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CLIMATE ACTION: MAYOR, COMPTROLLER, TRUSTEES ANNOUNCE FIRST-IN-THE-NATION GOAL TO DIVEST FROM FOSSIL FUELS

City also filing suit against five largest fossil fuel companies, seeking damages to help protect city from climate change

NEW YORK—Mayor Bill de Blasio, Comptroller Scott M. Stringer and other trustees of the City’s \$189 Billion pension funds today announced a goal to divest City funds from fossil fuel reserve owners within five years, which would make New York City the first major US pension plan to do so. In a first-in-the-nation step towards the goal of divestment, the Mayor and Comptroller will submit a joint resolution to pension fund trustees to begin analyzing ways to divest from fossil fuel owners in a responsible way that is fully consistent with fiduciary obligations. In total, the City’s five pension funds hold roughly \$5 billion in the securities of over 190 fossil fuel companies. The City’s move is among the most significant divestment efforts in the world to date.

"New York City is standing up for future generations by becoming the first major US city to divest our pension funds from fossil fuels," said **Mayor de Blasio**. "At the same time, we’re bringing the fight against climate change straight to the fossil fuel companies that knew about its effects and intentionally misled the public to protect their profits. As climate change continues to worsen, it’s up to the fossil fuel companies whose greed put us in this position to shoulder the cost of making New York safer and more resilient."

"This is a first-in-the-nation step to protect our future and our planet – for this generation and the next. Safeguarding the retirement of our city’s police officers, teachers, firefighters and city workers is our top priority, and we believe that their financial future is linked to the sustainability of the planet. Our announcement sends a message to the world that a brighter economy rests on being green," **Comptroller Stringer said**. "It’s complex, it will take time, and there are going to be many steps. But we’re breaking new ground, and we are committed to forging a path forward while remaining laser-focused on our role as fiduciaries to the Systems and beneficiaries we serve."

The Mayor also announced that the City has filed a lawsuit against the five largest investor-owned fossil fuel companies as measured by their contributions to global warming. The City will be seeking damages from BP, Chevron, ConocoPhillips, Exxon Mobil, and Royal Dutch Shell for the billions of dollars the City will spend to protect New Yorkers from the effects of climate

change. This includes damages to pay for harm that we've already seen and damages that are necessary to address harm we expect to happen over the course of this century.

New York City's lawsuit seeks to recover the billions needed to fund climate change resiliency measures that the City needs to implement to protect the City, its property, and its residents from the ongoing and increasingly severe impacts of climate change. This includes physical infrastructure, like coastal protections, upgraded water and sewer infrastructure, and heat mitigation, but also public health campaigns, for example to help protect residents from the effects of extreme heat. To recover from past harm and prepare for future events, New York City is already executing an over \$20 billion resiliency program to protect New Yorkers and build resilience against rising seas, more powerful storms, and hotter temperatures.

Recently uncovered documents make it clear that the fossil fuel industry was well aware of the effects that burning fossil fuels would have on the planet's atmosphere and the expected impacts of climate change as far back as at least the 1980s. Nonetheless, they deliberately engaged in a campaign of deception and denial about global warming and its impacts, even while profiting from the sale of fossil fuels and protecting their own assets from the effects of rising seas and a changing climate. More than half of the greenhouse gas pollution from the fossil fuel industry has occurred since 1988, according to a recent analysis. Sea levels have risen about one foot since 1900 with much of that rise due to climate change, the most powerful storms are becoming more frequent, and flooding is becoming more frequent and intense.

Climate change is perhaps the toughest challenge New York City will face in the coming decades. Sandy taught us how destructive weather events exacerbated by climate change can be. Rising sea levels, increasing temperatures and precipitation, and the likelihood of more frequent and intense flooding threaten our neighborhoods and infrastructure while exacerbating many underlying social inequities. To adapt to these threats, the City is implementing an over \$20 billion program to ensure our neighborhoods, economy, and public services will be ready to withstand and emerge stronger from the impacts of climate change. These investments are known to be just the first step in making the City prepared for the impacts of climate change, and more will continue to be needed over the course of the century. The City's resiliency programs and projects are a shift in the way we live now and how we must develop and implement tools that will make our City more resilient against future risks.

