

**RESOLUTION IN SUPPORT OF DIVESTING STANFORD'S ENDOWMENT FROM FOSSIL
FUEL COMPANIES**

UGS-W2020-40

Approved by Graduate Student Council on 3/11/20 and Undergraduate Senate (UGS) on 3/3/20

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SPONSORS: Fossil Free Stanford

DATE SUBMITTED: 24 February 2020

ACTION REQUESTED: Simple majority of the GSC and Undergraduate Student Senate

WHEREAS climate change and fossil fuel extraction have had, are having, and will continue to have profound, violent, and unjust consequences for current and future generations around the world;

WHEREAS these consequences disproportionately impact indigenous people and other vulnerable populations and reveal disparities that occur along race-, gender-, and class-based lines¹ and thus reinforce systemic oppression on a global scale;²

WHEREAS climate change threatens biodiversity and endangers humanity, causing increases in natural disasters, heat-related mortality, ozone-related mortality, vector-borne diseases such as malaria and dengue fever, poverty, and sea level rise, as well as reductions in projected food availability³;

WHEREAS the Intergovernmental Panel on Climate Change (IPCC) has observed that as of 2018, global temperatures have already risen 1.0 °C since the pre-industrial era due to human activities,⁴ and has attributed current increases in global temperature of 0.2 °C every decade to “past and ongoing emissions”⁵ ;

¹ IPCC, 2018: Summary for Policymakers. In: Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [V. Masson-Delmotte, P. Zhai, H. O. Pörtner, D. Roberts, J. Skea, P. R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J. B. R. Matthews, Y. Chen, X. Zhou, M. I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, T. Waterfield (eds.)]. World Meteorological Organization, Geneva, Switzerland, 32 pp.

² Kathleen Finn, Erica Gadja, Thomas Perin, and Carla Fredericks, *Responsible Resource Development and Prevention of Sex Trafficking: Safeguarding Native Women and Children on the Fort Berthold Reservation*, 40 Harv. J.L. & Gender 1 (2017), available at <https://scholar.law.colorado.edu/articles/629>.

³ IPCC, 2018.

⁴ Ibid.

⁵ Ibid.

WHEREAS existing fossil fuel reserves contain roughly five times the amount of carbon necessary to cause two degrees Celsius of warming and 80% of these reserves must remain in the ground to avoid catastrophic climatic disruption⁶;

WHEREAS the fossil fuel industry has been aware of the long-term consequences of carbon emissions for nearly 70 years and has actively participated in misinformation campaigns to deceive the public about climate change,⁷ which has caused leading climate scientists to conclude that “major investor-owned fossil energy companies carry significant responsibility for climate change”⁸;

WHEREAS part of Stanford’s endowment is likely invested in these same fossil fuel companies;

WHEREAS Stanford’s purpose is “to promote public welfare by exercising influence on behalf of humanity”⁹ and President Marc Tessier-Lavigne’s administration has proposed that Stanford “model an environmentally sustainable institution to help our campus, local, and global community understand, mitigate, and adapt to the changing climate”¹⁰;

WHEREAS Stanford University’s ethical investment framework provides for divestment in the case of “specific companies or categories of investment that are deemed abhorrent and ethically unjustifiable”¹¹;

WHEREAS the scale and severity of the climate crisis, unprecedented in human history,¹² in combination with the responsibility borne by fossil fuel companies for this same crisis, qualifies as a category of investment that is “abhorrent and ethically unjustifiable”;

WHEREAS the exclusion of fossil fuel companies from Stanford’s portfolio would likely pose extremely minimal risk to the endowment,¹³ and fossil fuel companies will become an increasingly unstable financial investment as action is taken to combat climate change¹⁴;

⁶ Meinshausen, Malte, et al. "Greenhouse-gas emission targets for limiting global warming to 2 C." *Nature* 458.7242 (2009): 1158-1162.

⁷ Franta, Benjamin. “Early oil industry knowledge of CO₂ and global warming.” *Nature*, vol. 8, December 2018: 1024-1026; Banerjee, N., Cushman, J. H. Jr, Hasemyer, D. & Song, L. *Exxon: The Road Not Taken* (CreateSpace, InsideClimate News, 2015).

⁸ Frumhoff, P. C., Heede, R. & Oreskes, N. *Climatic Change* 132, 157–171 (2015).

⁹ <https://ourvision.stanford.edu/>.

¹⁰ <https://sustainability-year-in-review.stanford.edu/2019/>.

