of all companies doing business in Sudan, both foreign and U.S.-based entities, and has continued that process this year. Therefore in 2018, the language in the “Monitoring Process” has been updated to remove reference to “foreign” companies doing business in Sudan and simply refer to “companies” doing business in Sudan.

In the spring of 2019, President Omar al-Bashir was ousted and replaced by a transitional, joint civilian-military government. The ACSRI discussed the potential effect that recent political changes in the country may have on Columbia’s Sudan divestment policy.

The Committee continued to evaluate changes in the political and social conditions in Sudan and to consider whether Columbia’s divestment policy was still in the best interest of Sudan’s citizens. After completing a three-year review of the University’s Sudan divestment policy, the ACSRI voted on December 9, 2020 to recommend to the University Trustees to end divestment from companies operating in Sudan. The decision to recommend lifting the policy of divestment was based on its conclusion that “investment is necessary to stabilize the country and reduce human rights violations.” Particular consideration was given to whether the divestment policy hurts or helps human rights in Sudan.

On January 20, 2021 the Board of Trustees of the University voted to lift its policy of divestment/non-investment of companies operating in Sudan. This divestment policy was in place from 2006-2020. (See Attachment A: Lifting of Policy of Divestment/Non-Investment of Companies Operating in Sudan).

Private Prison Operators Non-Investment Monitoring

The ACSRI engages ISS to create a list of domestic and foreign publicly-traded companies engaged in the operation of private prisons. The universe of companies and their revenues from specific activities are updated annually. The ACSRI reviewed and approved the Private Prison Operators non-investment list and provided it to the Columbia Investment Management Company. The University does not currently hold any of the identified companies in its directly held public equity portfolio. (See Attachment C: Private Prison Operators Screening and Non-Investment List).

Thermal Coal Non-Investment Monitoring

The ACSRI engages two service providers (Vigeo Eiris and ISS) to provide a list of companies deriving more than 35% of their revenue from thermal coal production. The universe of companies and their revenues from specific activities are updated annually. The ACSRI reviewed and approved the thermal coal non-investment list and provided it to the Columbia Investment Management Company. The University does not currently hold any of the identified companies in its directly held public equity portfolio. (See Attachment B.ii: Thermal Coal Screening and Non-Investment List).

Tobacco Non-Investment Monitoring

The ACSRI engages ISS to create a list of domestic and foreign tobacco companies that directly manufacture tobacco products. The universe of companies and their revenues from specific activities are updated annually. The ACSRI reviewed and approved the tobacco non-investment list and provided it to the Columbia Investment Management Company. The University does not currently hold any of the identified companies in its directly held public equity portfolio. (See Attachment D: Tobacco Screening and Non-Investment List).

2021 Proxy Voting Season

Shareholder proposals (proxies) motivate much of the University's activities as a responsible investor. Over the years, the ACSRI has found that many proposals are reflective of, or inspired by, principles and values that it supports and believes reflect those of the Columbia community.

However, shareholder proposals are not of uniform quality, and the ACSRI cannot always recommend supporting specific shareholder proposals because they were drafted in a manner that was overreaching, vague or not feasible. Acknowledging that shareholder proposals may place public companies at a disadvantage to privately-owned, proposals may also be rejected if they duplicate existing company efforts, impose significant burdens on company resources without definable gains or appear unrelated to a company's business, etc. The ACSRI also may withhold support if a solution other than shareholder action (e.g., government regulation or market forces) appeared more appropriate or effective.

There were 25 proxies (shareholder proposals) that were reviewed and voted on during the 2021 season. The majority of the proposals related to initiating or improving disclosure including areas addressing political spending/lobbying, climate change or diversity/equity/inclusion efforts.

The ACSRI's and/or the trustee Subcommittee's support for shareholder proposals followed precedents or rationale. For example:

Precedent or Rationale for Support	Shareholder Proposal
Increased disclosure and transparency	<ul style="list-style-type: none">• Disclose EE0-1 Data• Report on Child Sexual Exploitation and Products/Services• Report on Lobbying/Political Spending• Report on Net-Zero GHG Indicator

The ACSRI's and/or the trustee Subcommittee's rejection of shareholder proposals also followed precedents or rationale. For example:

Precedent or Rationale for Rejection	Shareholder Proposal
Proposal was overreaching, too broad, unimplementable or unrelated to a company's business, etc.	<ul style="list-style-type: none"> • Become a public benefit company • Provide cost-benefit report on environmental programs • Report on access to COVID-19 products

