

University of South Carolina Faculty Senate

A RECOMMENDATION

-TO-

DIVEST THE UNIVERSITY OF SOUTH CAROLINA FROM THE FOSSIL FUEL INDUSTRY

Approved by the Faculty Senate, March 3, 2021

WHEREAS, climate change has been affirmed by overwhelming scientific evidence to be real and to be caused by humans; and

WHEREAS, anthropogenic global heating has already wrought devastating impacts around the globe, and if unchecked will continue to harm natural systems, food systems, infrastructure systems, and key economic sectors, including tourism, which is a major source of revenue in the State of South Carolina; and

WHEREAS, the “fossil-fuel industry” is defined as the nexus of corporations that organize, participate in, and profit from the extraction, processing, refinement, transportation, or storage of any type of fossil fuel used for the production of energy; and

WHEREAS, according to the United States Energy Information Administration, 75 percent of anthropogenic greenhouse gas emissions in the United States are from the burning of fossil fuel for energy¹; and

WHEREAS, three largest fossil-fuel corporations in the United States, while acknowledging anthropogenic climate change and the role of fossil fuels in it, have devoted minimal financial resources to clean-energy transitions²; and

¹ <https://www.eia.gov/>

² In 2019, for example, ExxonMobil announced a 10-year plan to invest \$100 million in renewable energy. However, this is a miniscule fraction of ExxonMobil’s net income, which totaled \$14.3 billion in 2019 alone (based on revenue of \$255.6 billion). Chevron’s sustainability report explicitly recognizes the reality of global heating, but its renewables strategy focuses almost exclusively on its own business operations (e.g. producing biomethane for Chevron vehicles, rather than for the broader market). ConocoPhillips’ sustainability report offers no substantive information about any moves toward renewable energy. For further information, see https://corporate.exxonmobil.com/News/Newsroom/News-releases/2019/0508_ExxonMobil-to-invest-up-to-100M-on-lower-emissions-RandD-with-US-National-Labs; <https://www.conocophillips.com/company-reports-resources/sustainability-reporting/>; <https://www.chevron.com/sustainability/environment/the-energy-transition>

WHEREAS, the University of South Carolina Educational Foundation invests in fossil fuels directly, through Private Natural Resource funds, and indirectly, through index and private equity funds; and

WHEREAS, the long-term financial risks of investing in fossil-fuel industries are significant and will continue to grow as fossil fuel corporations are subject to divestment and litigation pressure; and

WHEREAS, large institutional investors like the University of South Carolina Educational Foundations have significant power to alter the investment strategies of fossil fuel companies, and the right to withdraw investment from companies that do not reflect institutional aims and priorities; and

WHEREAS, environmentally-responsible investment funds have become increasingly mainstream and offer compelling returns on investment³; and

WHEREAS, there is a growing movement among large institutions, including the State of New York pension fund, the University of California system, Georgetown University, George Washington University, Cornell University, and the University of Michigan, to freeze investments in and/or divest from fossil fuels and to encourage and support transitions to clean and renewable energy⁴; and

WHEREAS, there is significant support for fossil-fuel divestment among students at the University of South Carolina, evidenced by a recently passed fossil-fuel divestment resolution by the university's student senate; and

WHEREAS, according to a 2019 survey conducted by the Princeton Review, there is a growing expectation among prospective students that universities take an active approach to environmental sustainability⁵; and

WHEREAS, a shift away from fossil fuels and toward clean-energy solutions may offer new economic opportunities for the State of South Carolina that can be supported by the University of South Carolina, as a leader in higher education and scientific research.

NOW, THEREFORE,

The University of South Carolina Faculty Senate recommends and requests

THAT, the University of South Carolina Educational Foundation freeze any new investments involving the extraction or refinement of fossil fuels; and

³ <https://www.forbes.com/sites/baldwin/2020/07/06/guide-to-socially-responsible-funds-23-best-buys/?sh=2882c6df4ceb>

⁴ <https://www.wsj.com/articles/universities-cut-oil-investments-as-student-activism-builds-11594719181>

⁵ Download the full report here: <https://www.princetonreview.com/college-rankings/college-hopes-worries>

THAT, the University of South Carolina Education Foundation, within one year of the passage of this recommendation, disclose direct and indirect fossil fuel investments and provide an estimated total of the university's investment in fossil fuel industries; and

THAT, the University of South Carolina Educational Foundation commit to divesting from investments involving fossil fuels within five years of the passage of this recommendation; and

THAT, prior to divestment, the University of South Carolina Educational Foundation act as a "climate-concerned shareholder" by supporting shareholder proposals to require corporate management to prioritize renewable energy and reductions in corporate greenhouse gas emissions; and

THAT, the University of South Carolina Educational Foundation's policy and investment strategy include a commitment to environmental sustainability and renewable energy when making investment decisions, in addition to traditional fiduciary responsibility; and

THAT, the University of South Carolina Educational Foundation release a public report within three years of the passage of this recommendation to confirm progress towards divestment from fossil fuels; and

THAT, the Faculty Senate investigate the impacts of university research funding on renewable energy and other sustainability goals;

THAT, the Faculty Senate convey to the university administration the centrality of environmental sustainability to the university's mission, and that it work to support and enhance the university's commitment to environmental sustainability.

BE IT FURTHER RECOMMENDED that upon passage copies of this recommendation be sent to the Board of Trustees; Robert L. Caslen Jr., University President; Dr. William Tate IV, Provost; Mr. Ed Walton, Executive Vice President for Administration and Chief Financial Officer; Dr. Prakash Nagarkatti, Vice President for Research; Mr. Bill Kirkland, Executive Director of the Office for Innovation, Partnership, and Economic Engagement; Mr. Larry Cook, Director of the Office of Sustainability; Issy Rushton, Student Body President; and The Daily Gamecock.