COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING

2022 – 2023 ANNUAL REPORT

Advisory Committee Members:

Bruce Usher, Chair
Manisha K. Ali
Howard W. Buffett
Shivrat Chhabra
Lisa Allyn Dale
Anushka Gupta
Yaowen Jean Ma
Joshua Mitts
James Profestas
Ali Soufraki
Alberto Tardio
Larry Taylor III

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

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

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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," or Trustee 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 Trustee Subcommittee on Shareholder Responsibility deliberates and takes final action upon the recommendations of the ACSRI. In some circumstances, the Trustee Subcommittee on Shareholder Responsibility 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 2022 - 2023 academic year. This includes information on the ACSRI's:

- recommendations and votes on shareholder proposals during the 2023 proxy voting season (the period between March and June when most U.S. registered, publicly-traded corporations hold annual meetings);
- implementation and monitoring of Columbia's investment policies and divestment screens

2022 - 2023 Membership

The ACSRI voting membership during the 2022 - 2023 academic year is listed in the following table:

Name	Membership Category	School Affiliation	Membership Start Year
Manisha K. Ali	Alumni	Columbia Business School	2022-2023
Shivrat Chhabra	Alumni	SEAS	2022-2023
James Profestas	Alumni	SIPA – MPA	2022-2023
Alberto Tardio	Alumni	Columbia Business School	2021-2022
Howard W. Buffett	Faculty	SIPA	November 2020 (Fall)
Lisa Allyn Dale	Faculty	Columbia Climate School	2022-2023
Joshua Mitts	Faculty	School of Law	March 2021 (Spring)
Bruce Usher (Chair, Spring 2021)	Faculty	Columbia Business School	Spring 2019
Anushka Gupta	Student	Columbia Engineering	2021-2022
Yaowen Jean Ma	Student	School of Professional Studies – Sustainability Management	2021-2022
Ali Soufraki	Student	Columbia College	2021-2022
Larry Taylor III	Student	Columbia Law School	2021-2022

On occasion, membership terms may be extended to complete outstanding projects.

2022 - 2023 Annual 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 Trustee Subcommittee on Shareholder Responsibility with respect to shareholder proposals will continue to be one of its primary activities.

Another core activity is the monitoring of Columbia's investment policies and divestment screens:

- **Oil & Gas**: In accordance with the Trustee Resolution dated January 20, 2021 Investment Policy on Fossil Fuel, the ACSRI will continue its work on the implementation of Columbia's fossil fuel investment policy (See attachment A.i. Fossil Fuel Investment Policy).

The following 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:

- **Private Prison Operators**: In accordance with the Trustee Resolution dated June 12, 2015 on divestment from companies engaged in the operation of private prisons, the Committee will screen publicly-traded domestic and foreign companies engaged in the operation of private prisons.

- **Thermal Coal**: In accordance with the Trustee Resolution dated March 13, 2017 on divestment from companies deriving more than 35% of their revenue from thermal coal production, the Committee will screen publicly-traded domestic and foreign thermal coal producers.

- **Tobacco**: In accordance with the Committee's January 31, 2008 Statement of Position and Recommendation on Tobacco Screening, the Committee will screen publicly-traded domestic and foreign companies engaged in the manufacture of tobacco and tobacco products.

Periodically, the ACSRI considers divestment proposals from the Columbia community and makes recommendations to The Subcommittee on Shareholder Responsibility of the Committee on Finance. During the 2022 - 2023 academic year, the ACSRI received a fossil fuel divestment proposal for consideration (See Attachment A.ii: Columbia Policy Institute Fossil Fuel Proposal).

The Committee strives to hone its expertise and proficiency on matters identified on its agenda as well as new issues that may arise. To help develop sound and consistent positions, the Committee may invite outside experts and members of the University community with expertise in selected areas to address the Committee and further educate members on relevant issues.

2022 - 2023 Activities

Fossil Fuel Investment Policy Implementation
After the January 2021 announcement, the ACSRI began work on the implementation of the new fossil fuel investment policy. The primary task was the selection of a research company, FFI Solutions, to provide data on oil & gas companies.

During the 2022 – 2023 academic year, the ACSRI's Fossil Fuel subcommittee was asked to prepare a report identifying "publicly-traded oil and gas companies that are making significant strides toward net zero emissions." In preparing this report, the Subcommittee relied on resources from Fossil Free Index Solutions, CDP, Transition Pathway Initiative, World Benchmarking Alliance, Climate Action 100+; and others.

The Fossil Fuel subcommittee followed guidelines it set last academic year on evaluating whether a company has established a **credible plan** to net zero and if it has achieved **significant strides** towards that plan. A credible plan establishes a clear path with short-, medium- and long-term GHG emission reduction targets for Scopes 1, 2, and 3. Assessing the feasibility of such a plan, and whether significant strides have been made to achieve it, is complex and includes some subjectivity. Therefore, the Subcommittee relied on the many resources listed above to help in its analysis. A tremendous amount of work is currently being done by a wide range of institutions on this topic, which is likely to help guide this annual review in future years.

As of May 2023, the Fossil Fuel subcommittee believes it is **too premature to formally identify any publicly traded oil & gas companies definitively meeting the University's Fossil Fuel Investment Policy**. Many oil and gas companies have only recently made commitments to net zero by 2050, and in many cases these are not accompanied by concrete roadmaps with the steps to achieve the commitment. In other cases, companies have not had enough time to operationalize their plans to make a meaningful impact on their operations. For example, large infrastructure projects - such as renewable energy generation projects - take years of development and construction work before becoming operational.

Next academic year, the Fossil Fuel subcommittee will once again review the universe of oil and gas companies to determine if any have established a credible plan to net zero and have achieved significant strides towards that plan.

Columbia Policy Institute Fossil Fuel Proposal Review
During the 2022 - 2023 academic year, the ACSRI received a fossil fuel proposal from the Columbia Policy Institute, a student-run think tank, regarding the University's fossil fuel investment policy/divestment screen. After significant consideration and discussion, the ACSRI decided not to recommend this proposal to the Trustees for their consideration. (See Attachment A.ii: Columbia Policy Institute Fossil Fuel Proposal and ACSRI Response).

Non-Investment Monitoring
The following 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:

- **Private Prison Operators:** 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 B: Private Prison Operators Screening and Non-Investment List).

- **Thermal Coal:** The ACSRI engages 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 A.iii: Thermal Coal Screening and Non-Investment List).