Proxy Voting Summary

A summary of the proxies voted by the ACSRI and the trustee Subcommittee on Shareholder Responsibility of the Committee on Finance in the 2021 season is shown in the table below:

2021 Proxy Season								
Number of Proposals	Issue	Companies	ACSRI			Trustees		
			Support	Reject	Abstain or No Recommendation	Support	Reject	Abstain or Split Vote
2	Become a public benefit corporation	Facebook, Wells Fargo		2			2	
2	Conduct a racial equity audit	JPMorgan Chase, Wells Fargo	2				2	
1	Disclose EEO-1 data	DuPont de Nemours	1			1		
1	Issue audited annual climate transition plan	*ExxonMobil	1				1	
1	Nominate human rights expert to the Board	Facebook		1			1	
1	Provide cost-benefit report on environmental programs	*ExxonMobil		1			1	
1	Report on access to COVID-19 products	Merck		1			1	
1	Report on child sexual exploitation and products/services	Facebook	1			1		
1	Report on climate-related risks and opportunities	Berkshire Hathaway	1					1
2	Report on diversity, equity and inclusion efforts	Berkshire Hathaway, IBM	2					2
1	Report on global media gender/racial pay gap	Intel		1			1	
1	Report on lobbying	*ExxonMobil	1			1		
1	Report on Net-Zero GHG indicator	GE	1			1		
1	Report on plastics pollution	DuPont de Nemours	1			1		
1	Report on political spending and values	JPMorgan Chase	1				1	
1	Report on problematic media content management	Facebook	1			1		
2	Report on public health costs of food and beverage business / sugar and public health	PepsiCo		1	1			2
2	Report on racism in company culture	Intel, PayPal	2					2
1	Review/report on climate change advocacy	*ExxonMobil	1			1		
1	Review/report on political contributions	*ExxonMobil	1					1
25	Total							

**The ExxonMobil holding derives from a bequest to Columbia of Standard Oil stock. The terms of the bequest require that the University hold the stock (now ExxonMobil). The University is seeking judicial relief from this restriction so that the stock may be sold. The bequest is held in one of Columbia University's separately invested endowment accounts, which are not in the University's direct holdings.*

Fossil Fuel Divestment Proposal

In the Spring Term 2020, the ACSRI began consideration of a fossil fuel divestment proposal submitted by the student group, Extinction Rebellion. It continued work on this proposal over the summer of 2020 and completed its consideration of the matter in the fall of 2020. It made a [recommendation](#) to President Bollinger and the University Trustees that Columbia "...should use its academic leadership and financial resources to accelerate the transition to a global low-carbon economy, with the objective of reaching net zero greenhouse gas emissions by 2050. Columbia should build upon its academic climate change initiatives with a complementary investment strategy to reach our goal. This includes a mix of both divestment and engagement, initially with companies involved in oil & gas exploration & production, including integrated oil & gas companies, and subsequently with other sectors that are major fossil fuel consumers or that otherwise contribute significantly to greenhouse gas emissions and climate change."

On [January 22, 2021, the University announced](#) that it "... does not hold any direct investments in publicly traded oil and gas companies, and is formalizing this policy of non-investment for the foreseeable future. Recognizing that certain oil and gas companies aim to transition their businesses to net zero emissions by 2050, the University may make an exception to its non-investment policy when a credible plan exists for a company to do so. Together with its 2017 decision to divest from thermal coal, the University's current investment approach aligns with its considerable academic and research commitment to this essential cause, including the creation in 2020 of the Columbia Climate School."

For the remainder of the 2020-2021 academic year, the ACSRI began work on the implementation of the new fossil fuel investment policy. The primary task was the selection of a research company to provide data on oil & gas companies focused on exploration and production based on their approach to the energy transition. The ACSRI will make informed oil and gas company investment recommendations to the Columbia Investment Management Company based on the level of commitment, rigor and actions taken to achieve the stated net zero commitments.



ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING (ACSRI)

DATE: January 14, 2021

TO: Members of the Trustee Subcommittee on Shareholder Responsibility

FROM: Advisory Committee on Socially Responsible Investing (ACSRI)

RE: Recommendation to End Divestment in Sudan

The ACSRI voted on December 9, 2020 to recommend ending divestment in Sudan. This recommendation is the result of a three-year review to assess whether Columbia’s divestment policy is still in the best interest of Sudan’s citizens. Particular consideration was given to whether the divestment policy hurts or helps human rights in Sudan.

