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**MAYOR DE BLASIO PROPOSES NYC DIVESTMENT FROM COAL, COMPREHENSIVE STUDY
OF ALL FOSSIL FUEL INVESTMENTS**

*Mayor's proposal for five NYC pension funds to divest is latest push as City takes on climate change, charts
80 percent reduction in emissions by 2050*

NEW YORK—Mayor Bill de Blasio announced today that he is proposing that New York City pension funds divest from coal, the administration's latest initiative to take on climate change, as the City undertakes an ambitious sustainability plan and charts paths to an 80 percent reduction in greenhouse gas emissions by 2050 and the cleanest air of any large U.S. city by 2030. The Mayor also proposed that the pension funds develop a long-term investment strategy that evaluates the funds' fossil fuel investments and makes recommendations to further reduce contributions to climate change while protecting retirees.

"New York City is a global leader when it comes to taking on climate change and reducing our environmental footprint. It's time that our investments catch up – and divestment from coal is where we must start," said **Mayor de Blasio**. "I'm also asking the five pension funds to develop a long-term strategy on all fossil fuel investments, as New York City continues to move toward renewables and away from fossil fuels. We've set ambitious goals, including an 80 percent reduction in emissions by 2050, and we're going to need every city asset helping us achieve them."

The City's five pension funds' assets total over \$160 billion; that includes at least \$33 million of exposure to thermal coal in the public markets. By divesting from these investments in coal, New York City can prudently ensure that its investments are aligned with its values when it comes to climate change and fossil fuels.

The Mayor's Office will bring this proposal to all five New York City pension boards over the coming months to examine the specific impact and optimal reallocation of these assets.

An analysis by the Mayor's Office of Pensions and Investments found that divestment from coal poses little risk to pension fund returns, especially given the federal Environmental Protection Agency's new clean power plant rules and increased regulatory limitations on emissions, which help reduce the attractiveness of thermal coal as an investment.

The five primary pension funds for New York City employees include the New York City Employees' Retirement System; the Teachers' Retirement System of the City of New York; the New York City Police Pension Fund; the New York City Fire Department Pension Fund; and the New York City Board of Education Retirement System.

Mayor de Blasio has undertaken an ambitious plan to reduce New York City's environmental footprint, committing to reduce greenhouse gas emissions 80 percent by 2050 and dramatically increasing the use of renewable energy – including through a recent Request for Information that aims to power 100 percent of City government operations from renewables.

"Divesting from coal reflects both our emissions reduction and clean air goals," said **Nilda Mesa, Director of the Mayor's Office of Sustainability**. "Ozone that drifts to NYC from coal-powered plants is a major source of

smog, which affects our most vulnerable populations, such as seniors and others who have respiratory diseases. We should be investing in energy sources that lower greenhouse gas emissions, as well as make our air cleaner.”

“We urgently need to address the risks that climate change poses to the long-term performance of the pension funds that protect the futures of our over 700,000 beneficiaries. This initiative prudently moves the ball forward by quickly eliminating the risks of investing in coal, and ensuring the best experts advise us on how to mitigate climate risks so we can continue to provide sustainable pensions for all of the City’s workers and beneficiaries,” said **John Adler, Director of the Mayor’s Office of Pensions and Investments**.

“On Monday, President Obama said we need to roll back the pollution we put in our skies. On Tuesday, the City of New York announced bold steps to reduce carbon pollution that contributes to climate change. Every level of government has a vital role to play to reduce carbon pollution that threatens our children’s future,” said **Judith A. Enck, Regional Administrator, U.S. Environmental Protection Agency**.

“Climate change is a very serious threat, and we’ve been examining the issue for some time. We welcome the Mayor’s contribution to the ongoing discussion, and look forward to working closely with his office to conduct a comprehensive study. We also look forward to engaging with our trustees in a robust conversation about the best ways to achieve our shared goals of addressing environmental concerns, while at the same time building greater value for the City’s five pension funds,” said **Comptroller Scott Stringer**.

"Money talks, and divesting our pension funds from investments in coal says that New York City is serious about going green. I look forward to reviewing Mayor de Blasio's proposal, in my role as a NYCERS trustee, for a long-term investment strategy that addresses climate change while advancing the assets of our retirement system," said **Brooklyn Borough President Eric Adams**.

State Senator Brad Hoylman said, "As Pope Francis exhorted during his visit this week to New York City, we must do more to reduce carbon emissions. A study released just yesterday showed that existing international climate change treaties are insufficient to avert the looming catastrophes caused by global warming, including widespread food shortages and the extinction of numerous plant and animal species. That’s why I’m grateful Mayor de Blasio is proposing that New York City leverage its considerable pension assets to divest from coal in favor of renewable forms of energy. I applaud the Mayor for this bold initiative and urge New York State to follow suit."

"As we look toward our city's future, we must consider how our investments line up with our environmental values. Recently, Council Member Rosenthal and I sent a letter to the trustees of the five city pension boards to open a discussion on whether our city would be in better economic and environmental health if our pension portfolios divest from fossil fuels. Mayor de Blasio's proposal to the pension board to divest from coal and consider climate change as part of the city's long-term investment strategy will help us meet our goal of reducing carbon emissions by 80% by 2050. I commend the mayor for using his position on the pension boards to kickstart this initiative, and I look forward to working with him and Comptroller Stringer on this proposal and on other ways we can make our city more sustainable," said **Council Member Costa Constantinides**.

