

A Resolution in Support of Stanford University's Divestment from Fossil Fuel Companies
GSC-2014-21

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Action Requested: Majority approval by the GSC

WHEREAS the Copenhagen Accord of 2009 (endorsed by 167 countries, including the United States) recognizes “the scientific view that the increase in global temperature should be below two degrees Celsius” to mitigate the most devastating consequences of climate change and that “deep cuts in global emissions are required . . . so as to hold the increase in global temperature below two degrees Celsius,”¹

WHEREAS proven fossil fuel reserves contain roughly five times the amount of carbon necessary to cause two degrees Celsius of warming and whereas 80% of these reserves must remain in the ground to avoid catastrophic climatic disruption,²

WHEREAS the Intergovernmental Panel on Climate Change has determined that climate change will threaten food and water security; increase the frequency and intensity of heat waves, storms, and floods; cause wetland loss and coral reef bleaching; and result in increased fatalities from malnutrition, diarrheal diseases, and cardio-respiratory diseases,³

WHEREAS the World Health Organization estimates that climatic changes already cause more than 150,000 deaths annually,³

WHEREAS the impacts of fossil fuel combustion will disproportionately affect lower-income communities in the US and around the world,⁴

WHEREAS current and future greenhouse gas emissions will have profound implications for the lives of Stanford's current and future graduating classes, as well as for future generations around the world,

WHEREAS Stanford's most recent Securities and Exchange Commission filing shows that a portion of the University's endowment is invested in oil and gas companies, which operate on business models incompatible with a safe climate,

WHEREAS every Stanford student has a direct stake in the funding of his or her education and a responsibility to ensure that the University's endowment is being invested responsibly,

¹ Report of the Conference of the Parties on its fifteenth session, Copenhagen, Dec. 2009. United Nations Framework Convention on Climate Change. <http://unfccc.int/resource/docs/2009/cop15/eng/11a01.pdf#page=4>

² Unburnable Carbon - Are the world's financial markets carrying a carbon bubble? Carbon Tracker Initiative. <http://www.carbontracker.org/wp-content/uploads/downloads/2012/08/Unburnable-Carbon-Full1.pdf>

³ The Health and Environment Linkages Initiative - Climate Change. <http://www.who.int/heli/risks/climate/climatechange/en/>

⁴ Ibid.

WHEREAS divestiture will terminate Stanford’s financial and symbolic support of fossil fuel companies and make a powerful statement likely to encourage other institutions to follow Stanford’s decision,⁵

WHEREAS the exclusion of fossil fuel companies from Stanford’s portfolio would likely pose extremely minimal risk to the endowment⁶ and whereas fossil fuel companies will become a financially unstable investment as action is taken to combat climate change,⁷

WHEREAS Stanford is already demonstrating commitment to clean energy development for a safe climate through programs such as Stanford Energy System Innovations, through which the campus is gaining more efficient and sustainable energy technology,

WHEREAS Stanford’s purpose is “to promote the public welfare by exercising an influence on behalf of humanity and civilization”⁸ and President Hennessy envisions sustainability as “a core value in everything we do,”⁹

WHEREAS the movement for fossil fuel divestment has spread to over 400 colleges and universities and to a growing number of municipalities and religious institutions,¹⁰

WHEREAS Stanford is known to be a leader of new and innovative ideas and should continue to lead the U.S. and the world towards a clean and just energy future by pursuing a financial portfolio free of fossil fuels,

WHEREAS Stanford announced on May 6, 2014, that the University is divesting from all publicly traded companies “whose principal business is the mining of coal for use in energy generation,”¹¹

THEREFORE be it resolved by the Graduate Student Council of Stanford University:

THAT the Graduate Student Council officially recommends Stanford University to commit to freeze all new investments in the one hundred publicly traded oil and gas companies with the largest carbon reserves¹² and divest fully from these companies within five years.

⁵ Secrets of the Academy: The Drivers of University Endowment Success, *Journal of Economic Perspectives*, September 2008. http://www.nber.org/papers/w14341.pdf?new_window=1

⁶ Geddes, Patrick, “Do the Investment Math: Building a Carbon-Free Portfolio.” Aperio Group, 2013. http://www.aperiogroup.com/system/files/documents/building_a_carbon_free_portfolio.pdf

⁷ “Unburnable Carbon – are the world’s financial markets carrying a carbon bubble?”. Carbon Tracker Initiative. <http://www.carbontracker.org/wp-content/uploads/downloads/2012/08/Unburnable-Carbon-Full1.pdf>

⁸ The Founding Grant with Amendments, Legislation, and Court Decrees. <http://www.stanford.edu/dept/govcr/documents/founding-grant.pdf>

⁹ Sustainable Stanford - About. <http://sustainablestanford.stanford.edu/about>

¹⁰ <http://gofossilfree.org>

¹¹ <http://news.stanford.edu/news/2014/may/divest-coal-trustees-050714.html>

¹² Top 200 Fossil Fuel Companies. <http://gofossilfree.org/companies/>.