- **Tobacco:** 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 C: Tobacco Screening and Non-Investment List).

2023 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. 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.

The Committee reviewed 43 shareholder proposals during an exceptionally busy proxy voting season. The majority of the proposals related to initiating or improving disclosure including areas addressing political spending/lobbying, climate change, or harassment and discrimination prevention 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
Increase disclosure and transparency	• Report on Global Transparency – Public Policy and Political Influence • Report on Harassment and Discrimination Prevention Efforts • Report on Lobbying/Political Spending • Report on Plastics Pollution

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, vague, too broad, unimplementable or unrelated to a company's business, etc.	• Report on Access to COVID-19 products • Report on Business Operations in China • Report on Political Spending Values Congruency

See the following table for a summary of the 43 proxies reviewed and voted on by the ACSRI and the Trustee Subcommittee on Shareholder Responsibility of the Committee on Finance.

2023 Proxy Season								
			ACSRI			Trustees		
Number of Proposals	Issue	Companies	Support	Reject	Abstain or Not Submitted	Support	Reject	Abstain or Not Submitted
2	Adopt a policy for a time-bound phase-out of lending and underwriting - new fossil fuel exploration and development	JPMorgan Chase, Wells Fargo		2			2	
1	Adopt a policy on freedom of association and collective bargaining	Wells Fargo	1				1	
1	Adopt a policy prohibiting political and electioneering expenditures	Verizon Communications		1			1	
1	Assess energy-related asset resilience	General Electric	1			1		
1	Avoid public policy positions on controversial social and political issues	Berkshire Hathaway		1			1	
2	Commission/conduct a civil right/non-discrimination/racial equity audit	AT&T, YUM! Brands		2			2	
5	Disclose/report on lobbying/political contributions	Charter Communications, IBM, Merck, YUM! Brands, Warner Brothers	5			5		
1	Ensure access to financial services in conflict zones	PayPal		1			1	
1	Ensure respect for civil liberties	PayPal		1			1	
1	Include mandate to oversee animal impact and risk	JPMorgan Chase		1			1	
1	Report on access to Covid-19 products	Merck		1			1	
2	Report on business operations in China	IBM, Merck		2			2	
1	Report on climate lobbying	Wells Fargo		1			1	
2	Report on climate transition planning	JPMorgan Chase, Wells Fargo	2			1	1	
1	Report on congruency of Net-Zero emissions policies	PepsiCo		1			1	
1	Report on congruency of partnerships with globalist organizations	Merck		1			1	
1	Report on diversity, equity and inclusion efforts	Berkshire Hathaway	1				1	
1	Report on fiduciary carbon-emission relevance	General Electric		1			1	
1	Report on global transparency - public policy and political influence	PepsiCo	1			1		
3	Report on greenhouse gas emissions targets - underwriting, insurance and/or investment	Berkshire Hathaway, Chubb Limited, JPMorgan Chase	3			1	2	
2	Report on harassment and discrimination prevention efforts	IBM, Wells Fargo	2			2		
1	Report on human rights and underwriting	Chubb Limited		1			1	
1	Report on impacts of reproductive healthcare legislation	PepsiCo		1			1	
2	Report on management of physical and transitional climate-related risks and opportunities	Berkshire Hathaway	2			1	1	
1	Report on patents and access	Merck		1			1	
1	Report on plastics pollution	YUM! Brands	1			1		
2	Report on political spending values congruency	JPMorgan Chase, Wells Fargo		2			2	
1	Report on respect for civil liberties in financial services	JPMorgan Chase		1			1	
1	Report on reproductive rights and data privacy	PayPal		1			1	
1	Report on U.S. Government requests to remove content	Verizon Communications		1			1	
43	**Total**							

COLUMBIA NEWS

ANNOUNCEMENT

University Announcement on Fossil Fuel Investments

The University 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.

January 22, 2021

Recognizing the grave threat to the planet that is posed by climate change and the importance of transparency in the use of its financial resources, Columbia University has adjusted its investment policies to include an important update related to investments in oil and gas companies.

A revised set of principles for the Columbia University Investment Management Company is the latest product of an ongoing, multiyear process of examination and dialogue across many parts of the institution. The University 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.

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Investment Policy on Fossil Fuels

"There is an undeniable obligation binding upon Columbia and other universities to confront the climate crisis across every dimension of our institutions," said Columbia University President Lee C. Bollinger. "The effort to achieve net zero emissions must be sustained over time, employing all the tools available to us and engaging all who are at Columbia today and those who will follow us in the years ahead. This announcement reaffirms that commitment and reflects the urgent need for action."

In addition to formalizing Columbia's practices with respect to limiting investments in publicly traded oil and gas companies, the decisions announced today also pledge that the University will not make new investments in private funds that primarily invest in oil and gas companies.

Consistent with the updated guidance, the Columbia Investment Management Company (IMC) will expand its evaluation of its investment managers across sectors to assess whether they have plans to create portfolios with net zero emissions by 2050. Columbia ultimately sees opportunities to use the capabilities of its IMC, the Climate School and other university resources to assist managers in further developing these plans. In addition, IMC will intensify its focus on investments in developing technologies that contribute to net zero emission and greenhouse gas reductions, while continuing to meet the IMC's risk and return objectives.

President Bollinger and the Board of Trustees are deeply appreciative of the hard work of the Advisory Committee on Socially Responsible Investing, a committee of faculty, students and alumni, in developing a thoughtful and nuanced recommendation for the Board's consideration, which informed the actions adopted today. In its recommendation to the President and the Board, the ACSRI emphasized that the oil and gas sectors are not the sole contributors to climate change. The University agrees that the University's non-investment policies should be evaluated periodically, and possibly expanded in the future to sectors that merit further scrutiny due to their heavy greenhouse gas emissions.

The approach set forth by the ACSRI in combination with the scholarly discoveries and practical solutions continuing to be produced across the University, stand as a reminder that there are opportunities for progress in addressing climate change if we dedicate ourselves to seizing them. We thank our faculty, students, alumni and staff for their passion and commitment and for supporting the institutional response to climate change underpinning our action today.