The first step is for the trustees at each fund to instruct the Office of the City Comptroller's Bureau of Asset Management (BAM) to commission an analysis of the proposed divestment and advise the trustees as to the anticipated impact on the risk and return characteristics of the portfolio. The trustees will also seek legal opinion as to whether carrying out the divestment would be consistent with trustees fiduciary duties to beneficiaries. Assuming a positive legal opinion, the trustees would then instruct BAM to carry out the divestment with specified steps and timelines. In the case of this divestment, transactions would likely be carried out in stages in order to reduce transaction and implementation costs.

Henry Garrido, DC37 Executive Director and NYCERS trustee said, "For the sake of future generations, we support the call by the Mayor and the Comptroller for responsible divestment from fossil fuels. It is no longer a question of if, but rather how and when. The five year goal is sensible. What we've learned about the extent to which fossil fuel-producing companies

deceived the public about the harm to the environment makes expedient and prudent action necessary.”

Eric Adams, Brooklyn Borough President and NYCERS Trustee said, "As a NYCERS trustee, I am responsible for investing in the future of our city and the long-term stability of hard-working New Yorkers' pensions. Divesting from fossil fuels is a reflection of our municipal commitment to combat climate change. The green in our wallets can and should go toward greener policies which lead to a greener planet."

UFT President Michael Mulgrew said, “Two years ago the UFT began looking at ways to mitigate the risk posed by climate change to the Teachers Retirement System portfolio. I’m happy to stand here today with Mayor de Blasio, Comptroller Stringer and representatives of the other city pension funds to announce our shared goal of divesting from fossil fuels within the next five years.”

“Climate change is fact, climate change is real and it is having a devastating impact on our environment. The over 40,000 members of the New York State Nurses Association joined this profession to help people and make this world a better place- that’s why we applaud the Mayor, the Comptroller and the pension trustees for making these bold moves. It’s the right thing to do for the environment and for our children,” said **Jill Furillo, RN, Executive Director, New York State Nurses Association (NYSNA)**.

“The burning of fossil fuels is the single largest contributor to human-caused climate change. Unfortunately, those most responsible for the damage done to our planet have denied and buried this fact despite knowing it for decades,” said **Daniel Zarrilli, NYC’s Senior Director of Climate Policy and Programs and Chief Resilience Officer**. “Today, after a decades-long pattern of deception and denial by fossil fuel companies, New York City is holding them to account. By seeking damages for the investments necessary to protect New Yorkers from the impacts of climate change, and divesting our pension funds from fossil fuel reserves, we are taking the largest action by any city to confront the growing climate crisis and demonstrate the leadership necessary to win this fight against fossil fuels and the damages they’ve caused.”

“Internal industry documents demonstrate that the defendants engaged in large-scale, sophisticated public relations campaigns to portray fossil fuels as environmentally responsible and essential to human well-being – even as their own scientists warned them that continued fossil fuel production would contribute, and was contributing, to dangerous global warming and associated accelerated sea level rise that threatened catastrophic consequences for New York and other coastal cities. Our suit seeks to recover the billions of dollars the City has spent or will be required to spend to protect the public from the devastating consequences of the defendants’ choice to pursue profit over the public welfare,” said **NYC Corporation Counsel Zachary Carter**.

“New York City is as a global leader in combatting climate change, and today’s announcement that the City’s five pension funds will divest an estimated \$5 billion in fossil fuel securities marks yet another step forward. This decision is not only environmentally sound, but also financially prudent,” said **Congressman Joseph Crowley**. “Today, New York City is sending an important message – to invest in our financial future, we must also invest in the energy of the

future. Climate change poses a very real threat to New York City, and I applaud Mayor de Blasio, Comptroller Stringer, and the other trustees for taking this important step to divest the city from energy sources that exacerbate that threat.”