¹¹ <https://smc.stanford.edu/wp-content/uploads/2018/12/SMC-Ethical-Investment-Framework.pdf>

¹² Marcott, Shaun A., Shakun, J.D., Clark, P.U., Mix, A.C. “A Reconstruction of Regional and Global Temperature for the Past 11,300 Years.” *Science*, vol. 339, issue 6124, 8 Mar. 2013: 1198-1201.; Marsicek, J., Shuman, B., Bartlein, P. *et al.* Reconciling divergent trends and millennial variations in Holocene temperatures. *Nature* 554, 92–96 (2018). <https://doi.org/10.1038/nature25464>.

¹³ Geddes, Patrick. “Do the Investment Math: Building a Carbon-Free Portfolio.” Aperio Group, 2013, https://gofossilfree.org/se/wp-content/uploads/sites/13/2014/07/building_a_carbon_free_portfolio.pdf; Kern, Daniel, Blachman, J., Cronin, G. "Fossil Fuel Divestment: Risks and Opportunities." Advisor Partners. https://www.advisorpartners.com/wp-content/uploads/2018/10/fossil_fuel_study__07-9-13.pdf.

¹⁴ Egan, Matt. “Exxon’s market value has crumbled by \$184 billion.” *CNN Business*, 5 Feb. 2020, <https://www.cnn.com/2020/02/05/business/exxonmobil-oil-stock/index.html>; Egan, Matt. “Energy stocks are the

WHEREAS the Stanford Undergraduate Senate and Graduate Student Council previously expressed support for the university’s divestment from all fossil fuels^{15 16}, but the university has yet to act on this issue; additionally, the student body has voted in support of divestment in two referenda, in 2014 and 2018¹⁷¹⁸;

WHEREAS the Advisory Panel on Investment Responsibility and Licensing advised specifically that “greater access to the Board of Trustees and/or SCIR”¹⁹ be granted to students and faculty, and that any ad-hoc committee formed to investigate the issue of divestment “include student and staff as well as faculty representation.”²⁰ However, no such ad hoc committee has been formed, instead a task force internal to the SCIR has been formed without student or faculty representation;

WHEREAS despite the precedent of full, voting student representation on committees such as the Committee on Land and Buildings and the Committee on Finance,²¹ the Board of Trustees has failed to create a similarly meaningful venue for student input on investment responsibility;

WHEREAS the Board of Trustees has committed to making a decision on whether to divest from oil and gas companies by the end of the 2019-20 academic year;²²

THEREFORE BE IT RESOLVED BY UGS AND GSC:

THAT two full voting student members be appointed to the Special Committee on Investment Responsibility;

THAT Stanford University commit to freezing all new investment in the top 100 oil and gas companies;

THAT Stanford University to commit to fully divesting from publicly traded oil and gas companies within 90 days of commitment and private partnerships within the next 5 years.

biggest losers of 2019--and the decade.” *CNN Business*, 29 Dec. 2019,

<https://www.cnn.com/2019/12/18/investing/worst-stocks-oil-energy/index.html>.

¹⁵ Svoboda, Lucy. “Senate passes fossil fuel divestment bill.” *The Stanford Daily*, 29 May 2013,

<https://www.stanforddaily.com/2013/05/28/senate-passes-fossil-fuel-divestment-bill/>

¹⁶ GSC-2014-21,

<https://mailman.stanford.edu/pipermail/gsc-members/attachments/20140514/373fad88/attachment-0001.pdf>.

¹⁷ Contreras, Brian, et. al. “2018 ASSU election results announced: Shanta-Rosie slate elected as executives.” *The Stanford Daily*, 14 Apr. 2018, <https://www.stanforddaily.com/2018/04/14/2018-assu-election-results-announced-shanta-rosie-slate-elected-as-executives/>

¹⁸ Persky, Jana. “University divests from coal mining companies.” *The Stanford Daily*, 7 May 2014,

<https://www.stanforddaily.com/2014/05/07/university-divests-from-coal-mining-companies/>

¹⁹ <https://stanford.app.box.com/v/apirl-review-2018>, p. 10

²⁰ <https://stanford.app.box.com/v/apirl-review-2018>, p. 8

²¹ “Committees of the Board of Trustees.” *Stanford: Board of Trustees*,

<https://boardoftrustees.stanford.edu/committees/>

²² Sullivan, Kathleen. “Stanford trustees hear presentations on graduate education, approve development projects, tour Escondido Village Graduate Residences” *Stanford: News*, 12 Feb. 2020,

<https://news.stanford.edu/2020/02/12/board-of-trustees/>