

RECOMMENDATION

Passed by the University Senate March 28th, 2018

Task Force on Socially Responsible Investment Policy: Erik Jacobson, Julian Keenan, Gary Kleinman, Pankaj Lal, Anthony Pemberton (Chairperson), John Specchio

Introduction

Montclair State University hopes to encourage an environment wherein our faculty, administrators, staff, and students, as well as the Montclair community are committed to the pursuit of knowledge and social justice. To achieve this, Montclair State University should carefully choose which companies and industries it will invest in and support. These companies should hold to the same moral standards of social justice as Montclair State University. The degree of social, environmental, and economic harms caused by the actions of such companies should be subjected to regular evaluation to ensure they maintain these standards. It is important to divest in companies that do not hold up to these standards in order to mitigate palpable social and environmental harms arising from their activities. Similarly, it is important to engage companies by encouraging adoption of policies which protect social justice and to support those companies who share the same values as the University, through financial investment.

Criteria for divestment can include the following: (1) The actions or inactions of the company are deemed morally unjust, (2) The associated social harm is inconsistent with the University's principles, and (3) The divestment will have a meaningful impact towards correcting the social and environmental harms. As the University Senate, we believe that it is important to divest from, and refrain from investing in, companies that do not adhere to the social and environmental standards and expectations of Montclair State University.

Socially responsible investment is important not only to complement the ideals of the University, but also to encourage more responsible and forward-thinking practices in the corporate environment. This investment practice holds companies to socially just standards, encourages transparency in industry policies and practices, and provides incentives for corporations to pursue their own socially responsible principles.

I. Divestment from Fossil-Fuel Companies

- To acknowledge personal responsibility in climate change, ocean acidification, and human health effects of polluted air and make a meaningful contribution to the renewable energy effort that mitigates these impacts, Montclair State University should divest from, and refrain from investing in, domestic and foreign companies that primarily produce fossil fuels; i.e., coal, gas, and oil.
- Montclair State University should divest from, and refrain from investing in or participating with service and companies financially supporting the Keystone and Dakota pipelines. This action would signify the importance of, and Montclair State University's commitment to, the global effort to reduce the human carbon footprint and protect life on land and in the ocean.

Brief Justification

Production of carbon dioxide due to the burning of fossil fuels is connected to an accelerated increase in global temperatures. Between both population and industrial growth, this continued accumulation of greenhouse gases in the atmosphere is a growing concern connected with climate change. Climate change has impacted sea-level rise and acidity, increased human mortality from more severe heat waves, length of seasons and vegetative productivity, terrestrial and marine species biological habits and success, weather patterns and storm severity, and many other systems that are often taken for granted. The human impacts are also unevenly distributed, disproportionately affecting the poor, both domestically and internationally. While the effects of climate change may be gradual and seem insignificant, these effects will compound and accumulate, leading to even more drastic changes to our integrated earth systems. The effects and timeline of climate change may be unpredictable but the ocean-modulated lag in the response of the Earth system means that it is both necessary and economically optimal to make meaningful interventions now, before these detrimental climate impacts make irreversible changes to our way of life. There are both natural and anthropogenic influences on climate; we must acknowledge our role in this trend and encourage lifestyle choices that reduce our reliance on the burning of fossil fuels. It is important to do so both for the environment we live in as well as the more vulnerable and sensitive areas of the world, such as the Arctic. Mitigation strategies for carbon dioxide accumulation include replacing carbon-based fuels with sources of renewable energy (solar, wind, geothermal). There are significant challenges to make these changes, and the transition from fossil fuels to renewable energy will take many years. Air pollution is a major environmental risk to health. Reducing air pollution reduces the burden of disease from stroke, heart disease, lung cancer, and both chronic and acute respiratory diseases, including asthma.

Exposure to air pollution from fossil fuel combustion products over both short and long terms has been associated with a wide range of human health effects, including increased respiratory symptoms, heart and lung diseases, and premature death. Hazardous (or toxic) air pollutants may cause cancer or other serious health effects, such as reproductive effects or birth defects. Other effects include impacts on soils and water, crops and other vegetation, man-made materials (such as buildings and cars), animals and other wildlife, visibility, and climate.

