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I. Executive Summary

Based on the research conducted by the Fossil Fuel Divestment Ad-Hoc Committee, we recommend that Northeastern establish an infrastructure with which it can formally and publicly review issues concerning social responsibility and social impact. The peer institutions in our research that were most effective in engaging their students in an active and open dialogue were institutions that already had such infrastructure in place.

A prime example of the proposed infrastructure is Yale's Advisory Committee on Investor Responsibility (ACIR). In February 2013, the ACIR provided an opportunity for students in the Fossil Free Yale coalition to formally present their proposal to the committee. Soon before Yale's student body held a referendum on divestment in November 2013, the chair of the ACIR published a letter in the Yale Daily News explaining the role of the Advisory Committee in the review process. When the referendum passed on Yale's campus, the ACIR issued a public statement on the next steps that it would pursue on the matter of divestment. Even though the Yale Corporation ultimately voted to reject divestment in August 2014, the structure and engagement of the ACIR provided a platform for discussion. It offered students a chance to make their voices heard, and it allowed the dialogue between students and administrators to persist in plain sight, where all could benefit from its progression.

Northeastern should seek to foster this same kind of discussion on its own campus. But at the same time, this discussion should not be limited to matters of investments or finance. There are many concerns of social responsibility in the modern era - everything from sweatshops and labor laws, to sustainability, to employer discrimination, and much more. This body should be a place to which members of the Northeastern community can make their case on a change they would like to see in the policies of their university. And lastly, this Committee should contain a mix of faculty, administrators, and students to ensure that there is a balance of perspective in the discussion. (The proposed membership is further outlined in Section V of this report.)

Regarding the scope and charge of the Committee, we reiterate that the Committee's focus should be broader than investment decisions. The Committee should review both proposals that proactively identify and support socially responsible endeavors, as well as proposals that identify and condemn policies of social harm. The Committee should explore the financial, ethical, cultural political, environmental, and/or social dimensions of each proposal, and it should ultimately make a recommendation to the Senior Leadership Team based on its findings.

At its core, a university is a place of discussion, exploration, experimentation, creation, and engagement - all in the service of learning. Our hope is that this Committee for Social Impact and Responsibility will further these goals, and further our mission as a university, by setting the stage for many discussions to come.

Respectfully Submitted,

Anne Marie Barrett
Devon Grodkiewicz
Austin Williams

Noah Carville
Zachery Shaw

John Finn
Loi Truong

II. Climate Change Overview

This Climate Science Primer serves as a succinct overview of climate, climate change and its impact on the world as a whole, as well as the Northeast region of the United States in particular.

1. What is Climate?

Climate is the long-term weather patterns of a particular region or area, and is characterized by the temperature, precipitation, humidity and other meteorological variables of that region.

The climate of a region can be greatly influenced by the altitude, latitude or the water bodies nearby, since there is a disparity between the surface temperature of land and ocean. We know that the Sun radiates heat but the Earth only absorbs 50% percent of solar radiation and releases the rest back to the atmosphere. The difference between the surface temperature of land and ocean is caused by the water's ability to release heat. Ocean can absorb vast amount of heat from the Sun but only releases it slowly, thus making the surface temperature of ocean relatively lower than that of land.

2. Greenhouse Gases

Greenhouse gases consist of gases in the atmosphere that can absorb and emit infrared radiation such as water vapor, carbon dioxide, methane or ozone. As mentioned above, most of the solar radiation is absorbed by the Earth's surface and atmosphere, which in turn release energy out towards space as infrared energy. However, when being released back to space from the surface, energy is absorbed by the greenhouse gases present in the atmosphere and radiated down towards the surface. Consequently, this trapped energy increases the Earth's average temperature. The more greenhouse gases there are, the warmer the Earth gets.

3. Climate Change

Climate change represents a significant change in long-term weather patterns. 97% of scientists agree that climate warming is caused by human activity¹. The increase in the level of carbon dioxide, a heat-trapping gas, leads to the increase in Earth's average temperature and is caused mostly by fossil fuel combustion: Fossil fuels + O₂ = CO₂ + H₂O + Energy. Fossil fuels are hydrocarbons formed from the decomposition of dead plants and animals and consists of coal, natural gas and petroleum.

CO₂ concentration level was 275 ppm (parts per million) since the dawn of human civilization and had been varying but still below 300 ppm. Along with the industrial revolution in the 18th century came the needs for energy. Humankind began burning coal, gas and oil. As a result, CO₂ concentration skyrocketed to 300 ppm during 1950s and ends up at 400 ppm right now.

¹ <http://climate.nasa.gov/scientific-consensus/>

The Earth's average surface temperature has risen by more than 1.5°F (0.8°C) resulting from the burning of fossil fuels and deforestation. Such a small increase can bring severe impacts: rising sea level, plagues, extreme weather, change in ecological system and so forth.

4. Global Impact

***i. Extreme Weather*²:**

- Heavy Downpours: Since 1991, there has been a significant increase in the intensity and frequency of heavy precipitation events. The increase is conspicuous in the Northeast, Midwest and upper Great Plains, with more than 30% above the 1901-1960 average.
- Floods: Increased heavy downpours lead to intensified floods. From 1980-2009, floods caused 500,000 deaths worldwide, while the casualties were 4,586 within the U.S from 1959-2005. Worse yet, floods caused approximately 8 billion dollars damage on property and crop through 1981-2011.
- Droughts: Rising global temperatures have led to increased evaporation in the soil. As a result, summers get hotter and climates get drier. In 2011, Texas and Oklahoma had the hottest summer on record since 1895 with over 100 days of temperatures over 100 degrees.

***ii. Infrastructure*³:**

- Transportation: Sea level rise, coupled with storm surge increases the risk of major coastal impacts on transportation infrastructure including temporary and permanent flooding of airport, ports and harbor, roads, rail lines, tunnels, and bridges. Many island states has been experiencing severe precipitation events, hail and flooding, while transportation and region will be affected by increasing temperature, extreme weather events, and change in precipitation. Not only are transportation systems affected by climate change but they also one of the causes of climate change. In 2010, transportation sector accounted for 27% of all U.S. heat-trapping greenhouse gas emission and the majority of the nation's transportation energy use is petroleum (93%).
- Energy Use and Supply: Extreme weather, one of the consequences of climate change, will do harm to energy facilities and other infrastructures that rely on energy supply. Net electricity use is also affected since energy use increases in the summer and decreases in the winter due to global warming. Water scarcity, another consequence, will restrain energy production while coastal facilities and infrastructure are the target of increasing sea level.