“Divesting from coal is a smart, common sense measure that keeps the city aligned with its all-in approach to becoming cleaner and more sustainable,” said **Council Member Donovan Richards**. “As we work to drastically reduce our greenhouse gas emissions by 2050, we should be focused on finding more forward-thinking investments for our primary pension funds to not only benefit City employees, but also to help stimulate companies working to find creative ideas based around renewable energy. I’d like to thank Mayor de Blasio for consistently working to find bold, new ways to reduce our city’s carbon footprint.”

"I applaud Mayor de Blasio's NYC divestment proposals," said **Council Member Helen Rosenthal**. "We've seen a two year-long decline in energy-related commodity prices – highlighted by the 58% drop in the price of West Texas Intermediate crude oil since September 2013 – and an associated drop in the stock and bond prices of many fossil fuel-focused companies. An accelerating fall in energy stocks over the past 2 months – nearly

15% as measured by energy stock indices – adds a sense of timeliness and urgency to the Mayor's proposals. I'm especially excited about a study to determine the pension funds' long term fossil fuel investment strategy. Recently published analyses that suggest investment strategies de-emphasizing fossil fuels may deliver superior returns, while avoiding the degree of volatility and risk associated with investments in this sector. For example, a study recently released by MSCI – the world's leading provider of stock market indices, used by more than 6,000 pension funds and hedge funds globally – found that investors who divested from fossil fuel companies would have earned an average return of 13% a year since 2010, compared to the 11.8% return earned by conventional investors."

"New York's healthcare workers strongly support Mayor de Blasio's efforts to limit air pollution from dirty fuels that are causing climate change. We cared for victims of Superstorm Sandy, and our healthcare facilities and communities are still recovering. Our patients, families and communities are also impacted by air pollution, which contributes to asthma and other diseases. We know firsthand that we must move away from dirty fuels and promote green jobs, clean air and a healthy planet," said **George Gresham, President of 1199SEIU United Healthcare Workers East**.

"Mayor de Blasio's proposal today marks strong action to move New York forward as a leader on renewable, clean energy and climate action. The Mayor's announcement answers Pope Francis' landmark call to the world's leaders to act now to fight the climate crisis, and brings us closer to a just and fair economy powered by 100% clean renewable energy," said **Michael Brune, Sierra Club Executive Director**.

"Divesting from dirty energy is about investing in a better world for ourselves and for future generations," said **Donna De Costanzo, Director of Northeast Energy and Sustainable Communities at the Natural Resources Defense Council**. "Mayor de Blasio's proposal sends a strong message that Americans demand safer, healthier clean energy choices."

"The American Sustainable Business Council and its 250,000 businesses from NYC and around the country applaud the bold action by Mayor de Blasio and the City of New York to divest from coal and to look more closely at how their pensions and investments can address climate risk and help catalyze a more sustainable and vibrant economy," said **David Levine, CEO, American Sustainable Business Council**.

Michael Northrop, Program Director at Rockefeller Brothers Fund said, "Kudos to Mayor De Blasio for taking such a fiscally prudent and climate smart position. Divesting from coal and investing in renewables is exactly the right approach for New York and other cities to take."

"The Mayor's new proposal on divesting NYC pension funds from coal makes it clear that he is serious about sustainability and aligning city investments with the stated values of One NYC," said **Peggy Shepard, executive director of WE ACT For Environmental Justice**, and a member of the Mayor's Sustainability Advisory Board.

"We are thrilled that the Mayor is encouraging smart action to confront climate change and is pushing forward toward his goal of significantly reducing greenhouse emissions. In addition to his plans for dramatically increasing our City's use of renewable energy, the Mayor's proposal for pension divestment in coal seems like an obvious step to reduce New York City's carbon footprint. On behalf of the Environmental Justice Alliance I want to thank the Mayor for his stewardship toward increased sustainability and accountability through responsible policy decisions," said **Eddie Bautista, Executive Director of NYC Environmental Justice Alliance**.

"Mayor de Blasio has shown true leadership today by calling for divestment of New York City's pension funds from coal and putting the City on the investment path towards a clean, renewable energy future. Through divestment, government leaders from California to New York City are not only protecting the pensions of public employees; they are protecting our health, our communities, and the planet. Mayor de Blasio is taking yet another bold step towards investing in our future, and providing the type of leadership we hope all governments will show in Paris," said **Denise Patel, Divest-Invest Network Coordinator**.

"We appreciate Mayor de Blasio calling for a critical first step to divest the city's pension funds from fossil fuels, starting with coal and a study on the rest. We hope that our other elected officials will stand with him to help protect our city and our future from the risks of climate change. We look forward to a fossil free future," said **Mark Dunlea, a member of the Steering Committee of 350NYC**.

"On behalf of UPROSE, I applaud the Mayor's Office's plans to divest its pension funds from coal. This is another clear indication that the de Blasio administration is committed to making New York City a forerunner in the race against climate catastrophe. As leaders in the climate justice movement, our work focuses on building grassroots climate solutions. As a member of the Mayor's Sustainability Advisory Board, I also recognize that our collective well-being depends on bold and decisive action at a governmental level. Today's announcement advances the city's sustainability agenda and expands it into a just and responsible fiscal policy," said **Elizabeth Yeampierre, Executive Director of UPROSE**.

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