

Responsible Investment Referendum

This referendum calls for the University of Tennessee to reflect its established commitments to sustainability and civility, as well as the values of its students, in its investment portfolio.

Whereas, the University of Tennessee has made explicit commitments to the principles of sustainability and civility, and

Whereas, the University of Tennessee, Knoxville has signed the President's Climate Commitment and developed a Climate Action Plan to be climate-neutral by 2061, and

Whereas, studies¹ have shown that the practices of American Electric Power inflict serious environmental and social harm, including but not limited to causing 1,236 deaths annually due to the health effects associated with the burning of coal at power plants owned and operated by American Electric Power, and

Whereas, studies² have shown that the practices of Duke Energy Corporation inflict serious environmental and social harm, including but not limited to causing cause 1,248 deaths annually due to the health effects associated with the burning of coal at power plants owned and operated by Duke Energy Corporation, and

Whereas, at least 42 U.S. colleges and universities, 10 of which are among the top 25 schools in the nation according to *U.S. News and World Report*³, currently have a committee on responsible investment to review the investment portfolio of their respective college or university on a regular basis, and

Whereas, a number of studies⁴, including those conducted by the United Nations, have indicated that responsible investments have been shown to financially match or outperform traditional investments, and

¹ C. Schneider and J. Banks, "Toll from Coal," Clean Air Task Force, September 2010, http://www.catf.us/resources/publications/files/The_Toll_from_Coal.pdf; http://www.catf.us/fossil/problems/power_plants/existing/; A. Lockwood et al, "Coal's Assault on Human Health," *Physicians for Social Responsibility*, November 2009; M. Hendryx and M. M. Ahern, "Relations Between Health Indicators and Residential Proximity to Coal Mining in West Virginia," *American Journal of Public Health*, April 2008; 98(4): 669–671, <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2376994>; American Electric Power Company, "2010 Form 10-K," p 36. See also: American Electric Power Company, "Power Plants and Other Assets," <http://www.aep.com/about/powerplants/>.

² Ibid.; Duke Energy, "Creating the Leading U.S. Utility," 10 January 2011, slide 19, http://www.duke-energy.com/pdfs/Slides_011011.pdf.

³ <http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/national-universities>

⁴ United Nations Environment Programme Finance Initiative and Mercer, "Demystifying Responsible Investment Performance: A review of key academic and broker research on ESG factors." October 2007; Studies of Socially Responsible Investing, "Key Studies," accessed August 2011, <http://www.sristudies.org/Key+Studies>; US SIF, "Performance and Socially Responsible Investments," accessed August 2011, <http://ussif.org/resources/performance.cfm>; Social Investment Forum, "Performance of Social Investment Forum Member Mutual Funds as of December 31, 2009," accessed August 2011, http://ussif.org/resources/factsheets_resources/documents/123109SIFFundPerformance.pdf.

Whereas, according to the *FY2012 Report of the Treasurer, Supplemental Schedules and Appendices*⁵, the University of Tennessee has holdings in a number of socially irresponsible and environmentally harmful companies, including but not limited to Duke Energy Corporation and American Electric Power, and

Whereas, as students of the University of Tennessee we are stakeholders in UT's investment portfolio, and

Whereas, the investment portfolio of the University of Tennessee is the economic expression of the thoughts and values of this university and its stakeholders, and currently UT's investment portfolio does not reflect the university's explicit commitments to sustainability and civility.

Be it Hereby Resolved, the University of Tennessee divest all of its holdings from American Electric Power or Duke Energy Corporation by January 1, 2014, and

Be It Hereby Further Resolved, the University of Tennessee Board of Trustees establish a Subcommittee on Responsible Investment under the Investment Advisory Committee to review UT's investment portfolio on the basis of environmental and social responsibility on a regular basis, and

Be It Hereby Further Resolved, the University of Tennessee make a public commitment not to invest any future holdings in coal, natural gas, or oil companies, and completely divest from the previously listed companies by 2018.

⁵ <http://controller.tennessee.edu>