The Situation in Darfur, Sudan at the Time of Columbia’s Divestment

(Excerpted from April 4, 2006 ACSRI Statement of Position and Recommendation on Divestment from Sudan)

The situation in Darfur, Sudan¹:

In Sudan’s western province of Darfur, the Arab Janjaweed militias, believed to be acting in cooperation with the Sudanese Khartoum regime, have been systematically perpetrating atrocities, including rape, torture, and murder, against the indigenous, non-Arab ethnic groups in the region. Estimates vary, but there are reports that since February 2003 well over 200,000 Darfurian civilians have died² and over 2 million have been displaced internally or to neighboring Chad.³ On July 22, 2004 the U.S. House of Representatives passed House Concurrent Resolution 467 and the U.S. Senate approved Senate Concurrent Resolution 133 by voice vote, declaring the atrocities committed in Darfur to constitute

genocide; in September 2004, the U.S. State Department confirmed this designation. While the United Nations has stopped short of classifying the atrocities in Sudan as genocide, the January 25, 2005 U.N. Report of the International Commission of Inquiry on Darfur refers to the offenses in Darfur as “war crimes,” “crimes against humanity,” and crimes that “may be no less serious and heinous than genocide.” As recently as December 21, 2005, the U.N. Security Council passed a resolution (S/RES/1651 2005) determining that “the situation in Sudan continues to constitute a threat to international peace and security in the region.”

¹ For a more extensive discussion of the situation in Darfur, the reader may wish to consult the Columbia University Sudan Divestment Taskforce’s *Proposal for Divestment from Sudan*.

² Gareth Evans, “[End the Death, Suffering and Destruction in Darfur](#),” International Crisis Group (March 10, 2005)

³ *Intelligence Unit, Sudan Report, The Economist*, 27 (Sept. 2005).

Conditions for Policy Review

(Excerpted from April 4, 2006 ACSRI Statement of Position and Recommendation on Divestment from Sudan)

At the time of divestment, the ACSRI included conditions for policy review as follows:

The Committee will review its recommended divestment policy periodically and as information becomes available suggesting that human rights violations and atrocities in Darfur have ceased; or

the Khartoum government can be shown to no longer be complicit in these acts; or

the government of the United States, the United Nations or other credible and international human rights organizations have deemed the situation in Sudan significantly improved; or

OFAC has lifted economic sanctions against Sudan and its government.

Expert Consultations and Research

Over the past three years, the ACSRI has consulted with several experts on U.S. policy and the changing situation in Sudan. They are as follows:

- **Dr. Shambel Aragaw**, Technical Director at ICAP at Columbia University, South Sudan (via 12/2/20 email)
- **Michelle Avallone**, Director of Export Controls, Office of Research Compliance and Training, Columbia University (via 11/15/17 presentation to the ACSRI)

- **Payton Knopf**, an advisor to the Africa program at the United States Institute of Peace and a former diplomat (via 11/18/20 and 10/16/19 presentations to the ACSRI)
- **Mahmood Mamdani**, Herbert Lehman Professor of Government, MESAAS, International Affairs, and Anthropology; Columbia University (via 9/11/19 presentation to the ACSRI)
- **David L. Phillips**, Director of the Program on Peacebuilding and Rights at Columbia’s Institute for the Study of Human Rights (via 11/30/20 Zoom call with Sudan subcommittee)
- **Dirk Salomons**, Special Lecturer in the Discipline of International and Public Affairs, Senior Staff Associate; Columbia University (via 11/15/17 presentation to the ACSRI)

Rationale for Recommendation to End Divestment

We recommend ending divestment due to the significantly lower level of violence in Darfur and the lack of complicity by the new Sudanese government in supporting said violence. Further, investment is necessary to stabilize the country and reduce human rights violations.

- This committee recommended divestment in 2006 due to “human rights violations and atrocities being committed in Darfur and against the Khartoum government’s complicity with offending militias,” atrocities which a U.S. Senate resolution concluded "constitute genocide." Since then, violence has periodically occurred in the Darfur region. However, it is no longer at the level of genocide nor near the same level of violence as occurred at that time of divestment. Human rights generally in the country have similarly improved.
- The key architect of the genocide in Darfur, ex-President Omar al-Bashir, was ousted in April 2019 and there is a new transitional military-civilian government that will lead until elections are held in 2022. The ACSRI can no longer say that the “Khartoum government” is “complicit in these acts.” In addition, Sudan’s government is cooperating with the International Criminal Court (ICC) in its case against ex-President Omar al-Bashir for genocide, war crimes, and crimes against humanity charges and is working to adopt a law on transitional justice. Many Sudanese citizens who previously protested against ex-President Omar al-Bashir, including many women, now hold high-ranking government positions.
- Multiple specialists from different organizations believe that the decision to not invest will negatively impact human rights and contribute to more instability. Sudan is in desperate need of investment to stabilize and support the transitional government on its path to democratization.