Columbia has been at the forefront of recognizing the negative effects of the changing climate and harnessing our resources to mitigate it, including through practical engineering and technology which can be applied by those seeking to reduce emissions outputs. We recognize both costs and opportunities in the work ahead, and will seek to make the results of our research and ideas available broadly to all who commit to the urgent and essential cause of saving our planet

Attachment A.ii. Columbia Policy Institute Fossil Fuel Proposal and ACSRI Response

ACSRI Proposal Submission Overview

Date of Submission to the ACSRI: December 1, 2022

Subject of Review: Fossil fuel divestment

Contact Name: Matthew Ruppert

Contact Email: mbr2163@columbia.edu Phone Number: 952-687-7703

University Affiliation: Columbia College Student

Dept./Office: ______

Requesting on behalf of an organization? [circle one] Yes No

If yes, which organization? Columbia Policy Institute

Provide a summary of the issue, the action requested, and the rationale:

The Columbia Policy Institute welcomed the announcement last year that Columbia would divest from fossil fuels as an important step in the fight against climate change but found a few unresolved issues that we are now asking ACSRI to change. We would like the University to close the indirect investment loophole, and commit to divestment from private funds that themselves invest in or benefit from fossil fuel reliant companies. This would better uphold the ethical commitments of the University and increase the efficacy of the previous fossil fuel divestment pledge. We ask that the University publicly define what it considers "primary" and "secondary" fossil fuel revenue businesses in order to promote transparency between the institution and the community it serves. Finally, we request that the University analyze fossil fuel reliance in such a way as to include Scope 2 and Scope 3 emissions because those account for a great proportion of total emissions. Implementing these recommendations would help ensure fossil fuel divestment has the largest possible positive impact.

Please attach in PDF format the following additional required information and supporting evidence **(20 pages max)**:

1) State which criteria the proposal is using to make the case (1 paragraph)
2) Provide all the critical data with footnotes for any arguments in your proposal
3) Provide research on the possible opposite argument against your conclusions
4) Conclusion - provide bullet points for the final recommendations to the ACSRI citing the criteria for each one

Email the proposal to the ACSRI Chair and Staff Administrator as posted on the website

December 1, 2022

A Proposal to the Columbia Advisory Committee on Socially Responsible Investing

By the Energy and Environment Center at the Columbia Policy Institute

The Energy and the Environment Center of the Columbia Policy Institute, along with many of our peers, believes that the divestment criteria adopted in 2021 allowed a loophole for indirect investments and failed to deliver sufficient clarity and transparency to the Columbia community.[1] Therefore, we ask that the ACSRI recommend to the trustees of Columbia University to direct Columbia Investment Management Company (CIMC) to cease all remaining, and abstain from any future investments, in private funds which are involved, funded, and invested in public and private fossil fuel companies. This extends to companies reliant upon oil and gas as secondary sources of income revenue streams. We urge the University to close the indirect investment loophole, which allows them to use third-party groups to put money into fossil fuel companies and associated businesses. We ask that the University define what it considers "primary" and "secondary" fossil fuel revenue businesses in order to promote transparency between the institution and the community it serves. And finally, we request that the University analyze fossil fuel reliance in such a way as to include Scope 2 and Scope 3 emissions.

Our petition and repeated proposals to the ACSRI about this issue demonstrate that there exists a broad consensus within the University community regarding total fossil fuel divestment. The scientific consensus, as understood by our very own faculty and researchers and taught in our classrooms, recognizes the threat of anthropogenic climate change. The merits of the

[1] https://www.finance.columbia.edu/content/relevant-investment-policies

dispute—that we must do our part to prevent it—lie clearly on the side of our proposal. And finally, the nature of indirect investments and the high profile of Columbia mean that divestment is more viable and appropriate than ongoing communication and engagement with company management. These points are elaborated further below.

The importance and impact of green investment

Global investment in green and low-carbon energy increased by 27% in 2021, reaching a record $755 billion invested in clean energy technologies. The largest share of green investments in 2021 supported the renewable energy sector, which already attracted $366 billion for primarily wind and solar technologies that have the potential to disrupt and feasibly replace the fossil fuel industry altogether[2]. In the same year, Columbia University unveiled its participation in the 'Race to Zero' challenge – a commitment to achieve net carbon neutrality prior to 2050 through a transition to new and retro-commissioning building strategies, zero-emission energy sources, strategic electrification, and further tactics encompassing the reduction of Scope 1, 2, and 3 emissions[3] [4]. While Columbia University espouses these environmental pledges, as of 2018, the University maintained an investment of 33% of its portfolio in hedge funds, which is the largest allocation of the University's endowment as well as the largest apportionment of hedge fund investment by any Ivy League institution.[5] Columbia's net-zero emissions commitment belongs

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[2] Mathis, W. (2022, January 27). *Energy Transition Drew Record $755 Billion of Investment in 2021*. Bloomberg. https://www.bloomberg.com/news/articles/2022-01-27/energy-transition-drew-record-755-billion-of-investment-in-2021?leadSource=uverify wall

[3] *Columbia University joins global "Race to zero" pledging immediate action against climate change*. (2021, October 29). Sustainable Columbia. https://sustainable.columbia.edu/news/columbia-university-joins-global-race-zero-pledging-immediate-action-against-climate-change

[4] *Plan 2030: Executive summary*. (2021). Sustainable Columbia. https://sustainable.columbia.edu/content/plan-2030-executive-summary

[5] Smith, K. (2018, April 18). *Bloomberg*. Hedge Funds Are Columbia's Big Bet in $10 Billion Endowment. https://www.bloomberg.com/news/articles/2018-04-27/hedge-funds-are-columbia-s-biggest-bet-in-10-billion-endowment?leadSource=uverify%20wall&sref=oXbZyqbs.

hand-in-hand with a net-zero investment commitment, but these hedge funds further fuel the carbon energy industry through lucrative investments, which currently includes Columbia University's financial contributions. As a powerful institution and member of the influential Ivy League, Columbia University houses one of the world's leading centers for climate research, and has the potential to assume a leadership role in the divestment movement.[6] Further, Columbia University is the largest private landowner in New York City, making it a de-facto trendsetter for renewable energy investment in the City.[7] A commitment in good faith from Columbia University towards a net-zero investment plan would incentivize the University's partner businesses in the City to simultaneously strive for divestment in order to retain their positions as investment partners with the University. The Columbia University community is disappointed that the University's research, education, and facilities is funded through fossil fuel investments, and University members and affiliates have demonstrated their support for divestment through the Columbia Policy Institute's Energy and Environment Center's petition, which has garnered over 232 signatures and is growing.[8] ACSRI has the power to fulfill Columbia University's potential as a leader of the divestment movement. Fossil fuel investments are misaligned with the University's net-zero commitments, contradict the University community's values, and restrict the University's potential for leadership within the climate movement. Divestment through the solutions outlined in this proposal is a clear path forward for Columbia University.

