



Kum-Kum Bhavnani
Telephone: (510) 987-9303
Email: kum-kum.bhavnani@ucop.edu

*Chair of the Assembly of the Academic Senate
Faculty Representative to the Regents
University of California
1111 Franklin Street, 12th Floor
Oakland, California 94607-5200*

July 28, 2020

**JAGDEEP BACHHER, CHIEF INVESTMENT OFFICER
UNIVERSITY OF CALIFORNIA**

Re: Fossil Free Commercial Banking Vendors

Dear Jagdeep,

At its July 27, 2020 meeting, the Academic Council unanimously endorsed the attached resolution, put forward by UCFW and UCPB, which asks the UC Chief Investment Officer to issue an RFP for new banking vendors that includes a criterion for eligible institutions to adhere meaningfully to Environment, Social and Governance (ESG) principles.

Council agrees that the University should avoid relationships with commercial bankers whose practices are inconsistent with its Policy on Sustainable Practices and commitment to investing in solutions to the climate crisis.

Please do not hesitate to contact me if you have additional questions.

Again, many thanks for all that you do and for being so generous with your time in terms of discussing all and any matters with the Senate.

Warmest wishes,

A handwritten signature in cursive script that reads "Kum-Kum Bhavnani".

Kum-Kum Bhavnani, Chair
Academic Council

Encl.

cc: UCFW
UCPB
Academic Council
Senate Executive Director Baxter



UNIVERSITY COMMITTEE ON FACULTY WELFARE (UCFW)
Jean-Daniel Saphores, Chair
saphores@uci.edu

Assembly of the Academic Senate
1111 Franklin Street, 12th
Oakland, CA 94607-5200
Phone: (510) 987-9466
Fax: (510) 763-0309

July 14, 2020

**KUM-KUM BHAVNANI, CHAIR
ACADEMIC COUNCIL**

RE: Fossil Free Commercial Banking

Dear Kum-Kum,

The University Committee on Faculty Welfare (UCFW) has continued its discussion of how to align UC's practices with its stated values. As you will recall, in September 2019 the UC declared a climate emergency¹, but its choice of commercial banks is at odds with UC's stated values. The three major commercial banks that UC uses are Bank of America, Wells Fargo, and Union.² These banks have some of the worst records and policies in addressing the Climate Emergency of all major banks.³ First, in the three years since the Paris accords, they have lent about half a trillion dollars to fossil fuel companies, enabling them to keep us on a path that is destroying the biosphere and mortgaging our future and the future of our students.⁴ Second, they have failed to adopt responsible criteria for financing (or not) the extraction of coal, tar sands, arctic oil, and other carbon deposits which must remain in the ground if the goals of the Paris accords are to be met. On a scale of 120, where the best major bank scores 82, these banks all scored under 10.⁵ Overall, BofA and Wells Fargo are 2 of the 4 worst banks in North America, and MUFG, the parent company of Union, is the worst in Japan.⁶

We respectfully request that UC's Chief Financial Officer issues a Request for Proposals for commercial banking services that includes a meaningful criterion of adherence to Environment, Social and Governance (ESG) principles. We note that UC is already applying these principles to its investment portfolio.⁷

¹ <https://www.universityofcalifornia.edu/news/university-california-declares-climate-emergency>

² UC also utilizes BNY Mellon and PNC for commercial banking. Insufficient information is available to evaluate the impact of their lending policies on the climate emergency. PNC (headquartered in Pittsburgh) has long provided lead financing for coal mining, with poorly rated policies. The majority of BNY Mellon's business is as a custodian bank which does not have significant environmental impact. However, both BNY Mellon and PNC also have large asset management divisions whose policies regarding fossil fuel investments should be included in ranking their application to serve UC.

³ https://www.ran.org/wp-content/uploads/2020/03/Banking_on_Climate_Change_2020_vF.pdf

⁴ Ibid. p. 8

⁵ Ibid. pp. 18-19 presents the overall aggregate scores for the major banks on a detailed and comprehensive evaluation of their policies across all major fossil fuel categories, including Oil and Gas exploration, Tar Sands Oil, Arctic Oil and Gas, Offshore Oil and Gas, Fracked Oil and Gas, Liquefied Natural Gas, Coal Mining, and Coal Power.

⁶ Ibid. p. 12

⁷ https://www.ucop.edu/investment-office/files/invpol/UCRP_IPS_03-15-18.pdf, p. 3.; [/GEP_IPS_03-15-2018.pdf](#), p. 3; [/STIP_IPS_03-15-2018.pdf](#), p. 2; [/TRIP_IPS_03-15-2018.pdf](#), p. 2.

Thank you for helping to advance our shared goals.

Sincerely,

Jean-Daniel Saphores, UCFW Chair

Copy: UCFW
Hilary Baxter, Executive Director, Academic Senate



UNIVERSITY COMMITTEE ON PLANNING AND BUDGET (UCPB)
Sean Malloy, Chair
smalloy@ucmerced.edu

Assembly of the Academic Senate
1111 Franklin Street, 12th Floor
Oakland, CA 94607-5200
Phone: (510) 987-9466
Fax: (510) 763-0309

July 14, 2020

**KUM-KUM BHAVNANI, CHAIR
ACADEMIC COUNCIL**

RE: Resolution on Banking Vendors

Dear Kum-Kum,

The University Committee on Planning and Budget (UCPB) was discouraged to learn that the University currently uses three commercial banking vendors that, according to the *2020 Fossil Fuel Finance Report* have among the worst environmental records and lending policies. To maintain these relationships would be inconsistent with the University's Policy on Sustainable Practices and its commitment to investing in solutions to the climate crisis. UCPB has endorsed the attached resolution asking the UC Chief Investment Officer to issue an RFP for new banking vendors that includes a criterion for eligible institutions to adhere to Environment, Social and Governance (ESG) principles.

We urge the Academic Council to support the resolution and forward it to CIO Bachher.

Sincerely,

A handwritten signature in black ink, appearing to be "Sean Malloy".

Sean Malloy, Chair
UCPB

Encl.

cc: UCPB

June 28th 2020

To: Kum-Kum Bhavnani
Chair, Academic Council

From: UCPB

RE: UC must revisit use of Commercial Banks under Climate Emergency

In September 2019 the UC declared a climate emergency¹, but its choice of commercial banks is not consistent with this. The three major Commercial Banks that UC uses are Bank of America, Wells Fargo, and Union.² These banks have some of the worst records and policies in addressing the Climate Emergency of all major banks.³ First, in the three years since the Paris accords, they have lent about half a trillion dollars to fossil fuel companies, enabling them to keep us on a path to destroying the future of our students and our biosphere.⁴ Second, they have failed to adopt responsible criteria for whether to finance extraction of coal, tar sands, arctic oil, and other carbon deposits which must remain in the ground if the Paris accords are to be met. On a scale of 120, where the best major bank scores 82, these banks score 6, 9 and 5.⁵ Overall, BofA and Wells Fargo are 2 of the 4 worst banks in North America, and MUFG, the parent company of Union, is the worst in Japan.⁶

We respectfully request that the Chief Financial Officer of UC issues a Request for Proposals for commercial banking services that includes a criterion of adherence to Environment, Social and Governance (ESG) principles. We note that UC is already applying these principles to its investment portfolio.⁷

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⁷ https://www.ucop.edu/investment-office/files/invp/UCRP_IPS_03-15-18.pdf, p. 3.; [/GEP_IPS_03-15-2018.pdf](#), p. 3; [/STIP_IPS_03-15-2018.pdf](#), p. 2; [/TRIP_IPS_03-15-2018.pdf](#), p. 2.