“New York City has long been a leader when it comes to fighting climate change, and this decision to divest from fossil fuels is further proof of that,” said **Congressman Eliot Engel**. “Our energy sector is moving toward cleaner, renewable fuel sources and government should be doing all it can to foster that move. I applaud the City for its decision to divest from the past and invest in the future.”

“I am proud that New York is stepping up and taking a firm stand to protect our city from climate change. Climate change is the single greatest threat humanity faces today and it is up to all of us to act, especially in light of this Administration’s flagrant disregard for science and the need to combat climate change,” said **Congresswoman Carolyn Maloney**.

Rep. Nydia M. Velázquez said, “We have a responsibility to make decisions that preserve our planet for future generations. By ensuring New York’s pension funds divest from polluters, our City will be voting with its dollars for a greener, more sustainable future. I applaud the Mayor and the Comptroller for taking this important step.”

Assistant Speaker Felix W. Ortiz said, “It’s critical for New York to reduce our dependency on fossil fuels. The city’s effort to divest city funds from fossil fuel reserve owners within five years is a step in the right direction. Today’s initiative and the new lawsuits complement my efforts in Albany to create a carbon tax on the use of fossil fuels in New York State and to eliminate the investment of public pension funds in large fossil fuel companies.”

Senator Liz Krueger said, “Our pension funds are investments in our future, and fossil fuels are best left in the past. Divestment is the only financially responsible course of action in the face of fossil fuel producers’ continued failure to acknowledge the reality of climate change and the necessity and inevitability of the clean energy transition. Divestment sends the clear message that it is no longer acceptable to support companies whose fundamental business model puts our entire society at risk. I congratulate Mayor de Blasio, Comptroller Stringer, and all the advocates who worked tirelessly to push this vital issue, and I look forward to continuing to push for divestment at the state level.”

State Senator Brad Hoylman said: “Climate change poses an existential threat to our city. Five years from the devastation of superstorm Sandy and one year since the inauguration of our climate-denying president, it’s up to cities and states to take the lead in our crusade against climate change. Divestment sends an important message that New York will not profit from activities that directly threaten our planet and our city. I’m grateful to Mayor de Blasio and Comptroller Stringer for moving New York City away from the declining fossil fuel industry and look forward to continuing the fight for divestment at the state level by requiring SUNY and CUNY to divest as well.”

“Today marks an enormous victory for my fellow environmentalists. The divesting of billions of dollars from fossil fuel interests will minimize their effects on the Earth’s atmosphere,” said **Assemblymember Latrice Walker**. “This is just the start of changing the narrative of Climate Change in New York. I applaud Mayor Bill de Blasio and Comptroller Scott M. Stringer for this

massive victory regarding the fossil fuel industry and I'm excited to see more joint initiatives from our elected officials to protect our city from the destruction of climate change."

"Climate change is one of the most serious threats we face as a nation and world," said **Assemblymember Linda B. Rosenthal**. "Bold, decisive leadership is needed to tackle this crisis, and New York is putting its money where its mouth is, thanks to New York City Comptroller Scott M. Stringer and Mayor Bill de Blasio. They know that our financial future is inextricably linked with our environmental health, and this step recognizes that reality and helps preserve the future for the next generation."

"The city's move to divest city pension funds from fossil fuel reserve owners within five years and to sue large investor-owned fossil fuel companies for climate change damages is a brilliantly unique move that hopefully will become a game changer picked up by other municipalities and states across the nation. I wish it much success!" said **Assemblyman Luis Sepulveda**.

With the devastating effects of climate change rapidly increasing, we must do all we can to safeguard our environment and future from further destruction," said **Assemblymember Dan Quart**. "With today's announcement, New York City is tackling climate change by striking fossil fuel companies at the heart of the only thing they seem to care about, their profits. Our city is the first major US pension plan to take this step which will help lead the nation towards a more sustainable energy future, while also protecting the retirement of our city workers."