As previously mentioned, the University has touted itself as a leader in the climate movement and in socially responsible investment. In order for these actions to be considered of

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[6] (2022). Columbia Climate School. https://www.climate.columbia.edu
[7] https://www.residentmar.io/2016/05/27/biggest-landowners-nyc.html
[8] Columbia Policy Institute, Energy & Environment Center. (2022). *Columbia isn't keeping its promise: Our fossil fuel divestment pledge needs to be revised*. Action Network. https://actionnetwork.org/petitions/columbia-isnt-keeping-its-promise-our-fossil-fuel-divestment-pledge-needs-to-be-revised?source=direct_link&

good-faith, the University needs to reevaluate its decision to divest from only direct investments in fossil fuels and to include only Scope 1 investments in its considerations.[9] For the University community, attitudes towards divestments are not contingent upon whether or not the investment is direct or indirect, or whether the money is in a hedge fund or not. Therefore, in the words of ACSRI, there is "broad consensus within the University community regarding the issue at hand." In continuing to take advantage of the indirect-direct loophole, the University and its Trustees have failed to fulfill their self-proclaimed commitment to the community and to the planet.

Comparative perspectives

While Columbia has joined other institutions of equivalent standing in *initiating* divestment, the university has not yet achieved an equivalent promise of divestment as many of its peers. Many of these institutions have achieved or promised total divestment from fossil fuels, both direct and indirect. These institutions, being of similar standing and endowment, have proven that Columbia does have the ability to implement similar measures, yet chooses not to. Still, some educational institutions have shown to be in a more difficult situation compared to Columbia University, whether due to their larger size or dependence on fossil fuel investment.

Perhaps most renowned, the University of California (UC) system divested entirely across all nine of its campuses in June 2020. A total of $1 billion was divested from fossil fuel energy and instead has been put into renewable energy. $1.03 billion of the $126 billion in assets will be put forth permanently toward "promising clean energy projects," with the majority ($750 million) going toward solar and wind energy developers alone.[10] The complete divestment took

[9] As far as we can find, there is no mention of which scopes of emissions the University or ACSRI considers on the ACSRI website. In an email exchange with April Croft earlier this year, the ACSRI declined to clarify this position.
[10] Florence, Bree. "University of California Divests from Fossil Fuels, Puts $1 Billion into Clean Energy." *Cronkite News - Arizona PBS*, Arizona PBS, 16 June 2020, https://cronkitenews.azpbs.org/2020/06/16/university-divests-

five years to achieve—alongside their replacement by environmentally sustainable investments.[11] UC not only removed their names from the investment pool through their endowment but also through their pension and all working capital pools.[12] The massive size of this institution (285,000 students), alongside its ability to succinctly divest within an adequate time frame, are hallmarks of the efficiency and expertise that institutions such as Columbia possibly possess, and yet do nothing with.

American University has maintained a net-zero emissions status on its campus grounds and facilities since 2018, being the first in the United States to achieve such a feat.[13] Their fossil fuel divestment is of a different status. They have completely divested from fossil fuels within their public endowment portfolio, worth a total of $12.9 million. There has not been any direct investment for several years, and it appears that the trend will continue into the future. American has also sold a total of $350 million in index funds, opting to reinvest in funds without any fossil fuel holdings.[14] They have gone a step beyond Columbia by making efforts to invest in more positive index funds.

We can also look towards other Ivy League institutions for proof of our ability to divest and as examples of what we should, should *not*, or could be pursuing. Cornell University has a divestment action encompassing *all* private fossil fuel company investments. However, Cornell

fossil-fuels-clean-energy/#:~:text=With%20285%2C000%20students%20and%20a,of%20carbon%20neutrality%20by%202025.

[11] Watanabe, Teresa. "UC Becomes Nation's Largest University to Divest Fully from Fossil Fuels." *Los Angeles Times*, Los Angeles Times, 19 May 2020, https://www.latimes.com/california/story/2020-05-19/uc-fossil-fuel-divest-climate-change.

[12] Smithies, Sam. "UC Fully Divested from Fossil Fuels." UCLA Sustainability, UCLA Sustainability, 15 Sept. 2020, https://www.sustain.ucla.edu/2020/05/31/uc-fully-divested-from-fossil-fuels/.

[13] Office of Sustainability. "Tracking Progress." *American University*, American University, 2022, https://www.american.edu/about/sustainability/tracking-progress.cfm.

[14] University Communications. "American University Eliminates All Public Fossil Fuel Investments from Its Endowment." *American University*, 22 Apr. 2020, https://www.american.edu/media/news/20200422-divestment.cfm.

itself has not officially agreed to 'divest,' opting to rather outline steps for a phasing out of nonspecific fossil fuel investments. Because of this, Cornell has allowed itself a loophole to continue, even with the next 5-7 years of divestment, indices, public equity funds, private equity, and bonds in fossil fuels.[15] Harvard has taken a similar approach, not agreeing to 'divest,' but letting private equity funds with fossil fuel holdings expire. The university has pledged, unlike others, to reach net-zero greenhouse gas emissions within their endowment by 2050.[16] This wide breadth of time and the noncommittal elements of their current plans in divestment, however, also allows for loopholes. The missing pieces of these pledges demonstrate that the impact of an improved Columbia pledge could be magnified by spurring improvements among peer institutions.

Yale has taken a more unique approach, looking to *specifically* target certain fossil fuel companies for divestment. In order to recognize what companies they can divest from, five principles were created, alongside the creation of the Fossil Fuel Investment Principles committee, to help guide and recommend specific divestment and investment.

1. "Avoid exploration and production of fossil fuels that generate high levels of greenhouse gas emissions relative to energy emissions
2. An effort to minimize greenhouse gas emissions in their operations via technologies, administrative structure, and other methods
3. Support government policies on climate change
4. Utilize accurate climate research

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[15] Stamm, Kathryn. "Cornell to Effectively Divest from Fossil Fuels, Trustees Vote." *The Cornell Daily Sun*, 23 May 2020, https://cornellsun.com/2020/05/22/cornell-to-divest-from-fossil-fuels-trustees-vote/.
[16] Goodman, Jasper, et al. "Harvard Will Move to Divest Its Endowment from Fossil Fuels: News: The Harvard Crimson." *News | The Harvard Crimson*, 10 Sept. 2021, https://www.thecrimson.com/article/2021/9/10/divest-declares-victory/.