- Economic and trade sanctions on Sudan have been lifted by the U.S./OFAC, including recent removal from the U.S. State Sponsors of Terrorism list.

Dissenting Views

The Committee's recommendation was not unanimous. Eight (8) members of twelve (12) voted to end divestment. Two (2) members dissented, and two (2) members abstained from voting.

The two committee members' reasons for dissenting are:

- The current situation is tenuous, and a decision to divest is premature. The plan to transition to complete civilian rule will take into 2022, meaning Sudan has not had free and fair elections yet. The unstable political process raises the possibility that the country will backslide into increased violence.
- Darfuris continue to face violence from groups that were supported by former President Omar al-Bashir. Darfuris note that the transitional government is doing little to stop violence, and they fear losing protections as multilateral peacekeeping forces have ended their mission in Darfur on January 1, 2021.
- The dissenting members propose adding a benchmark to see adoption of a law on transitional justice, and revisit in 12-24 months or earlier if there is clear evidence of progress and stability.

Fossil Fuel Divestment Recommendation

Columbia University Advisory Committee on Socially Responsible Investing (ACSRI)

Submitted to President Bollinger and the University Trustees, November 12, 2020

Our Goal: Columbia University should use its academic leadership and financial resources to accelerate the transition to a global low-carbon economy, with the objective of reaching net zero greenhouse gas emissions by 2050. “Net zero” emissions is a state in which any emissions produced are balanced by the removal of others from the atmosphere. According to global scientific consensus, reaching net zero emissions by 2050 is required in order to limit average global temperature rise to 1.5 degrees Celsius and avoid the worst impacts of climate change.

Our Process: Columbia University students and a local chapter of Extinction Rebellion submitted to the ACSRI on December 6, 2019 a proposal calling for “divestment of any firm engaged in the exploration for, extraction, or production of fossil fuels as a central component of their business model,” and representatives of the proponents attended a February 12, 2020 meeting of the ACSRI at which they undertook a presentation in support of this proposal. This proposal initiated a process under which the ACSRI conducted an in-depth review of climate change and divestment, as summarized in the accompanying document titled “Position on Fossil Fuel Divestment”. The Divestment Recommendation adopted here by the ACSRI is very much influenced by the student proposal and presentation. Our Divestment Recommendation, although slightly different with respect to oil & gas company divestment, goes beyond the student proposal by calling for an expansion over time of the divestment criteria to include companies in other economic sectors that materially contribute to climate change. The ACSRI previously recommended divestment of all thermal coal companies in 2017, a recommendation that was adopted by the University Trustees.

The ACSRI’s research and recommendation has been informed through consultations with dozens of students, faculty and other experts across the university, including Columbia’s Earth Institute. Our recommendation also builds on the ACSRI’s knowledge and experience from annually reviewing hundreds of companies for divestment in areas including thermal coal, tobacco, private prisons, and ties to Sudan. As it relates to fossil fuels, the ACSRI acknowledges that the transition to net zero greenhouse gas emissions will take many decades, and an inherent tension exists between actively supporting all companies in their transition to a net zero future through academic and research partnerships, while at the same time financially benefiting from their current often emissions-intensive business models. Therefore, our recommendation focuses on the imperative for Columbia’s investments to help spur the transition to a net zero emissions

future -- much as Columbia's campus activities, research and educational activities are seeking to help spur this transition.

