
Dissociation Update

Council of the Princeton University Community
March 21, 2022



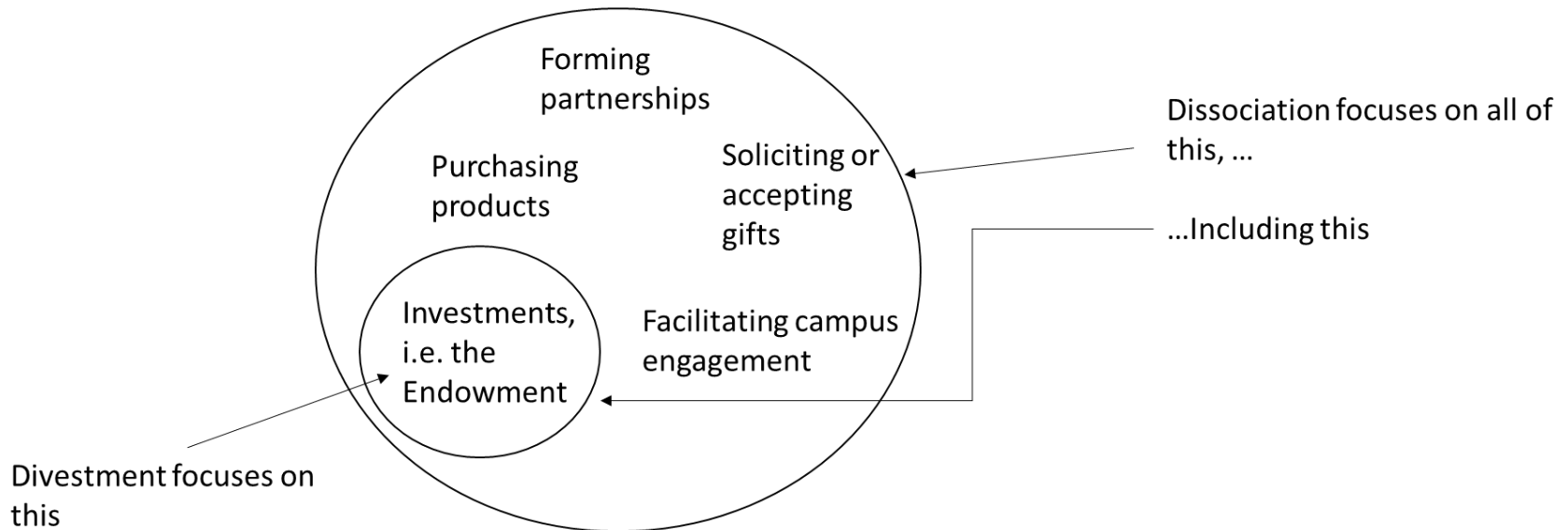
Background

- In May 2021, informed by the recommendations of the CPUC Resources Committee, the Board of Trustees authorized the creation of an administrative process to guide dissociation from:
 - Fossil fuel companies that participate in climate disinformation campaigns or otherwise spread climate disinformation, and
 - Companies in the thermal coal and tar sands segments of the fossil fuel industry unless they prove able to meet a rigorous standard for their greenhouse gas emissions
- The Faculty Panel and Administrative Committee have been working throughout the academic year to determine how to implement the Board's decision



Key Principle

Dissociation includes and goes beyond divestment. Dissociating means divesting as well as refraining, to the greatest extent possible, from soliciting or accepting gifts from a company, purchasing the company's products, forming partnerships with the company, and facilitating the company's campus engagement activities.



Administrative Committee Progress Update

- Ongoing interaction with faculty panel
- Ongoing focus group discussions with students and the faculty panel
- Consultation with outside experts
- Developed an overview of fossil fuel investment policies of peer institutions in partnership with the Undergraduate Student Government → now posted on fossilfueldissociationprocess.princeton.edu
- Assessing how the University currently associates with fossil fuel companies
- Ongoing work to develop actionable dissociation criteria and an implementation process



How does the University currently associate with fossil fuel companies?

- The endowments' total fossil fuel exposure (broadly defined) is roughly 4.5%, or about \$1.7 billion.
- The vast majority of the endowment's fossil fuel exposure is held indirectly (i.e., by external managers)
 - ~\$13MM (.03% of the endowment) is held directly in fossil fuel investments. All but \$2MM of this amount represents shares distributed to us by external managers which PRINCO will sell in the normal course of business.
- The endowment has no exposure to companies that derive more than 15% of revenues from tar sands.
- The endowment's exposure to companies that derive more than 15% of revenues from thermal coal is ~\$19MM (.05% of the endowment).
 - Almost all of this amount is accounted for by 4 "legacy" private investments that are in run-off mode with managers with whom we stopped investing several years ago.



How does the University currently associate with fossil fuel companies?

- Of the more than 7,000 employers that have engaged with Princeton's Center for Career Development over the past 5 years, approximately 50 are fossil fuel-related companies. Their recruitment activities on campus have included hosting events, participating in career fairs, posting positions, and hiring students.
- Over the past five years, the University has spent approximately \$38 million on fossil fuel consumption, with uses ranging from the operation of the co-generation plant to the operation of campus vehicles. Our top supplier is PSE&G, which retired its last remaining coal-fired power plant in June 2021.
- The University also holds interests in oil, gas, and mineral rights that were received as gifts, mostly through bequests. These holdings are currently valued at about \$6 million.
- As far as gifts and grants from fossil fuel companies in support of research, in the past five years the University has received \$26.2M in new funding from eleven oil and gas companies. The most significant support has been from ExxonMobil and BP for environmental and sustainability-related projects such as Net-Zero America.



Takeaways

- Dissociation includes and goes beyond divestment.
- Our goal remains to propose for Board approval a set of actionable criteria for dissociation and a process for implementing them, now and into the future, by the end of this academic year.
- We're continuing to refine the recommended criteria, informed by ongoing work of the faculty panel and input from the community, and the proposed dissociation process.
- Share your input here:
fossilfueldissociationprocess.princeton.edu/feedback-form