5. Transparency compliance"

Still, this method does leave loopholes, as Yale can continue investment in fossil fuel companies if the above criteria are met. The vague wording, reminiscent of noncommittal divestment pledges, also works to justify and *not* define what is considered high levels of greenhouse gas emissions or what is considered "adequate" support of climate change technology, research, and solutions promotion.[17]

Brown and Princeton Universities are of similar standing, opting to maintain a loophole by not specifying if a full commitment to divestment will even occur (Brown),[18] or when the dissociation process would be complete (Princeton).[19]

While some institutions have proven to be capable of achieving complete, or near-complete, divestment, others have remained noncommittal and hesitant to firmly position themselves opposite of the fossil fuel industries and their wealth. As Columbia University follows along the path of the latter, the opportunity to emulate the successes and methods of peer institutions, even those who maintain a similar divestment scene as Columbia (like other Ivy Leagues), could be immensely beneficial to further critique, fine-tune, and emulate more efficient divestment strategies and protocols.

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[17] Horowitch, Rose, et al. "Yale Creates New Principles for Divestment from Fossil Fuels." *Yale Daily News*, 16 Apr. 2021, https://yaledailynews.com/blog/2021/04/16/yale-creates-new-principles-for-divestment-from-fossil-fuels/.

[18] Faulkner, Tim, and News Staff. "Brown University Withdraws Investments from Fossil Fuels." *EcoRI News*, 5 Mar. 2020, https://ecori.org/2020-3-4-brown-withdraws-assets-from-fossil-fuels/.

[19] Bonette, Julie. "Trustees Vote to Divest and Dissociate from Fossil Fuel Companies | Princeton Alumni Weekly." *Princeton Alumni Weekly*, The Trustees of Princeton University, Nov. 2022, https://paw.princeton.edu/article/trustees-vote-divest-and-dissociate-fossil-fuel-companies.

Implementing a more robust divestment plan

As has been detailed previously, our recommendations for reinvestment into other green energy constituents serve as one of the foundations for this full divestment process. However, the University can begin this transitional process through a variety of routes.

A prospective beginning could focus on increasing transparency regarding Scope 3 Emissions according to the outline recommended by the Environmental Protection Agency to utilize Greenhouse Gas Protocol's *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. This standard presents details on all Scope 3 categories, the requirements, and guidance recommended for reporting these emissions.[20] According to the EPA, Scope 3 emissions often constitute the majority of an organization's total greenhouse gas emissions.[21] Thus, the standard could promote potential emission reduction opportunities. With the acknowledgment of Scope 3 emissions within reporting, there will be a more transparent relationship between the University and its community.

More integral to this process, a general transformation in language within ACSRI policy would automatically invoke a change in the yearly investment list. A demand to alter and clarify language and requirements for investment or divestment has been one of our main concerns. With more succinct language and thus policy, it will cut more companies off from Columbia's portfolio. "Primary business" with fossil fuels can be altered within the policy's language to include far more specific criteria. As was done with thermal coal, it is advisable to include a percentile cutoff for "primary." Further, including percentage rates for companies with potential

[20] Corporate Value Chain (Scope 3) Standard Accounting and Reporting Standard." *Greenhouse Gas Protocol,* World Resources Institute, World Business Council for Sustainable Development, Sept. 2011, https://ghgprotocol.org/standards/scope-3-standard.
[21] Scope 3 Inventory Guidance." *EPA Center for Corporate Climate Leadership*, EPA, 12 May 2022, www.epa.gov/climateleadership/scope-3-inventory-guidance.

"secondary business" with fossil fuels could further differentiate the two or more types of constituents we could exclude or include. As other institutions have done, we could include within our investment requirements that companies must have expressed, and already acted on, the intention of carbon neutrality and/or the promotion of succinct environmental policies.

Reverting back to our initial demands for full divestment, this would be most successful with reinvestment into carbon-neutral and/or clean technologies and companies. However, it can and should be acknowledged that *this full divestment will require a long-term commitment and process.* Current private equity funds may be allowed to expire naturally alongside any other necessary or additional methods. Likewise, a movement of investment into any remaining constituents that were originally within the University's portfolio could serve as, " [a] pure divestment approach to understand the active return related to the act of divesting without reinvesting in green stocks."[22] In transitioning indirect investments away from environmentally harmful ones, ACSRI may rely on groups such as Morningstar that produce monthly ratings, at the level of funds, on the ESG and sustainability.[23] There are also sustainable development equity ETFs, including the recently launched Newday Sustainable Development Equity ETF, that forefront environmental goals in their portfolio options, providing another option for redirecting Columbia's investment portfolio.[24] In this way, the University, if wanted, would be able to implement and witness the actual effects of divestment on its finances and portfolio.

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[22] Hunt, C., & Weber, O. (2019). Fossil Fuel Divestment Strategies: Financial and Carbon-Related Consequences. *Organization & Environment*, 32(1), 41–61. https://doi.org/10.1177/1086026618773985r
[23] https://www.morningstar.com/articles/957266/the-morningstar-sustainability-rating-explained
[24] https://newdayimpact.com/sustainable-development-equity/

Addressing counter arguments

There are a range of arguments that have been or could be leveled against the ideas contained in the current proposal. While legitimate, we believe these concerns are insufficient to reject our demands. The first counterargument, applied to all divestment proposals, is to consider whether divestment is "more viable and appropriate than ongoing communication and engagement with company management."[25] There is an argument to be made, especially given recent explorations of giving 'the environment' a seat on corporate boards, that it could be more fruitful to convince companies from the inside that environmental sustainability should be among their goals.[26] We know ACSRI supports this conclusion[27] and this is potentially a relevant factor when discussing direct investments, but indirect investments carry with them a significantly reduced ability to influence corporate governance. When mediated by a mutual fund, an index fund, or other entity, Columbia will not be able to make a substantive impact on corporate governance by remaining indirectly invested. Additionally, our proposal asks for the application of investment criteria similar—though more specific and transparent—to ACSRI's 2020 Position on Fossil Fuel Divestment. Therefore, it is hard to argue that the same criteria applied to indirect investments would decrease the relative viability of divestment. Finally, there is great moral, symbolic, and leadership value for Columbia University to take a thorough and consistent stand on fossil fuel divestment. ACSRI has recognized the signal the University's decisions send to other investors, and the tensions of teaching climate science and remaining invested.[28] The