Our Recommendation: Columbia should build upon its academic climate change initiatives with a complementary investment strategy to reach our goal. This includes a mix of both divestment and engagement, initially with companies involved in oil & gas exploration & production, including integrated oil & gas companies, and subsequently with other sectors that are major fossil fuel consumers or that otherwise contribute significantly to greenhouse gas emissions and climate change. We recognize that there is no perfect or universal strategy to achieve our goal, but we seek to prioritize measurable and transparent criteria, wherever possible. Specifically:

1. **Oil & Gas Divestment:** Although Columbia's endowment currently has no direct public holdings in fossil fuel companies, it will be prevented from future investment in all oil & gas companies involved in exploration & production activities, including integrated oil & gas companies, (henceforth "oil & gas companies") lacking a credible plan for transitioning to net zero emissions by 2050. This oil & gas divestment is *in addition to* Columbia's prior divestment of thermal coal companies. Specifically, the ACSRI will annually create an oil & gas divestment list and place companies on it if:
 - a. they do not, at a minimum, acknowledge climate change as a significant issue for the business, recognize climate change as a relevant risk and/or opportunity for the business, have a policy commitment (or equivalent) to act on climate change, have a public ambition to achieve net-zero greenhouse gas emissions no later than 2050, set greenhouse gas emission reduction targets, and publish information on their Scope 1 and 2 greenhouse gas emissions; or
 - b. their Scope 1 and Scope 2 emissions intensity (gCO₂e / MJ) exceeds the oil & gas sector mean.

In composing this list, the ACSRI has discretion to rely on external research, including the use of third-party consultants and Columbia University experts. The exact methodology is subject to change at the discretion of the ACSRI based on future consultation with Columbia experts, but any such changes will be consistent with the larger goal of adding companies to the divestment list whose actions are counter to the objective of reaching net zero emissions by 2050 and removing from the list companies that show leadership on the objective of reaching net zero emissions by 2050.

Based on a preliminary analysis as of October 2020, less than 5% of all publicly listed oil & gas companies globally would be permitted for investment consideration under the

criteria set forth above. A complete divestment list will be updated annually by the ACSRI, beginning in the first quarter of 2021. Until the first divestment list is developed, the Columbia endowment should not make any investments oil & gas companies.

2. **Collaboration with Investment Managers:** When Columbia invests in a fund or strategy with a new investment manager, or renews investment in a fund or strategy with an existing investment manager, the following criteria will apply:
 - a. Columbia will not make any new investments or renew investments in any fund or strategy that primarily invests in oil & gas companies, whether such companies are publicly or privately held.
 - b. Investment managers in publicly traded companies should, when possible, adhere to the same oil and gas divestment list as for Columbia's direct investments. We recognize that this requirement may not be feasible for certain broad-based index funds or for funds employing primarily technical trading strategies.
 - c. All investment managers, regardless of oil & gas exposure, will be asked to engage with the management of portfolio companies on credible plans to reduce greenhouse gas emissions and achieve net zero emissions by 2050. Investment managers are encouraged to join the Climate Action 100+ or similar initiatives. We again recognize this requirement may not be feasible for certain broad-based index funds or funds employing technical trading strategies.
3. **Criteria Expansion:** Columbia recognizes that many sectors beyond oil & gas are significant contributors to greenhouse gas emissions and climate change, and drive the demand for fossil fuels. Multiple sectors are critical for achieving net zero emissions by 2050. Therefore, every five years, beginning no later than 2025, the ACSRI will work with experts at Columbia to proactively expand the sectoral focus for potential divestment beyond oil & gas exploration & production to other oil & gas activities and other significant emitters of greenhouse gases, including but not limited to utility, cement, agriculture and transportation sector companies.
4. **Active Engagement:** Columbia will use its academic and scientific knowledge to support companies in the transition to net zero emissions by 2050, engaging with management of companies in all sectors through direct dialogue, academic research, proxy voting, and its investment managers.

Columbia Announces Divestment from Thermal Coal Producers

March 13, 2017

Building on Columbia's longstanding commitment to addressing climate change, the University's Trustees have voted to support a recommendation from the Advisory Committee on Socially Responsible Investing (ACSRI) to divest from companies deriving more than 35% of their revenue from thermal coal production and to participate in the Carbon Disclosure Project's Climate Change Program.

Thermal coal is used in coal-fired electricity generating plants (whereas metallurgic coal is used in steel production). The basis of the ACSRI recommendation adopted by the Trustees is that coal has the highest level of CO₂ emission per unit of energy; it is used ubiquitously across the globe as a source of electrical energy; and there exist today several cleaner alternative energy sources for electricity production (including but not limited to natural gas, solar, and wind). The University's divestment from thermal coal producers is intended to help mobilize a broader public constituency for addressing climate change and, in the words of ACSRI, to "encourage the use of the best available knowledge in public decision-making."