***iii. Ecosystems and Biodiversity*⁴:**

² National Climate Assessment (NCA) 2014 - Extreme Weather
<http://nca2014.globalchange.gov/highlights/report-findings/extreme-weather>

³ NCA 2014 - Infrastructure
<http://nca2014.globalchange.gov/highlights/report-findings/infrastructure>

- Ecosystems consist of living organisms and nonliving components of their environment that interact with each other. Biodiversity is the measure of variety of life, including the number of species, life forms, genetic types, and habitats and biomes. Both of these have many benefits for humans, such as climate control and freshwater supplies. Much as ecosystems act as a buffer against damages of events, climate change and human activities can make ecosystems more vulnerable. Small rise in sea level (1.6 ft) can dramatically increase people and property loss (47% and 73% respectively).
- Change in Composition of Species in Specific Areas: many major changes will partly be driven by an increase in fire frequency and intensity. For example, the average time between fires in the Yellowstone National Park ecosystem is predicted to be shortened, causing coniferous trees to be replaced by woodlands and grasslands.
- Change in species distribution: both plants and animals have moved to higher elevations (36 feet/decade) and higher latitudes (10.5 miles/decade) in recent decades. For those with limited mobility, local extinctions are inevitable.

iv. Water Supply⁵:

- Annual average precipitation over the continental U.S. increased by two inches between 1895 and 2011. Dry spells are projected to increase in length in most regions (Southern and Northwestern). In overall, it is predicted that there will be a substantial increase in both wet and dry extremes.
- Droughts and Floods: droughts are expected to intensify throughout continental United States, causing water price to increase and crop yields to decrease. Floods are expected to be in the rise in the Northeast and Midwest, while sea levels also increase due to ice melting from high temperatures.

v. Human Health⁶:

- Climate change and extreme weather have major impacts on human health. Some effects are on mental and physical health, higher risk of natural disasters, and a resurgence of uncommon diseases. It also amplifies current health threats, especially among vulnerable communities nationwide.

5. Impacts on the Northeast Region⁷:

Climate change and its consequences, such as extreme weather events, sea level rise or coastal flooding, will pose a significant threat to the Northeast region of the United States.

⁴ NCA 2014 - Ecosystems and Biodiversity
<http://nca2014.globalchange.gov/highlights/report-findings/ecosystems-and-biodiversity>

⁵ NCA 2014 - Water supply
<http://nca2014.globalchange.gov/highlights/report-findings/water-supply>

⁶ NCA 2014 - Human health
<http://nca2014.globalchange.gov/highlights/report-findings/human-health>

⁷ NCA 2014 - Northeast
<http://nca2014.globalchange.gov/report/regions/northeast>

Home to 64 million people, the Northeast region is not only a densely populated area with massive, complex network of infrastructure, but is also of ecological importance. “The region’s ecosystems and agricultural systems are tightly interwoven, and both are vulnerable to a changing climate”.

Observation has shown that there has been an increase in the temperature and precipitation in the Northeast between 1895 and 2011, 2° F (0.16 ° F per decade) and 5 inches (0.4 inches per decade) respectively. Since 1900, a one-foot increase in sea level has led to rising coastal flooding.

How climate change is projected highly depends on the amount of heat-trapping gases emitted. According to the Intergovernmental Panel on Climate Change (IPCC), there are four emission scenarios and the projected warming is based on scenario A2 and B1. As in A2 scenario in which emissions continue to increase, warming of 4.5F° to 10°F is projected by the 2080s. However, there will still be a rise, albeit slow, in the amount of warming according to scenario B1 in which emissions are reduced substantially, 3F° to 6°F.

Changes in precipitation, however, are not easily predicted. Winter and spring precipitation are projected to increase by the end of the century. So is global sea levels, which will rise 1 to 4 feet. “Sea level rise of two feet, without any changes in storms, would more than triple the frequency of dangerous coastal flooding throughout most of the Northeast” (NCA 2014).

With climate change and its consequences come great challenges for residents of the Northeast, especially the most disadvantaged populations. Extreme heat events combined with poor air quality can post a major health risk to young children, the elderly and people with health issues. The vulnerability also varies due to socioeconomic factors such as race and ethnicity, age, gender or education and income. Recent study has predicted a 50% to 91% increase in heat-related deaths in Manhattan by the 2080s and 7.3% increase in emergency department visits for ozone-related asthma in children.

Not only does climate change have an impact on human health but it also severely affect infrastructure. Coastal flooding and sea levels rise will put infrastructure sectors at risk. Two feet of sea level rise is projected to flood 212 miles of roads, 77 miles of rail, 3,647 acres of airport facilities, and 539 acres of runways in New York, 298 acres of the overall port facilities in Maryland. Damages caused by sea level rise could potentially cost the city of Boston roughly \$94 billion, depending on the severity and what actions would be taken.

In terms of agriculture, consequences of climate change have been causing trouble for Northeastern farmers. Increased heavy rain events, wet springs, warmer winters and intense heat waves in summer would result in crop damage and decrease in milk production. To make things worse, farmers also have to face increased weed and pests pressure in which pests increase in population and arrive early (such as corn earworm) while some aggressive weeds become more resistant to herbicide control.

Rising temperatures are altering the Northeast's ecosystems. One of the changes is species distribution by elevation. "A Vermont study found an upslope shift of 299 to 390 feet in the boundary between northern hardwoods and boreal forest on the western slopes of the Green Mountains between 1964 and 2004" (NCA 2014). Species that are incapable of quickly adjusting to those changes are the most vulnerable. Fisheries are also negatively affected by temperature rise in ocean due to the northward shift in the habitat of some marine species.

III. Case Studies: Divestment on the College Campus

Part of the charge of the Fossil Fuel Divestment Ad-Hoc Committee was to analyze the progression of the divestment movement at other colleges and universities across the United States. Below, we have included brief synopses of these movements at Brown University, Georgetown University, Harvard University, Stanford University, Tufts University, the University of Dayton, and Yale University.

Brown University

The Brown Divest Coal Movement began in September of 2012, when students met to discuss the idea of making Brown University a leader in fossil fuel divestment. The initial goal of the students was to identify those companies who either burned the greatest amounts of coal or who mined the most coal. The students focus on coal specifically stems from the idea that the coal industry today stands as the "worst of the worst" of industries with a negative effect on the environment. These students identified the 15 coal companies most harmful to the environment, selecting 10 companies which burned the most coal and 5 companies who mined the most coal. In October of 2012, students from Brown Divest Coal delivered a letter to the President of Brown University Christina Paxson seeking Brown University to divest from its \$2.6 Billion endowment all of its holdings in the "Filthy 15" that had been chosen as the coal industry's worst offenders. In the letter to the President, Brown students urged reviewers to look back on the 2003 divestiture from tobacco companies and what led to the ultimate divestiture from those tobacco companies. As well, students urged administration to look back on the divestment of companies operating in apartheid South Africa which had occurred on campus in 1984.

