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## Green Finance: Academics Accuse Large Financial Services Organization of Greenwashing

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A large financial services organization and its asset-management arm are the subject of a [complaint letter](#) sent to the UN Principles for Responsible Investment (PRI) by almost 300 academics. TIAA and Nuveen collectively manage approximately \$1.2 trillion and allegedly have approximately \$78 billion of AUM invested in fossil fuels. PRI is an investor group, working in collaboration with the United Nations, whose signatories (including TIAA and Nuveen) commit to incorporate PRI's six principles into asset management decisions. The letter requests that PRI launch a formal investigation into TIAA's investment practices and, if PRI finds that such investments violate PRI's principles, expel TIAA from PRI's global sustainable investment initiative.

2020 was first year that the PRI de-listed signatories, and five organizations were officially de-listed, one of which has since been [reinstated](#). The de-listing followed two years of engagement with, and guidance from, the PRI. Furthermore, 23 of the 165 organizations identified by the PRI in 2018 as not meeting its requirements have voluntarily de-listed or been de-listed for failing to submit their required annual report. The TIAA has been criticized for holding bonds issued by Adani, an Indian company with substantial operations in the coal sector including the Carmichael coal mine in Australia. According to the complaint, the TIAA is the fourth-largest investor globally in bonds across the coal value chain.

TIAA responded that extensive divestment from fossil fuels "does not offer TIAA an optimal way to influence the policies and practices of [firms] we invest in." A PRI spokesperson stated that it is a "big tent organisation" and it was not their responsibility to individually monitor investments made by its more than 5,000 signatories, instead they "must be monitored by the investor, in line with their own investment beliefs, investor duties, commitments, and policies."

**Taking the Temperature: Continued investment in or financing for the fossil fuel industry remains a point of debate in the climate change area. While some have called for divestment or cessation of financing, others recognize that a transition to a green economy, at this point in time, requires energy from oil, gas and coal providers. Nor is there sufficient energy from green sources to meet existing demand. Therefore, while the discussion continues, the real current need for fossil fuel-generated energy is almost certain to prevail over aspirations for a purely green energy environment, at least in the near and medium terms.**