"Divestment of this type is an action the University takes only rarely and in service of our highest values," said University President Lee C. Bollinger. "That is why there is a very careful and deliberative process leading up to any decision such as this. Clearly, we must do all we can as an institution to set a responsible course in this urgent area. I want to recognize the efforts of the many students, faculty and staff whose substantive contributions have brought us to this point."

The Trustees also encouraged the University to continue to strengthen efforts to reduce its own carbon footprint, as well as to further support research, educational efforts, and policy analysis in the field of climate change and carbon emissions reduction.

Many elements of this effort are already in place or underway. A multi-year planning process will result in the announcement next month of Columbia's new plan to further enhance the environmental sustainability of our operations. Columbia's renowned Lamont-Doherty Earth Observatory, on the forefront of the science of "global warming" since the term was first coined by a faculty member, is once again leading by example, having announced that it will rely on solar power for 75% of its electrical energy needs. Lamont-Doherty is part of the Columbia University Earth Institute, which brings together one of the world's most significant collection of researchers across multiple fields to deepen human understanding of climate change and the solutions for a sustainable future.

AY 2020-2021 Thermal Coal List for Non-Investment

**New for 2020-2021 Academic Year*

Thermal Coal - Domestic Companies

Company Name
Alliance Holdings GP LP
Alliance Resource Operating Partners LP
Alliance Resource Partners LP
Arch Resources, Inc. (formerly Arch Coal)
CONSOL Coal Resources
CONSOL Energy Inc.
Foresight Energy LLC
Foresight Energy LP
Hallador Energy Company
NACCO Industries, Inc.
Peabody Energy Corporation
Rhino Resource Partners LP

Thermal Coal - Foreign Companies

Company	Country
Adani Enterprises	India
Agritrade Resources Limited	Bermuda
Anhui Hengyuan Coal Industry & Electricity Power Co., Ltd.	China
Banpu Public Co. Ltd.	Thailand
Beijing Haohua Energy Resource Co., Ltd.	China
*Bisichi Plc	United Kingdom
Bumi Investment Pte Ltd.	Singapore
China Coal Energy	China
China Coal Xinji Energy Co., Ltd.	China
China Qinfa Group Ltd.	Cayman Islands
China Shenhua Energy Company Limited	China
China Shenhua Overseas Capital Co. Ltd.	Virgin Isl (UK)
*Coal India Ltd.	India
Datong Coal Industry Co., Ltd.	China
*Eterna Capital Pte Ltd.	Singapore
Exxaro Resources Ltd.	South Africa

Feishang Anthracite Resources Ltd.	Virgin Isl (UK)
Gansu Jingyuan Coal Industry & Electricity Power Co., Ltd.	China
Gujarat Mineral Development Corporation Limited	India
*Henan Dayou Energy	China
Huolinhe Opencut Coal Industry Corp. Ltd. of Inner Mongolia	China
Indika Energy Capital II Pte Ltd.	Singapore
Indika Energy Capital III Pte Ltd.	Singapore
*Indo Tambangraya Megah	Indonesia
Inner Mongolia Pingzhuang Energy Resources	China
Inner Mongolia Yitai Coal Co., Ltd.	China
Jizhong Energy Resources Co., Ltd.	China
Kinetic Mines & Energy	China
Kuzbasskaya Toplivnaya Kompaniya PJSC	Russia
*KyungDong Invest Co., Ltd.	South Korea
Lubelski Wegiel BOGDANKA SA	Poland
MC Mining Limited	Australia
Mercator Limited	India
Mitsui Matsushima Holdings Co., Ltd.	Japan
*Mongolia Energy Corporation Limited	Bermuda
New Hope Corporation Limited	Australia
Peabody Energy Australia PCI Pty Ltd.	Australia
PT ABM Investama TBK	Indonesia
PT Adaro Energy Tbk	Indonesia
*PT Adaro Indonesia	Indonesia
PT Alfa Energi Investama	Indonesia
PT Bayan Resources Tbk	Indonesia
*PT Berau Coal Energy	Indonesia
PT Bukit Asam Tbk	Indonesia
PT Bumi Resources Tbk	Indonesia
PT Dian Swastatika Sentosa Tbk	Indonesia
PT Golden Eagle Energy TBK	Indonesia
PT Golden Energy Mines TBK	Indonesia
PT Harum Energy TBK	Indonesia
PT Indika Energy Tbk	Indonesia
PT Indo Tambangraya Megah Tbk	Indonesia
PT Trada Alam Minera Tbk	Indonesia
*Sadovaya Group	Luxembourg
Sakari Resources Ltd.	Singapore
Semirara Mining & Power Corp.	Philippines
Shaanxi Coal Industry Co., Ltd.	China
Shanghai Datun Energy Resources Co., Ltd.	China
Shanxi Lu'An Environmental Energy Development Co., Ltd.	China
The Lanna Resources Public Co., Ltd.	Thailand
United Tractors	Indonesia