During the fall of 2012 and the spring of 2013, momentum for the Brown Divest coal movement began to grow, with multiple student demonstrations and campus talks on the importance of divesting from the fossil fuel industry. In March of 2013, Brown's Undergraduate Council of Students (UCS) approved a resolution in favor of divesting from the Filthy 15, echoing the sentiments of the growing student support of the divestiture movement whose petition to divest from the Filthy 15 had over 3200 student, alumni, and faculty signatures. In April of 2013, Brown's Advisory Committee on Corporate Responsibility in Investment Policies (ACCRIP) voted to recommend divestiture from the Filthy 15. In their recommendation to President Paxson, the ACCRIP stated that Brown's divestment would speak to Brown's overall investment policies stating that "we would hope by having our investment policies reflect our values, we believe that we will help contribute to a public awareness of the need for urgent action to protect the planet." In May of 2013, students from the Brown Divest Coal Movement were invited to a Brown Board of Trustees

meeting where the students were allowed to present on coal divestment and answer questions from the board of trustees. At the time of the meeting, the board of trustees did not vote on divestment but decided to discuss upon the issue further and do their own research.

In October of 2013, President Paxson responded to the student body in an open letter regarding the decision the University had taken to not divest from the 15 companies included in the Filthy 15. In the letter, President Paxson shared her the reasons her and the board of trustees shared in their ultimate decision to not divest. President Paxson agreed in the case that coal was indeed causing great social harm to the environment and to people around the world, but did not believe that a divestiture of Brown's endowment would indeed help improve the coal industry or the fight against coal. President Paxson addressed the distinct difference between previous divestitures from tobacco in 2003 to the coal divestiture with the statement "Unlike tobacco, which arguably has no social value, a cessation of the production and use of coal would itself create significant economic and social harm to countless communities across the globe." President Paxson included her letter that Brown University's consideration of divestiture is over.

Georgetown University

The divestment movement at Georgetown University, known as "GU Fossil Free," began in the Fall semester of 2012. Focusing on Georgetown's \$1.29 billion endowment, GU Fossil Free sought to divest the endowment from its fossil fuel holdings within five years. In January 2013, the group delivered a formal letter to the president of the university, John DeGioia, specifically requesting that Georgetown divest from coal, oil, and natural gas within five years. (GU Fossil Free claimed that, based on their estimates, between eight and ten percent of the endowment was invested in fossil fuel companies.) The letter also requested that the university refrain from making additional investments in fossil fuel companies moving forward.

Upon receiving the letter, the President's Office passed the letter on to the University's Committee on Investments and Social Responsibility (CISR), which reviews such requests to "determine whether a proposal has a valid basis," according to Stacy Kerr, Georgetown's Assistant Vice President for Communications. "We take these concerns seriously," said Kerr. "In fact, that is precisely why last year we enhanced the Committee on Investments and Social Responsibility with the ability to make recommendations about our investment practices." (That said, after determining a proposal's validity, the committee lacks any authority to pass binding resolutions that will shape university policy.)

In Spring 2013, GU Fossil Free continued to build student momentum, obtaining 1,500 student signatures on a petition to divest from fossil fuel companies. This momentum culminated with the submission of a divestment resolution to the Georgetown University Student Association (GUSA) on November 7th, 2013. After substantial scrutiny from the members of the GUSA, the GUSA Senate passed a resolution to endorse GU Fossil Free's proposal on November 26th, with a vote of 17 yea and 6 nay. GUSA President Nate Tisa signed the bill, stating "[The bill] lends support to . . . Fossil Free . . . so now when they go and they have meetings with administrators, it's [with the] backing of the GUSA."

Following the passage of the resolution, the Georgetown Voice wrote an editorial publicly supporting the adoption of divestment policies on December 5th, 2013, and GU alumni wrote an

editorial in the Hoya newspaper supporting divestment on April 23, 2014. Currently, the members of GU Fossil Free are still working with CISR to move their proposal through the committee. Although the process has been a slow and bureaucratic one, members of GU Fossil Free have noted that their goal is not merely divestment. The end game is a conversation and awareness about climate change, and GU Fossil Free will continue to pursue this objective throughout the coming year.

Harvard University

The Harvard University Divest Harvard campaign began in the Fall of 2012, when the Divest Harvard group began meeting and formulating a plan to, as a University, divest from fossil fuels. Divest Harvard's proposed divestiture of the University's \$32.3 Billion endowment fund focused on the top 200 fossil fuel companies, and sought to re-invest those funds currently invested in fossil fuel into socially responsible investments. Divest Harvard asks for immediate freezing of the assets in the fossil fuel industry and complete divestiture within 5 years.

Divest Harvard petitioned to the University Council, the University's student government association, to include a referendum in the November 2012 elections calling for fossil fuel divestment. This referendum passed in November of 2012 with 72% of the student body in favor of divestment. This 72% of students in support of the divestment campaign shed media light on the Divest Harvard campaign, and lead the Harvard administration to agree to meet with the leaders of the Divest Harvard campaign in the upcoming spring.

The Divest Harvard leaders met with the Corporation Committee on Social Responsibility (CCSR) in the Spring of 2013, and while the CCSR agreed with the need to act against the threat of climate change, the committee signaled no support to the Divest Harvard campaign. In the following Fall of 2013, Divest Harvard continued its campaign to increase awareness around campus on the effects of fossil fuel. In addition, Divest Harvard invited the President of the University, Drew Faust, to attend a public forum to discuss the need to divest from fossil fuels. President Faust did not attend the forum held by Divest Harvard, and thus began a string of demonstrations by Divest Harvard, including a blockade of the President's office in April which led to the subsequent arrest of a student. The day after the arrest, Divest Harvard delivered almost 65,000 signatures in support of the Divest campaign to the President's office. Thus far in the Fall of 2014, Divest Harvard has organized a 5 day fast from October 20th-24th, asking for the support of students, faculty, staff, and community members to continue to raise awareness and promote the Divest Harvard campaign.

Stanford University

The divestment from fossil fuels campaign at Stanford University was sparked in December of 2012, beginning with a letter delivery to the university president's office. The letter, directly received by President Hennessy's assistant, demanded that the school immediately freeze all new investments in the fossil fuel industry, as well as full divestiture in a five year timeline. Within the following months, the students launched a website,

gathered petition signatures, and received media attention for attending various energy and climate change conferences.

In February 2013 during Parent's Weekend, President Hennessy called out the fossil fuel industry as one of the major factors contributing to global warming, giving leverage to the movement on campus. Subsequently, the campaign hosted peaceful actions before the group met with the school's Advisory Panel on Investment Responsibility and Licensing (APIR-L). In the meeting, the panel urged the campaign to file a formal "Request for Review," which was submitted immediately. By mid-May 2013, the movement gained over 1,000 petition signatures supporting divestment. On May 23rd, 2013, California governor Jerry Brown accepted an environmental consensus statement endorsed by 520 scientists, including 40 faculty from Stanford, as well as an additional 8 faculty from the school who helped draft the letter. Just a few days later, the Stanford Student Senate voted with a 2/3rd majority in favor of divestiture, officially recommending full divestiture to the President and the Board of Trustees.

