Divestment from Financial Institutions
Financing Fossil Fuel Expansion

Testimony prepared for New Jersey State Investment Council, May 29, 2019 Gregory L. Gorman Conservation Chair, NJ Sierra Club Chapter (NJ Sierra Club is a member of DivestNJ Coalition with 350NJ-Rockland, Environment NJ, Climate Momma, Food & Water Watch., and others). NJ Skylands Sunrise Hub Coordinator 13 Jennings Road Hamburg, NJ 07419-1701 Tel: 973-886-7950 Email: ggorman07419@embarqmail.comie

NJ Sierra Club recommends that State Investment Council divest from those investment institutions that support fossil fuels. Banks who loan the money face fiduciary risk as the pace of the transition to a clean energy economy quickens "Banks face an increasing liability risk as more institutions, including the UN Working Group on Business and Human Rights, recognize bank responsibility for damages caused by clients. Climate change is getting worse and there is an urgency to move forward on climate and an urgency to divest in fossil fuel. Investments in fossil fuels have not been good investments. Fossil fuel pipelines and power plants cause serious damage in environmentally sensitive areas, impact public health, and add to global warming. Climate change is already having a major impact on New Jersey as we see sea levels rising and flooding increase. Just recently, New Jersey received an "F" from the American Lung Association for the quality of its air. Investing in fossil fuels is investing in our destruction.

The fossil fuel industry has been repeatedly linked to human rights abuses, including violations of the rights of Indigenous peoples and at-risk communities, and continues to face an ever-growing onslaught of lawsuits, resistance, delays, and political uncertainty." Banks have a clear and growing responsibility for human rights impacts as fossil fuel companies are increasingly held accountable for their contributions to climate change.

State Investment Council should encourage all financial institutions "to align their policies and practices with a world that limits global warming to 1.5°C and fully respects human rights, and Indigenous rights in particular, banks must:

- Put a moratorium on fossil fuel infrastructure and power plants and fossil fuel investments
- Prohibit all financing for all fossil fuel expansion projects and for companies expanding fossil fuel extraction and infrastructure.
- Commit to phase out all financing for fossil fuel extraction and infrastructure, on an explicit timeline that is aligned with limiting global warming to 1.5°C.
- Prohibit all financing for all projects in tar sands oil, Arctic oil and gas, ultra-deepwater oil and gas, fracked oil and gas, and liquefied natural gas, and all companies with operations or expansion plans in these subsectors.

- Prohibit all financing for all projects in coal mining or coal power, and all companies with operations or expansion plans in these subsectors.

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- Fully respect all human rights, particularly the rights of Indigenous peoples, including their rights to their water and lands and the right to free, prior and informed consent, as articulated in the UN Declaration on the Rights of Indigenous Peoples. Prohibit all financing for projects and companies that abuse human rights, including Indigenous rights.

Reference: http://priceofoil.org/2019/03/20/banking-on-climate-change-report-card-2019/