Washington H. Soul Pattinson and Company Limited	Australia
Wescoal Holdings Ltd.	South Africa
Whitehaven Coal Limited	Australia
Yancoal Australia Ltd.	Australia
*Yancoal International Resources Development Co., Ltd.	Hong Kong
Yang Quan Coal Industry (Group) Co., Ltd.	China
Yanzhou Coal Mining Co., Ltd.	China
Zhengzhou Coal Industry & Electric Power Co., Ltd.	China

Data provided by ISS ESG and Vigeo Eiris

Attachment C. Private Prison Operators Screening and Non-Investment List

June 12, 2015

“The Trustees have voted to support a policy of divestment in companies engaged in the operation of private prisons and to refrain from making new investments in such companies. The decision follows a recommendation by the University’s Advisory Committee on Socially Responsible Investing (ACSRI) and thoughtful analysis and deliberation by our faculty, students and alumni. This action occurs within the larger, ongoing discussion of the issue of mass incarceration that concerns citizens from across the ideological spectrum. We are proud that many Columbia faculty and students will continue their scholarly examination and civic engagement of the underlying social issues that have led to and result from mass incarceration. One of many examples of the University’s efforts in this arena is the work of Columbia’s Center for Justice, <https://centerforjustice.columbia.edu>. In partnership with the Heyman Center for the Humanities, the Center for Justice recently received generous support from the Mellon and Tow foundations to help educate incarcerated and formerly incarcerated persons, and to integrate the study of justice more fully into Columbia’s curriculum.”

2021 Private Prison Operators Non-Investment List

Private Prisons - Domestic Companies

CoreCivic, Inc.
The GEO Group, Inc.

Private Prisons - Foreign Companies

G4S Plc
*John Laing Group Plc
MITIE Group plc
Serco Group plc
Sodexo SA

****New for 2021***

COLUMBIA UNIVERSITY
ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING

Statement of Position and Recommendation on Tobacco Screening

January 31, 2008

The Advisory Committee on Socially Responsible Investing (“The Committee”), as chartered by the University Trustees in March 2000, is the University’s vehicle to advise the Trustees on ethical and social issues confronting the University as an investor. At the prompting of the Investment Management Company (“IMC”), the Committee was asked to review the University’s stance and informal practice of screening out investments in tobacco companies and to create a formal tobacco screening policy.

University Position on Tobacco Screening:

The Committee believes that for many years it has been the University’s intention to refrain from investing in companies engaged in the manufacture of tobacco and tobacco products, but not from investing in companies who supply peripheral materials and supplies to the tobacco industry or distribute these products.

Review of Prior Practice:

Though not formally written as a policy, Columbia has engaged in the practice of screening tobacco companies for some time. Columbia obtains its list of screened tobacco companies from a service known as TrustSimon, provided by Institutional Shareholder Services (ISS). ISS creates its lists of restricted companies through industry lists and company research. The universe of companies and their revenues from specific activities are updated annually by ISS.

ISS divides its screening service based on geographic location of the companies, producing separate lists for domestic and foreign tobacco companies. Careful examinations of both lists produced by ISS have revealed that while the list of domestic tobacco companies matches the University’s historic practice on tobacco screening, the list of foreign companies does not. The domestic universe includes filters to narrow the screening to tobacco manufacturers and includes only companies whose business is the direct manufacture of tobacco products, including chewing tobacco and/or snuff; cigarettes, including make-your-own custom cigarettes; cigars; pipe and/or loose tobacco; smokeless tobacco; and raw, processed or reconstituted leaf tobacco. The foreign list from ISS, however, includes manufacturers as well as distributors of tobacco products and suppliers to the tobacco industry. This past year, the Office of Socially Responsible Investing under the Executive Vice President of Finance carefully culled the foreign universe to more closely align with the University’s practice of screening only manufacturers.

Committee position and recommendations:

The Committee requests that the Trustees clarify and formalize the University’s stance on tobacco screening by recommending that IMC refrain from investing in companies whose business is the direct manufacture of tobacco products.