The campaign came back strong the following fall, particularly during Reunion Homecoming Weekend, when students spoke with several alumni about the university's endowment and divestment. On November 11th, 2013, the campaign rallied in support of the next presentation to APIR-L, aimed to convince its members that the university should divest because there is "truly widespread support for the action," for which the panel had been searching. The next few months were marked with peaceful demonstrations and actions, garnering support from students, parents, alumni, and faculty members. In early April 2014, the undergraduate body passed a referendum in favor of divestment with 78% of the vote. During a rally concurrent with the voting period, a large group of students, faculty, and alumni delivered over 200 handwritten letters from alumni in support of divestment. Soon after, in a keynote discussion on sustainability, President Hennessy avoided the issue of divestment, until he was directly asked about it in a Q&A session. At this time, he indicated that APIR-L was reviewing the request and would hopefully submit the Board of Trustees' final decision in summer of 2014.

Finally, on May 6th, 2014, news broke that the university pledged to divest its \$18.7 billion endowment from coal - but not all fossil fuels. Specifically, this means that Stanford would not directly invest in approximately 100 publicly traded companies for which coal extraction is the primary business, and it would divest of any current direct holdings in such companies. However, the wording of the approved resolution for divestiture was rather explicit. For example, the resolution would not apply to companies whose main activity is the mining of coal for steel production. Therefore, this announcement served as a narrow success for the Fossil Free campaign.

While divesting from coal was seen as a huge first step, the students, alumni, and faculty are still at work to push the university further toward divestment from fossil fuels, as they are not pacified by the "compromise" endorsed by President Hennessy and the

Board of Trustees. So far, the movement has gathered over 3000 petition signatures total, including faculty, alumni, and students.

Tufts University

Initially known as the Responsible Endowment Collective, the divestment campaign at Tufts University began in the fall of 2012 with a teach-in about climate change from Bill McKibben and community partners. The next day, students had formulated a petition, addressed to University President Monaco and the Board of Trustees, in favor of divestment from fossil fuels. Immediately the campaign began to raise awareness on campus. On October 12th, fifteen students met with Tufts Vice President Patricia Campbell and Director of the Office of Sustainability Tina Woolston, with over 850 petition signatures in hand.

However, a few weeks later, President Monaco rejected the divestment proposal, on the basis that university's funds are "invested indirectly through fund managers, making it impossible to see the eventual recipients of the investments." By mid-November 2012, the students released a letter to alumni, informing them of the movement on campus, and urging them to sign an alumni petition. Several alumni shared the sentiments one alumnus, pledging to withhold all future personal financial contributions to the university until the path for divestiture had begun. Soon after the group formed a dedicated alumni website on the issue of divestment, of which over 230 alumni have signed the petition.

On January 24th, 2013, four students met for the first time with the Tufts Board of Trustees Investment Committee, while over 40 students and community members stood outside the meeting with signs of support. During the meeting, the committee confirmed that roughly 5% of the university's endowment was invested in fossil fuels, as well as that divestiture would be a "challenging and difficult process." Yet the students were invited back two weeks later to another meeting with the committee. Before the next meeting, the campaign hosted a divestment teach-in, in which students, faculty, alumni, and Tufts Community Union Senators came to learn about the movement and get involved. A few days later, the Tufts Community Union Senate voted to endorse the divestment proposal, passing a resolution in favor 24-1. By February 10th, the campaign released a website for faculty support of divestment, acting as a platform to get faculty involved. Due to the support on campus come early May 2013, President Monaco announced the formation of a Working Group Regarding Responsible Investments and Climate Change to review divestment and other steps the school could take to "address the climate crisis." The group consisted of three trustees, four student representatives, three faculty, and Vice President Patricia Campbell.

The movement's strongest next steps came in October 2013, when the student body was able to vote on a referendum question on the issue of divesting from the fossil fuel industry. 74% of students voted in favor of divestiture, passing the referenda. The

campaign continued with a series of actions, solidarity initiatives, and coalition building with on-campus student groups and other community partners.

On January 9th, 2014, the established working group presented its recommendations in a report to President Monaco, which was then reviewed and accepted by the Board of Trustees on February 8th. The report indicated the working group's recommendations to "refrain from divestment at this time," on the basis of logistical and fiscal impracticality. However, the report did note that a "strong minority opinion" held that divestment could be feasible with the proposed 5-year timeline. The report also included recommendations to establish a Sustainability Fund, in which spending would focus on renewable energy and energy-efficiency projects. On February 12th, President Monaco released a statement on the decision that the university will refrain from divestment due to "the significant anticipated negative impact of Tufts' endowment." Communication on the issue ended promptly. Disappointed with the "open discussion" on the issue regarding the working group and various meetings with the administration and committees, especially given the large student support for the movement, the campaign continued to strengthen and call for divestment, adopting their "Rejection Denied" response. The students so far have not seen any movement in terms of the proposed sustainability fund, and since have escalated their campaign. For example, in April 2014, four students attended an info session for prospective students and asked about the university's investments in the fossil fuel industry, which ended in a chaotic scene. Currently the university's endowment is valued at \$1.4 billion.

University of Dayton

The divestment process for the University of Dayton started in the Summer of 2013, when their investment committee began considering socially responsible investing. Through its discussions, the committee came upon the idea of divestment, and decided to further explore the impact such a change would have. They investigated several of the questions that divestment raised, such as how it would impact their future returns, how would they decide which companies to include, and which potential challenges it could raise. The committee met with consultants over several months, and dissected their portfolio to determine the answers to these questions, and to agree on a best course of action. At the end of their discussions, the University of Dayton Board of Trustees voted unanimously to divest on June 23rd, 2014.⁸

It is important to note that the investment committee at the University of Dayton is a subcommittee of the Board of Trustees, and unlike many of the other universities discussed in this report, their consideration of divestment was in no way initiated by student activism. It was purely motivated by the members of the committee. During their discussion of the issue, the Board of Trustees agreed that divesting fell within their commitment as a Marianist University to environmental sustainability, human rights, and their religious mission.