Council Member Costa Constantinides, Chair of the Council's Environmental Protection Committee, said, "I am proud that our city will no longer invest our pension funds in fossil fuel interests. After years of advocacy, this divestment underscores the benefits of renewable energy. As fossil fuel securities have underperformed recently, divestment is a sound economic decision that will make our city greener while saving money. I am also proud that our city is seeking damages from fossil fuel companies to help make us more resilient and sustainable as the effects of climate change make their impact. Thank you to Mayor de Blasio and Comptroller Stringer for taking these necessary steps for our environment."

"As elected officials, we have a responsibility, not only to divest from an industry that is destroying our collective future, but to reinvest in solutions to prevent further climate change. New York City would benefit in myriad ways from reinvesting in everything from public transportation to green infrastructure projects, spaces which do not put our future in jeopardy and frankly have far better returns than fossil fuel stocks and bonds. Pension funds are for the future. If we keep investing in fossil fuels, there won't be a future. I applaud Mayor de Blasio and Comptroller Stringer for this critical step forward," said **Council Member Justin Brannan**.

"New York City is again setting a precedent and demonstrating leadership by saying that the center of the economic universe can thrive without the fossil fuels of yesterday. I commend Mayor de Blasio on his leadership and foresight on this issue," said **Council Member Rafael Salamanca, Jr.**

"Since my election to the City Council, climate change activists and I have urged the pension trustees to divest from all fossil fuels, and I am thrilled that this first step is being taken. Divestment is critical to both our city's financial security and our planet's collective future. As the world takes action to address climate change, the value of fossil-fuel companies will steadily

decline- which we've already seen with coal. We must align our financial interests with our goal of achieving a cleaner, fossil fuel-free energy system, and I eagerly await findings about the feasibility of directing investment toward enterprises with low carbon emissions. Thank you to the Mayor and the Comptroller for moving this groundbreaking effort forward, and to the environmental advocates who have pushed us to get to this place," said **Council Member Helen Rosenthal**.

Council Member Rafael Espinal said: "As the largest city in the country, New York should always lead and set the bar for how we will combat climate change. Divesting our pensions from fossil fuels is a big step in that direction. I'm looking forward to the lawsuits against oil tycoons and what this will mean for the fight against climate change, as well as, the precedent we are setting for how we want our world to be."

"Climate change is the existential issue of our time," says **Council Member Brad Lander**. "Weaning ourselves and our city off fossil fuels is critical to protect our shared future. Our city's teachers, cops, caseworkers and nurses can't have real retirement security without a safe planet to live on. So I commend Comptroller Stringer and Mayor de Blasio for taking this historic step. The City's divestment from fossil fuels will help us break the addiction that is wreaking havoc on our planet, and open up opportunities to invest in a far more sustainable future."

"Today's decision to divest City funds from fossil fuel reserve owners is a win-win for City employee pensions and for the future of New York City," said **Council Member Donovan Richards**. "For those of us who are still rebuilding after Sandy in the Rockaways, Brooklyn and Staten Island, we see the toll climate change can and will take without strong, common sense decisions to phase out dirty and inefficient energy resources. I'd like to thank Mayor de Blasio and Comptroller Stringer for their dedication to preserving a future for New York City and coastal cities all over the globe."

"Those who are directly responsible for the damaging effects fossil fuel emissions have on our city must be held accountable for their actions. I am looking forward to these companies paying for the resiliency improvements that will benefit the city's efforts beyond what's already been committed to." said **Council Member Carlina Rivera**. "Combined with a historic divestment, these two important actions cement New York's status as a leader in the fight against climate change."

"I'm proud of New York City for taking this bold step to divest from fossil fuels," said **Council Member Andrew Cohen**. "It's up to us to make the responsible decision for future generations and do everything we can to curb the devastating effects of climate change."

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