The primary national U.S. air quality policy goal is to provide an environment where all people regardless of race, color, national origin, or income enjoy the same degree of protection from environmental and health hazards and equal access to the decision-making process to maintain a healthy environment in which to live, learn, and work. Most sources of outdoor air pollution are beyond the control of individuals and demand action by institutions, cities, as well as national and international policymakers in the transport, energy waste management, buildings and agriculture sectors.

II. Investment in Green and Renewable Energy and Transportation

- To make a meaningful contribution to renewable energy efforts, Montclair State University should invest in companies supporting and/or producing low-impact energy and transportation efforts. These efforts include, but are not limited to, solar, wind, geothermal, and hybrid technologies and energy production; the realisation of energy use efficiencies in all kinds of buildings; and the encouragement of low-carbon, low-impact transportation alternatives (including walking, cycling, public transportation, and the electrification of private vehicles, that has recently become feasible).
- The University should invest in companies involved in recycling raw materials as well as companies committed to supporting and/or making products out of recycled goods.

Brief Justification

In line with the overall concern regarding climate change and the associated negative environmental effects of burning fossil fuels, is the importance of supporting those industries that are committed to producing and/or financially supporting clean or 'green' energy and related technologies. The only way to realistically mitigate the negative effects of climate change is to encourage lifestyle changes that make this possible. Clean-energy technologies are essential to this adaptation. By financially supporting companies that produce low-impact energy, products, and technologies we make a direct contribution to the fight against climate change, ocean acidification, and harmful air quality. Similarly, supporting companies who also financially support these pursuits helps add to the vitality and success of clean energy efforts.

III. Future Consideration of Ongoing and Emerging Issues Regarding Social Responsibility

- We recommend that the Task Force for Socially Responsible Investment become a standing committee of the Senate. It would be a conduit for the student body to communicate its concerns about University investments and to continue the conversation with the Administration about the sponsorship of companies that do not meet stated socially just and environmental standards.

Brief Justification

In following the overall principles of socially responsible investments, Montclair State University must consider other aspects of social injustices. While mitigating climate disruption, ocean acidification, and the human health impacts of polluted air via limiting use of fossil fuel is a popular subject in the science and political communities, there are other subjects of concern that may require attention in the future. Some potential issues to consider include investment or divestment from companies whose practices have an impact (positive or negative) in the following areas:

- a. Sustainable Agriculture/Farming
- b. Food and Water Security
- c. Ecosystem Support
- d. Access to Preventative Care (e.g., Pharmaceutical Companies, Insurance Industry, etc.)
- e. Promotion of Public Health (e.g., Alcohol and Tobacco Companies)
- f. Prison and Sentencing Reform (e.g. For Profit Prison Industry)

These are only suggested topics and based on the interest of students, faculty, and staff the standing committee can pursue further investigation and deliberation leading to other recommendations.

Additional Resources are provided on the following google drive:

<https://drive.google.com/drive/folders/1qbs5IHodIjzmjdtKLOLaK0uiqMSVhXF?usp=sharing>

1. Listing of hundreds of Universities general policies, most of which include a section on sustainable investments: <https://stars.aashe.org/institutions/participants-and-reports/>
2. Do we need Advisory Committee on Socially Responsible Investing? Something like Columbia has. Columbia 2016-2017 SRI Committee Annual Report is uploaded in Other Institutions Research Folder
3. NJ Senate Resolution 96 which urges New Jersey colleges and universities to sign climate change initiative. Resolution commended Montclair State University. This has been uploaded in Files Folder.
4. American University Interim Report by Advisory Committee on SRI Other Institutions Research Folder
5. Brown University Report on Investment Responsibility Other Institutions Research Folder
6. Georgetown University Principles and Guidelines Other Institutions Research Folder
7. University of Washington Discussion of Draft Divestment Guideline and Advisory Committee on Socially Responsible Investing Other Institutions Research Folder
8. EPA Montclair State University 2008 MOU
9. EPA Montclair State University 2014 report
10. The New Jersey Department of Environmental Protection Scientific Advisory Board (Climate and Atmospheric Sciences Standing Committee) published a 2016 report investigating which aspects of climate change should be considered at this point to be inevitable: <http://www.state.nj.us/dep/sab/NJDEP-SAB-climate-final-2016.pdf>