⁸ https://www.udayton.edu/news/articles/2014/06/dayton_divests_fossil_fuels.php

Through the investment committee's discussion with their investment consultants, they determined that the financial impact of divesting would be minimal. The University of Dayton has an endowment of nearly \$670 million, of which they decided to divest 5%, or \$34 million. They did not consider divesting from every fossil fuel company, but instead decided it would be more productive to focus on 200 of the largest, from the Carbon Tracker 200 list. As of this summer, they had already begun divesting from domestic equity accounts, and were planning a second stage during which they would pull out of their international holdings, while seeking new investment opportunities in more sustainable technologies. They also have a full scale review of their divestment decision scheduled to occur 18 months from their original announcement, in December of 2015.⁹

Yale University

The Fossil Free Yale movement started in the Fall of 2012, when students began their campaign to divest Yale's \$20.8 billion endowment from fossil fuel companies. Soon after the campaign's inception, the students met with the Yale Advisory Committee on Investor Responsibility (ACIR) to review the potential of divestment. "The ACIR is composed of two students (one undergraduate and one graduate), two alumni, two faculty, and two staff members."¹⁰ On February 4, 2013, Fossil Free Yale gave a 45-minute presentation to the committee, and the committee publicly announced that it would investigate divestment as a possible action.

Fossil Free Yale continued to build momentum, culminating in a student body-wide vote on the issue. Prior to the vote, Jonathan Macey, the chair of the ACIR, published a column in the Yale Daily News. Macey described the recent events in the Divestment movement around the country, as well as the role of the ACIR in reviewing the divestment proposal. Macey stated, "[A]ny recommendation by the ACIR regarding divestment would come, if at all, after a process of engagement with the relevant company. It also is our policy to recommend divestment only as a last resort, and then only if we thought that divesting has the prospect of producing something of benefit in the struggle against climate change."

The divestment referendum began two days after Macey's column, and continued from November 17th to the 20th. The vote saw over 50% of the student body participate, and of those who cast a vote, 83% voted in favor of divestment. This significant display of support caused the ACIR to again post a public response. The advisory committee noted,

"As a next step, we are considering recommending to the [Corporation Committee on Investor Responsibility]¹¹ that we write to energy companies whose shares are publicly traded to ask that they voluntarily disclose their environmental impact so that investors can compare among investments on the basis of their environmental impact. In order to make this

⁹ <http://ncronline.org/blogs/eco-catholic/university-dayton-divests-fossil-fuels>

¹⁰ <http://acir.yale.edu/index.html>

¹¹ A committee that makes recommendations to Yale on "policy matters related to ethical investing. It is supported by the work of the Advisory Committee on Investor Responsibility (ACIR), whose membership consists of Yale alumni, staff, faculty and students."

recommendation, however, we are in the process of developing a common metric or set of metrics that would allow the environmental impact of energy companies' activities to be measured and compared. Consistent with longstanding policy of the ACIR, engagement with companies would necessarily precede any recommendation regarding divestment. We will continue to work on ethical investment issues in general and on the fossil fuels issue in particular. In January, 2014 we will hold an open meeting to which all members of the Yale community will be invited. We hope that as many people as possible will attend this meeting and share their thoughts and ideas with us."

Ultimately, though, Yale President Peter Salovey announced that Yale would not divest its endowment from fossil fuels.¹² The Yale Corporation voted against divestment in August 2014, and President Salovey notified students via an email announcement several days later. Nevertheless, the students behind the Fossil Free Yale movement continue to push toward divestment, delivering a letter of protest to President Salovey as recently as October 6th, 2014.¹³

IV. Comparative Analysis of Peer Institution Infrastructure

As referenced in the research above, there are many examples of colleges and universities that already contain committees tasked with reviewing the social impact of university policies. We have included four examples below, with varying compositions, charges, escalation structures, and past decisions. These examples, and others like them, were considered in drafting the final recommendation of this committee.

Brown University

Committee Name: Advisory Committee on Corporate Responsibility in Investment Policies (ACCRIP)

Endowment Size: \$2.53 Billion

Member Composition

Three faculty members (elected by faculty); Three students, (Two elected by Undergraduates and One by Graduates); Three alumni (chosen by the President, in consultation with the Board of Directors of the Associated Alumni), and Two University staff members (recommended by the Staff Advisory Council and approved by the President). Staff of the Investment Office are not voting members of the Committee.

¹² http://www.huffingtonpost.com/judith-samuels/yale-university-ducks-on_b_5785386.html

¹³ <http://yaledailynews.com/blog/2014/10/07/ffy-demands-university-reconsider-divestment-decision/>

Charge/Scope of Committee

The ACCRIP shall: “consider issues of moral responsibility in the investment policies of Brown University. The Committee shall evaluate information on such questions that are submitted to the Committee from individuals, groups, and organizations within and outside the University community; . . . [And] consider requests by any member of the Brown Community to examine issues of alleged ‘social harm’ with respect to the activities of corporations in which the University is an investor. Social harm is defined for the purpose of this charge as the harmful impact that the activities of a company or corporation have on consumers, employees, or other persons, or on the human or natural environment.”¹⁴

Special Note

The ACCRIP specifically notes that it will only recommend divestiture: “(keeping in mind the fundamental principle of sound financial policy, the legal responsibilities of the Corporation to sustain fiscal soundness and stability of the endowment fund, and the kinds of balanced judgment called for above) when divestiture will likely have a positive impact toward correcting the specified social harm, or when the company in question contributes to social harm so grave that it would be inconsistent with the goals and principles of the University to accept funds from that source.”

Escalation Structure *Not specified in Committee Charter*

Past Actions: HEI Hotels and Resorts, Sudan Investments, Tobacco Companies

Website: <http://www.brown.edu/about/administration/advisory-committee-corporate-responsibility-investment-policies/>

Columbia University

Committee Name: Advisory Committee on Socially Responsible Investing (ACSRI)

Endowment Size: \$8.20 Billion

Member Composition

Four Alumni, Four Students, Four Faculty, One Staff, One Administrator (Staff and Administrators are non-voting members). “Student members of the Committee will be nominated through student government organizations; faculty will be nominated by their

¹⁴ All quotations are sourced from each committee’s respective website unless otherwise noted.

divisional vice president, or by their dean and the provost, and alumni will be nominated by the University Vice President for Development & Alumni Relations from candidates identified by the various alumni associations of the schools.”

Charge/Scope of Committee

Established in 2000, the Committee serves to “advise the University Trustees on ethical and social issues that arise in the management of the investments in the University's endowment.” The Committee makes recommendations on topics including, but not limited to, “the exercise of the University's proxy-voting rights, shareholder initiatives, and portfolio screening. To this end, the Committee will set out a specific agenda to the Columbia community each fall to be submitted to the University Trustees and the University Senate. The Committee, however, will determine the SRI issues it researches and the recommendations it makes to the University, including its response to issues that arise after the preparation of its annual agenda.”

Escalation Structure

The Committee makes recommendations directly to the University Trustees.