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[25] https://www.finance.columbia.edu/content/proposal-submission-guidelines
[26] https://greenallianceblog.org.uk/2022/09/22/giving-nature-a-seat-on-the-board-is-a-powerful-way-to-make-sure-businesses-protect-our-environment/
[27] See 2020 "Position on Fossil Fuel Divestment," page 3.
[28] See 2020 "Position on Fossil Fuel Divestment," page 1.
[24] Vance, Shea, and Andrew Park. "Endowment Suffers More than $1B in Losses as Columbia Reports Negative Returns - Columbia Spectator." *Columbia Daily Spectator*, 13 Oct. 2022, https://www.columbiaspectator.com/news/2022/10/13/endowment-suffers-more-than-1b-in-losses-as-columbia-reports-negative-returns/.

University also has the ability to impact peer institutions in the Ivy League and beyond. As such, the viable impact of the University's divestment choices extends beyond just our own financial resources. For these reasons, we believe that divestment is more viable than engaging company management.

The next set of objections we will address revolves around the financial impact of divestment on the University. The financial resources of the University are important; they fund our world-class research, teaching, and student life. With the endowment shrinking last year for the first time since 2015,[24] we recognize that there may be hesitancy to make changes that may impact the endowment negatively by reducing our portfolio options. We have two responses: First, a more substantial divestment from fossil fuels may not actually harm the investment prospects of the University. A study from the University of Chicago's Booth School of Business found that even during the economic volatility characterized by the Covid-19 pandemic, the sustainable investments of funds with better ESG ratings caused these funds to perform better than others, relative to their respective benchmarks.[29] funds with better ESG, and especially the environmental part, performed better than those with worse ESG ratings. From the same study, it should also be noted that the more climate disasters occur and the more the public cares about choosing green options, a trend that is increasing, the better green investments will perform. Second, the University exists to aid its students and, by extension, the world.[30] Future students' Columbia experience will be drastically different, for the worse, if climate change continues unabated. Current and past students, as alumni, will have their lives harmed as well. The purpose of a university's financial resources is to help its students, so to continue to invest those

[29] https://www.chicagobooth.edu/review/when-green-investments-pay
[30] See President Bollinger's announcement of a "Fourth Purpose" for the University. https://president.columbia.edu/news/fourth-purpose-task-force-report-and-recommendations

resources in companies we know to be harming students is both logically inconsistent and ethically wrong. Even if divestment has short term implications on the financial resources of the University, remaining invested would do greater harm to its intellectual, human, and moral resources.

Another counterargument is that increasing the specificity and transparency of divestment criteria is bad because it will reduce necessary flexibility to invest as the needs of financial resources demand. Notwithstanding the argument above against the prioritization of finances over all else, this counterargument is antithetical to the mission of ACSRI and harms the ability of students and faculty to know important information about the school they attend or work at. Being transparent is a critical step in empowering the Columbia community to better understand and have a voice in how the University can pursue its sustainability goals through their investments and policies. To successfully guide climate-conscious action from our university community, specific criteria for investment and data on Columbia's involvement in the fossil fuel industry must be made transparent. Publicizing this information would act as a springboard for future positive policy change in the private sphere and encourage community involvement in forming a proactive, sustainable Columbia. It also won't harm flexibility. A well justified investment movement does not have to be kept hidden from the Columbia community.

The last realm of counterarguments we would like to discuss is those against the inclusion of 'Scope 3' emissions. Scope 3 emissions are oftentimes called value chain emissions and constitute the emissions that are not under the direct control of an institution, oftentimes referred to as occurring "upstream" or "downstream" of the institution.[31] This includes assets not owned or controlled and indirect investments. Categories typically include suppliers, consumers,

[31] https://www.epa.gov/climateleadership/scope-3-inventory-guidance

and suppliers.[32] Unaddressed in the Position on Fossil Fuel Divestment, Scope 3 emissions are oftentimes the greatest source of a company's emissions.[33] Failure to account for these when determining whether the "primary business" of a company relies on fossil fuels misrepresents the true impact of the company.

Conclusion

- We urge the ACSRI to recommend to the trustees of Columbia University to direct Columbia Investment Management Company (CIMC) to cease all remaining, and abstain from any future investments, in *private* funds which are involved, funded, or themselves invested in companies whose business is reliant on fossil fuel extraction and use. This extends to companies reliant upon oil and gas as secondary sources of income revenue streams. In short, we hope the University will close the indirect investment loophole.
- We ask that the University publicly define what it considers "primary" and "secondary" fossil fuel revenue businesses in order to promote transparency between the institution and the community it serves.
- We request that the University analyze fossil fuel reliance in such a way as to include Scope 2 and Scope 3 emissions.
- The three criteria for divestment— 1) a broad consensus within the University community regarding the issue at hand, 2) the merits of the dispute must lie clearly on one side, and 3) divestment must be more viable and appropriate than ongoing communication and engagement with company management—have been met.

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[32] https://www.fourkites.com/blogs/what-are-scope-3-emissions/
[33] https://www.epa.gov/climateleadership/scope-3-inventory-guidance

1. Our petition, conversations with fellow students, repeated proposals from varying student groups, and the lack of difference between direct and indirect investments in the mind of the community demonstrate consensus.
2. University research and teaching definitively holds that climate change must be addressed with all speed. Transparency is widely acknowledged as an important factor in governance.
3. ACSRI’s 2020 “Position on Fossil Fuel Divestment” illuminates the important role of divestment, indirect investments provide less opportunity for engagement and make divestment even more critical.

COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTING (ACSRI)

615 West 131st Street, 3rd Floor New York, NY 10027 Tel: 646-923-1071

May 17, 2023

Mr. Matthew Ruppert
Energy & Environment Center Director
Columbia Policy Institute
Columbia College,
Columbia University
Mbr2163@columbia.edu

Dear Matthew,

Thank you for your proposal to the Advisory Committee on Socially Responsible Investing (ACSRI) on behalf of the Columbia Policy Institute regarding Columbia University's policy on fossil fuels. The ACSRI has had the opportunity to discuss your proposal at several meetings this spring term, and the Fossil Fuel Subcommittee of the ACSRI has carefully researched each of the issues raised.