It is the belief of the Committee that appropriate lists of both domestic and foreign companies that conform to the above definition can still be obtained from ISS. The list of domestic companies obtained from ISS conforms to this definition as is. A comparable list of foreign companies can be obtained from the ISS list by simply applying a manual filter. The Committee would offer that IMC rely on the Office of Socially Responsible Investing to provide this service, either on scheduled dates throughout the year, or upon request from IMC.

Tobacco 2020 – List of Domestic and Foreign Companies for Non-Investment

**New for 2020*

2020 Tobacco - Domestic Companies (9/2020)

Company Name
22nd Century Group, Inc.
Altria Group, Inc.
Arcis Resources Corp.
*Bellatora, Inc.
*Gemini Group Global Corp.
Old Holdco, Inc.
Philip Morris International Inc.
Rapid Fire Marketing, Inc.
Schweitzer-Mauduit International, Inc.
Smokefree Innotec, Inc.
Swan Group of Cos., Inc.
Turning Point Brands, Inc.
Universal Corporation
Vapor Group, Inc.
Vector Group Ltd.
Wee-Cig International Corp.

2020 Tobacco Foreign Companies (9/2020)

Company	Country
Al-Eqbal Co. for Investment Plc	Jordan
BADECO ADRIA dd	Bosnia/Herzegovina
British American Tobacco Bangladesh Co.	Bangladesh
British American Tobacco Kenya Ltd.	Kenya
British American Tobacco Malaysia Bhd.	Malaysia
British American Tobacco plc	United Kingdom
British American Tobacco Uganda Ltd.	Uganda
British American Tobacco Zambia PLC	Zambia
British American Tobacco Zimbabwe Ltd.	Zimbabwe
Bulgartabac Holding AD	Bulgaria
*Carmila SA	France
Ceylon Tobacco Company Plc	Sri Lanka
Coka Duvanska Industrija AD	Serbia
CTO Public Co. Ltd.	Cyprus
Dupnitsa-Tabak AD	Bulgaria
Duvanska Industrija AD Bujanovac	Serbia

Eastern Co. (Egypt)	Egypt
Fabrika Duvana Banja Luka AD	Bosnia/Herzegovina
Godfrey Phillips India Ltd.	India
Golden Tobacco Ltd.	India
Gotse Delchev Tabac AD	Bulgaria
Haci Omer Sabanci Holding AS	Turkey
*Harrys Manufacturing, Inc.	Canada
*Heilongjiang Agriculture Co., Ltd.	China
Hoang Long Group	Vietnam
Hrvatski Duhani dd	Croatia
Imperial Brands Plc	United Kingdom
ITC Limited	India
Japan Tobacco Inc.	Japan
Jerusalem Cigarette Co. Ltd.	Palest.Auton.Terr
Karelia Tobacco Co., Inc.	Greece
Khyber Tobacco Co. Ltd.	Pakistan
KT&G Corp.	South Korea
LT Group, Inc.	Philippines
Ngan Son JSC	Vietnam
Nicotiana BT Holding AD	Bulgaria
NTC Industries Ltd.	India
Pakistan Tobacco Co. Ltd.	Pakistan
Pazardzhik BTM AD	Bulgaria
Philip Morris (Pakistan) Ltd.	Pakistan
Philip Morris CR as	Czech Republic
Philip Morris Operations ad	Serbia
Press Corporation Plc	Malawi
PT Bentoel International Investama Tbk	Indonesia
PT Gudang Garam Tbk	Indonesia
PT Hanjaya Mandala Sampoerna Tbk	Indonesia
PT Wismilak Inti Makmur Tbk	Indonesia
Scandinavian Tobacco Group A/S	Denmark
Shanghai Industrial Holdings Limited	Hong Kong
*Shanghai Shunho New Materials Technology Co., Ltd.	China
Shumen Tabac AD	Bulgaria
Sila Holding AD	Bulgaria
Sinnar Bidi Udyog Ltd.	India
SITAB	Ivory Coast
Slantse Stara Zagora Tabac AD	Bulgaria
Swedish Match AB	Sweden
Tanzania Cigarette Co. Ltd.	Tanzania
TSL Ltd.	Zimbabwe
Tutunski Kombinatski Prilep	Macedonia
Union Investment Corp.	Jordan
Union Tobacco & Cigarette Industries Co.	Jordan
Veles Tabak AD	Macedonia
VST Industries Limited	India
West Indian Tobacco Co. Ltd.	Trinidad/Tobago