Past Actions: Animal Welfare, Political Contributions, Equal Opportunity Employment

Website: <http://finance.columbia.edu/content/socially-responsible-investing>

Georgetown University

Committee Name: Committee on Investments and Social Responsibility (CISR)

Endowment Size: \$1.286 Billion

Member Composition

Three Faculty (nominated by faculty senate), Three designees of the President (at least one with “expertise in Catholic social teaching or philosophy”), Two Administrators (One from the Investment Office, one from the VP for Mission and Ministry), Four students (Two Graduate, Two Undergraduate)

Charge/Scope of Committee

“Georgetown’s Committee on Investments and Social Responsibility (CISR) is charged with making recommendations as to the university’s voting of shareholder proxies as well as considering written proposals from members of the Georgetown community on issues

related to socially responsible investment. The CISR was established as an advisory body. Fiduciary oversight for the endowment is vested in a subcommittee of the university Board of Directors, specifically the Subcommittee on Investments of the Committee on Finance and Administration. The CISR does not have authority to review, veto, or recommend specific endowment investments, or to address the day-to-day operations of the university. However, should the Committee decide that a proposal submitted by members of the university community merits further consideration, it will send a written report and recommendation of its findings to the Board, which has final decision-making authority.”

Escalation Structure

CISR considers proposals from university community, makes recommendations to the Board of Directors or the Committee on Finance and Administration.

Past Actions: South African Apartheid, Sudanese Conflict, Divestment from Fossil Fuels

Website: <http://publicaffairs.georgetown.edu/cisr>

Yale University

Committee Name: Advisory Committee on Investor Responsibility (ACIR)

Endowment Size: \$20.78 Billion

Member Composition

Two Alumni, Two Faculty, Two Administrators, Two Students (One Undergraduate, One Graduate)

Charge/Scope of Committee

Uphold the guidelines established in *The Ethical Investor: Universities and Corporate Responsibility*. From the Committee’s website: “At the heart of The Ethical Investor's approach to institutional investor responsibility is the concept of social injury. As defined in . . . *The Ethical Investor* (the "Guidelines"), ‘social injury’ means ‘the injurious impact which the activities of a company are found to have on consumers, employees, or other persons, particularly including activities which violate, or frustrate the enforcement of, rules of domestic or international law intended to protect individuals against deprivation of health, safety, or basic freedoms.’”

Escalation Structure

The ACIR makes recommendations to the Corporation Committee on Investor Responsibility (CCIR). The CCIR then makes recommendations to the Yale Corporation and is charged with “implementing approved policy.”

Past Actions: South Africa Apartheid, Tobacco Companies, Sudan Investments

Website: <http://acir.yale.edu/>

V. Final Recommendation

Based on the research conducted by the Fossil Fuel Divestment Ad-Hoc Committee, we recommend that Northeastern establish an infrastructure with which it can formally and publicly review issues concerning social responsibility. The peer institutions in our research that were most effective in engaging their students in an active and open dialogue were institutions which already had such infrastructure in place.

Northeastern should seek to foster this same kind of discussion on its own campus. But at the same time, this discussion should not be limited to matters of investments or finance. There are many concerns of social responsibility in the modern era - everything from sweatshops and labor laws, to sustainability, to employer discrimination, and much more. This body should be a place to which members of the Northeastern community can make their case on a change they would like to see in the socially responsible policies of their university.

After reviewing the structure of similar bodies at our peer institutions, we propose that Northeastern’s Committee for Social Impact and Responsibility contain the following:

- Three student representatives (two undergraduate and one graduate), elected by their respective student governments, serving a term of one year;
- Four faculty representatives, elected by the faculty senate, serving a term of two years in staggered maturities;
- Three administration representatives, appointed by the university President or his designee, serving a term of two years in staggered maturities;
- Two co-chairs from the above membership (one faculty representative and one administration representative) elected by the Committee at the beginning of each fiscal year.

We propose that the Committee for Social Impact and Responsibility meet, at minimum, once in the Fall semester to set the agenda for the year, and once in the Spring semester to present its recommendations and findings to the Senior Leadership Team of Northeastern University. The Committee should continue to meet as needed to pursue the items established in its Fall agenda-setting session.

Regarding the scope and charge of the Committee, we reiterate that the Committee’s focus should be broader than investment decisions. The Committee’s focus on social responsibility should be twofold: first, it should review proposals that proactively identify and support socially

responsible endeavors, and second, it should review proposals that identify and condemn policies that perpetuate social harm. The Committee should explore the financial, ethical, cultural political, environmental, and/or social dimensions of each proposal, and it should ultimately make a recommendation to the Senior Leadership Team based on its findings.

At its core, a university is a place of discussion, exploration, experimentation, creation, and engagement - all in the service of learning. Our hope is that this Committee for Social Impact and Responsibility will further these goals, and further our mission as a university, by setting the stage for many discussions to come.

Respectfully Submitted,

Anne Marie Barrett
Devon Grodkiewicz
Austin Williams

Noah Carville
Zachery Shaw

John Finn
Loi Truong

VI. Appendix

Economics of Fossil Fuel Divestment

The oil and gas sector are, in their current state, strongly integrated in our economy and are inherently profitable. The current speculative price established on the market involves a series of assumptions, the main issue of contention being that 50-80% of the current market value is based on unburned reserves, representing more than \$20 trillion in assets.¹ Any analysis of climate change and imminent future carbon regulation involves another series of assumptions, these include: carbon budgets, either through a carbon price or emission trading scheme, substitutions of high-carbon technology with low-carbon technology, and development of policy curtailing fossil fuel use and demand.² This provides a developing risk, a “carbon bubble”, of up to the aforementioned 50-80% or \$20 trillion of current value for fossil fuel stocks.

It is useful to compare this developing risk with the risk associated with not having fossil fuel investments in one’s portfolio. Impact Asset Management examined the exclusion of the fossil fuel sector from a number of portfolios, including:

1. MSCI World index without the fossil fuel energy sector
2. Replacing fossil fuel stocks of the MSCI World Index with a passive allocation to an investable universe of renewable and energy efficiency stocks
3. Replacing the fossil fuel stocks of the MSCI World Index with an actively managed portfolio of renewable energy and energy efficiency stocks
4. Replacing the fossil fuel stocks of the MSCI World Index with an actively managed allocation of stocks selected from a wider range of resource optimization and environmental investment opportunities

It is useful to compare this developing risk, with the risk associated with not having fossil fuel investments in one’s portfolio. [Impax Asset Management](#) examined the exclusion of the fossil fuel sector from a number of portfolios, including:

5. MSCI World index without the fossil fuel energy sector
6. Replacing fossil fuel stocks of the MSCI World Index with a passive allocation to an investable universe of renewable and energy efficiency stocks
7. Replacing the fossil fuel stocks of the MSCI World Index with an actively managed portfolio of renewable energy and energy efficiency stocks
8. Replacing the fossil fuel stocks of the MSCI World Index with an actively managed allocation of stocks selected from a wider range of resource optimization and environmental investment opportunities

Aside from the MSCI World Index without the fossil fuel energy sector, the return over five, and if possible, seven years, would have improved.³ It is understandable that an institution may be concerned by the exclusion of an entire industry from a portfolio, and this exclusion

may introduce tracking error into portfolio returns or prove to be a missed opportunity for future outperformance.