The view of the Committee is that your proposal has raised at least three important issues with respect to transparency in the implementation of the University's fossil fuel policy. This letter will clarify and respond to each of these issues.

1. *"We urge the ACSRI to recommend to the trustees of Columbia University to direct Columbia Investment Management Company (CIMC) to cease all remaining, and abstain from any future investments, in private funds which are involved, funded, or themselves invested in companies whose business is reliant on fossil fuel extraction and use. This extends to companies reliant upon oil and gas as secondary sources of income revenue streams. In short, we hope the University will close the indirect investment loophole."*

Upon the request of the ACSRI, the Columbia Investment Management Company ("IMC") has clarified its position on investments in funds with exposure to fossil fuel companies, as follows.

> "Since the adoption of the University Investment Policy on Fossil Fuels in January 2021, we have not made any direct investments in publicly traded E&P and integrated oil and gas companies nor have we invested in any private asset funds that primarily invest in the oil and gas companies. Almost all of the University's investment exposure to fossil fuel

was in private asset funds, and when we committed to no new investments with these funds, it was a conscious decision to target our greatest exposure (notwithstanding any investments that might meet the new investment criteria), understanding it would take time to reduce these positions without material losses.

A large portion of the endowment is invested in co-mingled funds where we invest alongside other institutional investors. This strategy allows us to have access to the most talented investors across different asset classes and to share the cost of hiring this talent with other asset owners. Consistent with our Investment Policy on Fossil Fuels, we have also not invested with global equities funds or hedge funds that specialize in investing in the Energy sector. For more generalist co-mingled funds, we are not able to restrict managers from the potential to invest in energy stocks or provide an energy free option, meaning our only option to achieve this outcome would be to refrain from these generalist fund investments altogether. We believe strongly that would limit our ability to access the best generalist managers, and that our practices do not conflict with the University's Investment Policy on Fossil Fuels. The exposure to fossil fuels through generalist managers continues to be a small percentage of our portfolio. Looking at our indirect exposure to energy investments, through generalist co-mingled funds, our allocation is 0.73% of the overall portfolio across public equities, hedge funds and generalist private equity funds as of the end of calendar year 2022."

"Additionally, from time to time we invest in ETFs (exchange-traded funds), which are a passive basket of public stocks, and as such also hold energy stocks. All of the exposure through these holdings are about 0.31% of the total portfolio as of the end of the calendar year 2022."

The ACSRI finds that the IMC has taken reasonable steps to significantly reduce exposure to fossil fuel companies given that policy which was adopted targeted the area of significant energy holdings, our private asset fund investments focused on energy. The remainder of the endowment is invested through outside fund managers that are more generalist or focused on funds or strategies not specific to energy. Columbia University's endowment, while significant in comparison with many other universities, is small in the overall investment management sector and therefore invests in funds alongside other investors. Restricting these investments only to funds that avoid *all* investments in fossil fuel companies would significantly limit the investment options of the IMC and could meaningfully reduce financial returns. It is the opinion of the ACSRI that the IMC should continue to have the flexibility to invest broadly in funds and ETFs that do not have a strategy of primarily investing in fossil fuel companies.

2. *"We ask that the University publicly define what it considers "primary" and "secondary" fossil fuel revenue businesses in order to promote transparency between the institution and the community it serves."*

The University's fossil fuel policy refrains from investments in "companies whose primary business is the exploration and production of fossil fuels, or integrated oil and gas companies whose business includes the exploration, production and refining and marketing of oil and gas". The IMC uses GICS (Global Industry Classification Standard) codes to determine which companies are in which sector, a practice that is the norm in the investment management community. GICS codes are a global classification standard for assigning companies to a specific economic sector and industry group. For fossil fuel companies, the IMC considers companies included in the Energy GICS code, described below, to be on the restricted list.

> Energy Sector: The Energy Sector comprises companies engaged in exploration & production, refining & marketing, and storage & transportation of oil & gas and coal & consumable fuels. It also includes companies that offer oil & gas equipment and services.

3. *"We request that the University analyze fossil fuel reliance in such a way as to include Scope 2 and Scope 3 emissions."*

In your proposal, it is unclear if this request refers (i) to the evaluation of oil and gas companies on the non-investment/divestment list that might be considered for exclusion, or (ii) if it refers to all companies for potential investment by the IMC. Here we attempt to answer each possible interpretation.

(i) If the proposal is requesting that the evaluation of oil and gas companies on the non-investment/divestment list that are eligible for consideration of exclusion include Scope 2 and 3 emissions, then that request is already being met. As you know, the University has no direct holdings in fossil fuel companies and has refrained from new investments in fossil fuel companies through funds; however, per the University's Fossil Fuel Investment Policy, the ACSRI has created a process for evaluating individual publicly traded oil & gas companies for consideration for investment that includes the following steps:

> 1. Companies must have credible plans for net zero transition by 2050. At minimum, components of a credible plan should include: (1) quantified short-, medium- and long-term GHG emission reduction targets; (2) quantified Scope 1, 2 and 3 GHG emissions reduction targets; and (3) externally verified alignment with a net zero (1.5℃) transition pathway.
>
> > ▪ For any leading companies identified, the subcommittee recommends obtaining input from relevant Columbia University experts on the feasibility of such plans – including technical plans to transition the business model, the degree of reliance on offsets, etc.
>
> 2. Companies must have made significant strides toward their net zero plan. At minimum, significant strides should include: (1) demonstrated reductions in GHG emissions per megajoule that are on track with the company's stated targets and represent leadership within the oil & gas industry; (2) demonstrated increases in the share of revenue from net zero aligned sources; and (3) demonstrated R&D or M&A in net zero technologies and infrastructure (e.g., renewable energy, carbon capture, storage, sequestration, etc.).
>
> > ▪ For any leading companies identified, the subcommittee recommends obtaining

input from relevant Columbia University experts on the significance of such strides toward net zero – including whether a company is considered a leader among oil & gas companies with relevant country/regional transition pathways, and the quality/volume of net zero related R&D and M&A.

The subcommittee also recommends that any oil & gas companies placed on the “investment consideration” list be re-reviewed annually for ongoing alignment with these criteria. To date, no companies have cleared these steps, and the ACSRI has not yet recommended any exclusions from non-investment/divestment to the trustees.