Concern Regarding Industry's Stance on the Economics of a Carbon Bubble

In response to a letter by global investors concerned about the possibility of a carbon bubble risk, several industry heavyweights responded with little concern. Citing ExxonMobil's report on the matter:

*"ExxonMobil believes that although there is always the possibility that government action may impact the company, the scenario where governments restrict hydrocarbon production in a way to reduce GHG emissions 80% during the Outlook period (up to 2040) is highly unlikely. The Outlook demonstrates that the world will require all the carbon-based energy that ExxonMobil plans to produce during the Outlook period."*⁴

ExxonMobil's stance on the matter is in line with a handful of the stabilization scenarios provided by the IPCC, all of which require carbon dioxide capture and storage (CCS) technology on the order of 100s of GtCO₂ per year. Detailed in the latest working group of the IPCC, "Climate Change: Climate Change Mitigation" are various technologies, mitigation strategies, and barriers for the implementation of these technologies and strategies. For CCS, the final draft suggests that all necessary technology exists in order to successfully capture emitted Greenhouse Gasses for storage. Under a CCS-feasible scenario then, the issue of a carbon bubble and its economic ramifications would appear to be void. Dependence on CCS technology for stabilization must also recognize the significant risks and challenges still needed to overcome in large-scale deployment, namely the higher cost of production, cost of long-term monitoring for storage sites, and the establishment of how the financial liability of monitoring will be managed.⁵ To put the financial issue of storage in place: to sequester just a fifth of CO₂ from current emissions would require a global system of infrastructure with annual throughput 70% larger than the annual volume currently handled by the global crude oil industries.^{6,7} While there may be some transitional pathways towards the adoption of CCS, the cost of implementation is outweighed by that of renewables and other alternatives in addressing climate change.

Policy Concern

Of note in ExxonMobil's report is the denial of a scenario where hydrocarbon production is restricted in such a way to reduce GHG emissions by 80%. Already, several policy mechanisms have been proposed by legislators both nationally and in Massachusetts in order to limit emissions from hydrocarbons by posing such restrictions. One such example is Congressman Van Hollen's Healthy Climate and Family Securities Act of 2014, which would provide a declining cap on carbon reducing emissions by 80% by 2050. On a local level, an example would be Senator Barrett's Carbon Tax proposal. Each of these proposals oppose the statements made by ExxonMobil regarding governmental restrictions.

Conclusion

The risks of continued investment in the fossil fuel industry pose a growing threat to endowments. Despite efforts to reduce emissions from the fossil fuel industry through technologies such as CCS, the cost of implementation and infrastructure investment necessary outweigh the cost of alternative sources of energy. Many organizations have recognized the potential consequences of such continued investments, including other institutions such as Pitzer College, University of Glasgow, various religious organizations, and foundations such as the Rockefeller Foundation. The speculative nature of continued investment in fossil fuels is a closing window of opportunity with looming future risk.

Citations:

- 1: [Unburnable Carbon: Are the world's financial markets carrying a carbon bubble?](#)
- 2: IPCC Working Group 3: "[Climate Change 2014: Climate Change Mitigation](#)"
- 3: [Beyond Fossil Fuels: The Investment Case for Fossil Fuel Divestment](#)
- 4: ExxonMobil: "[Energy and Carbon: Managing the Risks](#)"
- 5: UNFCCC and IEA: [Opportunities and Challenges of CCS Deployment](#)
- 6: [The Energy Collective](#)
- 7: [Global Energy: The Latest Infatuation](#)

Divestment as a Tactic and the Growth of the Fossil Fuel Divestment Movement

Divestment is a socially motivated activity of private wealth owners in which the removal of assets from a specific industry occurs¹⁵. In simple terms, divestment is the opposite of investment, often with an expressed ethical or political purpose. Divestiture can occur under the charge of either individuals or groups- the most common examples being university endowments, public pension funds, or their appointed asset managers.

In the context of university endowments, divestment has been pursued in the past for a number of causes seeking to leverage a university's prestige and status to effect change. The university poses a prime target for divestiture: as a societal fixture that exists to promote the public good, a university is uniquely suited to display moral leadership, and is particularly susceptible to public pressures. This rings particularly true in instances where an expression of moral clarity is called for, such as with South Africa and Darfur, and in instances regarding externalities and the distortion of public discourse and policy, such as with the fossil fuel industry and the tobacco industry.

¹⁵ Kaempfer, Lehman, and Lowenberg, 'Divestment, Investment Sanctions, and Disinvestment.'

The oft-cited example is the 1980s anti-Apartheid divestment campaign against companies operating in South Africa, from which the tactic is borrowed. The extent of the campaign was significant: by 1989 approximately 155¹⁶ academic institutions had divested, along with 26 states, 22 counties and over 90 cities. Momentum was such that in 1986 the Comprehensive Anti-Apartheid Act became law, overriding a veto issued by President Reagan. The specific provisions of the act and the ease with which it was passed were a testament to the shift in political discourse that had been achieved by the divestment movement:

“The Act banned new U.S. investment in South Africa, sales to the police and military, and new bank loans, except for the purpose of trade. Specific measures against trade included the prohibition of the import of agricultural goods, textiles, shellfish, steel, iron, uranium and the products of state-owned corporations.”

While academics still debate over the extent to which the US-led divestment campaign played a role in abolishing the apartheid state, Nelson Mandela stated his belief that the University of California's massive divestment was particularly significant in abolishing white-minority rule in South Africa¹⁷. Northeastern University itself divested from corporations doing business in South Africa in two waves, in 1985 and 1986¹⁸, after years of President Ryder fighting against students pushing to do so.

The fossil fuel divestment movement of today can trace its roots to Swarthmore College. In 2010 a group by the name of Swarthmore Mountain Justice began calls for the college's endowment to sell off all funds in fossil fuel companies. While this was the first known instance of a fossil fuel divestment campaign, the movement didn't gain broad appeal or mass awareness until 19 July, 2012, when Rolling Stone magazine published an article by Bill McKibben titled 'Global Warming's Terrifying New Math'¹⁹.

In this article McKibben explained that in order to have an 80% chance of keeping global warming below 2°C (the target agreed to by the 167 countries that signed the Copenhagen Accord in 2009) we can only emit 565 gigatons of carbon dioxide (GtCO₂) between 2010 and 2050. By contrast, burning all the currently proven oil, gas and coal reserves of fossil fuel companies would release 2,795GtCO₂ into the atmosphere. This is almost five times the 'carbon budget' of 565GtCO₂.