(ii) If the proposal refers to all companies under consideration for investment by the IMC, the inclusion of Scope 2 and 3 emissions would result in an unwieldy and potentially un-informative list of excluded companies, leaving few sectors or companies in which the IMC could invest. For example, nearly all automobile, airline, retail, real estate, and technology companies have high Scope 2 and 3 emissions from the use of fossil fuels. It is the opinion of the ACSRI that exclusion of all companies with high Scope 2 and 3 emissions is infeasible at this point in time.

On behalf of the entire ACSRI, we appreciate the thoughtfulness of the arguments you put forth. Your letter prompted a valuable discussion among members of the Committee, and importantly led to further transparency from the ACSRI and the IMC on the complex issue of fossil fuel investments, and the implementation of our policy.

Very truly yours,

Bruce Usher
Faculty Chair
Advisory Committee on Socially Responsible Investing
Columbia University

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 2022 – 2023 THERMAL COAL LIST FOR NON-INVESTMENT

**New for 2022 – 2023 Academic Year*

Thermal Coal - Domestic Companies:
Company Name
Alliance Resource Partners LP
Arch Resources, Inc.
CONSOL Energy Inc.
Hallador Energy Company
NACCO Industries, Inc.
Peabody Energy Corporation

Thermal Coal - Foreign Companies:

Company	Country
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
China Coal Xinji Energy Co., Ltd.	China
China Qinfa Group Ltd.	Cayman Islands
China Shenhua Energy Company Limited	China
*Coal Energy SA	Luxembourg
Coal India Ltd.	India
Exxaro Resources Ltd.	South Africa
Feishang Anthracite Resources Ltd.	Virgin Islands (British)
Gansu Jingyuan Coal Industry & Electricity Power Co., Ltd.	China
Gujarat Mineral Development Corporation Limited	India
*Inner Mongolia Dian Tou Energy Corp. Ltd.	China
Inner Mongolia Yitai Coal Co., Ltd.	China
Jinneng Holding Shanxi Coal Industry Co., Ltd.	China

Jizhong Energy Resources Co., Ltd.	China
Kuzbasskaya Toplivnaya Kompaniya PJSC	Russia
KyungDong Invest Co., Ltd.	South Korea
Lubelski Wegiel BOGDANKA SA	Poland
Mercator Limited	India
Mitsui Matsushima Holdings Co., Ltd.	Japan
New Hope Corporation Limited	Australia
*Park Elektrik Uretim Madencilik Sanayi ve Ticaret AS	Turkey
PT Adaro Energy Indonesia Tbk	Indonesia
PT Alfa Energi Investama Tbk	Indonesia
PT Bayan Resources Tbk	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
*Salungano Group Ltd.	South Africa
Semirara Mining & Power Corp.	Philippines
Shaanxi Coal Industry Co., Ltd.	China
Shan Xi Hua Yang Group New Energy Co. Ltd.	China
Shanghai Datun Energy Resources Co., Ltd.	China
Shanxi Lu'An Environmental Energy Development Co., Ltd.	China
TerraCom Limited	Australia
The Lanna Resources Public Co., Ltd.	Thailand
Thungela Resources Ltd.	South Africa
Washington H. Soul Pattinson and Company Limited	Australia
Whitehaven Coal Limited	Australia
Yancoal Australia Ltd.	Australia
Yankuang Energy Group Co., Ltd.	China
Zhengzhou Coal Industry & Electric Power Co., Ltd.	China

Attachment B. 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."

AY 2022 – 2023 Private Prison Operators Non-Investment List

Private Prisons - Domestic Companies

Company Name
CoreCivic, Inc.
The GEO Group, Inc.

Private Prisons - Foreign Companies

Company Name
MITIE Group plc
Serco Group Plc
Sodexo SA

Attachment C: Tobacco Screening and Non-Investment List

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.

AY 2022 - 2023 TOBACCO NON-INVESTMENT LIST

New for 2022 - 2023 Academic Year

Tobacco - Domestic Companies

Company Name
22nd Century Group, Inc.
Altria Group, Inc.
Arcis Resources Corp.
Bellatora, Inc.
Gemini Group Global Corp.
Philip Morris International Inc.
*Pyxus International, Inc.
RLX Technology, Inc.
*Starfleet Innotech, Inc.
Turning Point Brands, Inc.
Universal Corporation
Vector Group Ltd.
Wee-Cig International Corp.

Tobacco Foreign Companies

Company	Country
Al-Eqbal Co. for Investment Plc	Jordan
BADECO ADRIA dd	Bosnia and Herzegovina
British American Tobacco Bangladesh Co.	Bangladesh
British American Tobacco Kenya Plc	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
Dupnitsa-Tabak AD	Bulgaria
Duvanska Industrija AD Bujanovac	Serbia
Eastern Co. (Egypt)	Egypt
Godfrey Phillips India Ltd.	India
Golden Tobacco Ltd.	India
Gotse Delchev Tabac AD	Bulgaria
Haci Omer Sabanci Holding AS	Turkey

Harrys Manufacturing, Inc.	Canada
Hoang Long Group	Vietnam
Imperial Brands PLC	United Kingdom
ITC Limited	India
Japan Tobacco, Inc.	Japan
Jerusalem Cigarette Co. Ltd.	Palestine, State of
Karelia Tobacco Co., Inc.	Greece
Khyber Tobacco Co. Ltd.	Pakistan
KT&G Corp.	South Korea
LT Group, Inc.	Philippines
Ngan Son JSC	Vietnam
Nikotiana 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 Indonesian Tobacco Tbk	Indonesia
PT Wismilak Inti Makmur Tbk	Indonesia
*Reinet Investments SCA	Luxembourg
Scandinavian Tobacco Group A/S	Denmark
Shanghai Industrial Holdings Limited	Hong Kong
Shanghai Shunho New Materials Technology Co., Ltd.	China
Shantou Dongfeng Printing Co., Ltd.	China
Shenzhen Jinjia Group 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
Smoore International Holdings Ltd.	Cayman Islands
Swedish Match Ab	Sweden
Tanzania Cigarette Co. Ltd.	Tanzania
TSL Ltd.	Zimbabwe
Tutunski Kombinat AD Prilep	Macedonia
Union Investment Corp.	Jordan
Union Tobacco & Cigarette Industries Co.	Jordan
VST Industries Limited	India
West Indian Tobacco Co. Ltd.	Trinidad and Tobago