In his article McKibben called for a fossil fuel divestment campaign, with the aim of

¹⁶ [Chapter: Sanctions, Disinvestment, and U.S. Corporations in South Africa](#). Richard Knight. Sanctioning Apartheid (Africa World Press), 1990

¹⁷ [‘Chancellor Dirks: We are united in grief and reverence for Mandela.’](#)

¹⁸ The Africa Fund, [‘Divestment Actions on South Africa by US Colleges and Universities’](#)

¹⁹ McKibben, [‘Global Warming's Terrifying New Math’](#)

stripping the fossil fuel industry of its political clout through public stigmatization, with the ultimate goal of inducing policy change. Throughout the fall of 2012 McKibben and his non-profit, 350.org, toured college campuses with the intent to inspire students to start campaigns of their own. The strategy paid off- soon divestment campaigns began emerging on campuses across the country, armed with information and motivated by urgency.

The logic behind the campaign can best be summarized in the following quote from Fossil Free:

“If it is wrong to wreck the climate, then it is wrong to profit from that wreckage. We believe that educational and religious institutions, governments, and other organizations that serve the public good should divest from fossil fuels.”²⁰

The growth of the fossil fuel divestment movement has been unprecedentedly rapid- Fossil Free now claims active campaigns across North America, Europe and Australia, including over 400 active campaigns on college campuses in the USA alone. In a report released in the October of 2013, the University of Oxford found that the fossil fuel divestment campaign was the fastest growing divestment campaign in history²¹.

At a glance, this growth is apparent. Consider that as of 7 October 2013 only six colleges and universities had committed to divest, along with 17 cities, two counties, 11 religious institutions, three foundations and two other institutions. As of September 19th, 2014, 181 institutions and local governments and 656 individuals representing over \$50 billion in assets had pledged to divest from fossil fuels²². In the brief span of time between now and then further divestment commitments have been made- including at the University of Glasgow²³, marking the first time that a European university has committed to divestment.

These institutions and individuals come from a diverse range of sectors and backgrounds, including universities, faith-based organizations, philanthropies, health-care providers, local governments, and NGOs. Tellingly, this movement has also elicited support from many sources of moral authority, including former leaders of the anti-Apartheid movement²⁴ to which the fossil fuel divestment is a spiritual successor.

As to the efficacy of the movement, fossil fuel divestment can be weighed on two grounds: direct financial impact to the industry and public stigmatization accrued towards the

²⁰ Fossil Free, '[About Fossil Free](#)'

²¹ University of Oxford, '[Stranded assets and the fossil fuel divestment campaign: what does divestment mean for the valuation of fossil fuel assets?](#)'

²² Arabella Advisors, '[Measuring the Global Fossil Fuel Divestment Movement](#)'

²³ The Guardian, '[Glasgow becomes first university in Europe to divest from fossil fuels](#)'

²⁴ Desmond Tutu, '[We need an apartheid-style boycott to save the planet](#)'

industry. While the movement has moved a surprisingly large amount of assets given its relatively brief existence, the maximum possible capital that could be divested by university endowments and public pension funds is relatively small in comparison to the market capitalisation of traded fossil fuel companies and the size of state-owned enterprises. Here, with the probable exception of the coal industry, it appears as if the movement will lack the financial punch that accompanied the anti-Apartheid campaign.

Activists point out that the objective of the fossil fuel divestment campaign is not to directly harm the industry financially, but rather to induce policy change. This is a view reinforced by academics studying divestment:

"Stigmatisation poses a far-reaching threat to fossil fuel companies – any direct impacts of divestment pale in comparison. In every case we reviewed, divestment campaigns were successful in lobbying for restrictive legislation."

"The outcome of the stigmatisation process, which the fossil fuel divestment campaign has now triggered, poses the most far-reaching threat to fossil fuel companies and the vast energy value chain." -Ben Caldecott, University of Oxford's Smith School of Enterprise and the Environment.

Recent mobilizations in support of climate action, such as the student-led XL Dissent²⁵ and the unprecedented People's Climate March²⁶, indicate that the fossil fuel divestment movement is succeeding in refocusing public discourse over the climate issue. These developments are particularly timely in the context of President Obama's desire to cement climate action as a portion of his legacy and in the run-up to the 2015 United Nations Climate Change Conference in Paris, where a global and binding agreement on climate change is set to be reached.

It is difficult to predict how far-reaching the implications of the fossil fuel divestment movement will be, but there is reason to believe that it is here to stay for the foreseeable future (particularly as a facet of campus life). Already market norms are shifting, with financial service providers becoming increasingly capable of providing negative screens and passive measures to filter against fossil fuel assets, as well as a host of other ESG concerns. Concern over the possibility of 'stranded assets' - assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities²⁷ - has entered the financial²⁸ mainstream²⁹, with fear of the development of a carbon bubble from

²⁵ ['XL Dissent'](#)

²⁶ People's Climate March, ['Wrap-up'](#)

²⁷ Smith School of Enterprise and the Environment, ['Stranded Assets Programme'](#)

²⁸ Financial Times, ['Pension funds urged to publish climate risks'](#)

unburnable fossil fuel reserves prompting shareholder resolutions³⁰. To their part, fossil fuel giants have responded defiantly- Shell³¹ and ExxonMobil³² have both pushed back on claims that carbon bubbles or stranded assets pose a risk to their returns, and have declared an intention to bring their assets to bear in the market irrespective of government policy, a view echoed by other industry giants³³.

Responding to this campaign is a matter of necessity for Northeastern University. On March 31st, 2014, the Undergraduate Student Body voted in favor of divestment from the fossil fuel industry, with 75.23% of students casting a 'yes' vote³⁴. If paths of campaign escalation at universities which have responded negatively or apathetically are any indicator, engagement of the student body and other members of the Northeastern community in developing a proactive response to the fossil fuel divestment movement should be of the utmost priority to university leadership. This report aims to layout a framework for how such a process may occur at Northeastern University, and how such a process may be institutionalized to facilitate a constructive response to social impact concerns in the future.

²⁹ The Economist, '[Unburnable fuel](#)'

³⁰ Ceres, '[Shareholders File Resolutions to Press Fossil Fuel Companies on Low-Carbon Strategies, Carbon Asset Risk](#)'

³¹ The Guardian, '[Shell hits back at "carbon bubble" claims](#)'

³² ExxonMobil, '[Energy and Carbon -- Managing the Risks](#)'

³³ The Carbon Brief, '[What the fossil fuel industry thinks of the 'carbon bubble'](#)'

³⁴ DivestNU, '[4/16/14 Letter Delivery](#)'