

To: UNB President Paul Mazerolle and the Board of Governors
From: UNB Student Union and Fossil Free UNB
Date: February 5, 2022

Re: University of New Brunswick must act on divestment!

Background: The need for urgent climate action

We are in the midst of a climate crisis. Scientific evidence has consistently shown that human influence, predominantly through CO₂ emissions, has warmed the earth in an unprecedented manner [1]. The UN Secretary General, upon publishing of the Intergovernmental Panel on Climate Change's 2021 assessment report, declared *"a code red for humanity. The alarm bells are deafening, and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk [2]."*

Given the current rate at which the world is releasing carbon emissions, humanity is expected to far exceed the climate limits outlined by the Paris Agreement [1]. As a result, the changes in climate we've already seen will continue to accelerate, increasing the intensity and frequency of natural disasters, rising sea levels, killing ecosystems and entire species, as well as causing many other extreme impacts [1]. In 2021 alone, there were record-breaking heat waves, torrential rains, devastating floods, extreme drought, and a disastrous cold wave. All these climate events have had severe humanitarian and economic consequences. To prevent further catastrophic and irreversible warming, massive and rapid transformations across all sectors of the economy are needed.

As the first post-secondary institution in New Brunswick to implement a climate change action plan, UNB has demonstrated that it is capable of being a climate leader. The university has already demonstrated commitment towards mitigation in energy and infrastructure, transportation, waste management, sustainable grounds, and education and programming. As an intellectual leader in the community and a top-rated research facility, UNB is the ideal setting to implement climate change solutions. As such, we call upon the University of New Brunswick to commit to a full divestment from fossil fuels.

Demonstrating a commitment to climate action

Across Canada and the world, many universities are answering the call for accelerated climate action. In recognition of their financial role in contributing to climate destruction, universities are committing to a full divestment from fossil fuels. These universities are removing their funds from fossil fuel industries and, instead, allocating them towards sustainable investments. In Canada, universities that have made a divestment commitment include: the University of British Columbia, the University of Toronto, the University of Waterloo, l'Université Laval, l'Université de Québec à Montréal, Simon Fraser University, the University of Victoria, Lakehead University, Concordia University, and the University of Guelph.

The University of New Brunswick is a leader in research, innovation and entrepreneurship. For an institution with the self-proclaimed vision of becoming a “*university of influence through excellence and innovation in research and teaching to enable positive social change across our communities* [3],” it’s time to step up.

Divesting from fossil fuels will demonstrate true sustainability

One of UNB’s core values is financial and environmental sustainability. Yet, as of Dec. 31, 2020, \$6.3 million of UNB’s long-term investment fund is invested in the top 200 coal, gas and oil companies. Investing in an industry that is actively accelerating the climate crisis is neither financially nor environmentally sustainable.

To ensure international target agreements are met, up to 42 percent of oil, 47 percent of fossil methane gas, and 88 percent of coal reserves must not be burned [4]. This brings into question the potential of this carbon to create stranded assets and destroy significant shareholder value. Evidence shows that fossil fuels are becoming a poor long-term investment choice. In fact, two major financial management firms, BlackRock and Meketa, have separately concluded that investment funds did not experience negative impacts from fossil fuel divestment, and in fact experienced modest improvement in fund return [5]. These reports also determined that fossil fuel stocks have well underperformed for the last 5 years.

Taking into consideration the financial, ethical, and environmental impacts of the university’s investments on the greater community, we call on the University of New Brunswick to commit to full fossil fuel divestment by:

- 1) immediately ending any new investments in the fossil fuel industry
- 2) divesting all holdings, direct and indirect, from the fossil fuel industry by 2025
- 3) screening for and excluding fossil fuel investments from all UNB’s future investment portfolios

UNB’s motto is *Sapere Aude*; “Dare to be wise,” a sentiment that calls for UNB to be courageous, to embrace a world stressed by rapid and accelerating change with the courage and the knowledge to see the opportunities for a more equitable and sustainable future, rather than just the challenges we face. The University of New Brunswick needs to heed this call with concrete action. We are asking you to take a leap towards sustainability in a world stressed by a climate crisis and recognize fossil fuel divestment as both a financial and environmental opportunity.

Our futures are at stake, and we — the UNB student community — are calling on you to take action.

[1] Masson-Delmotte, Valérie, Panmao Zhai, Anna Pirani, Sarah L. Connors, C. Péan, Sophie Berger, Nada Caud, et al., eds. *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change*. Cambridge University Press, 2021.

[2] “Secretary-General’s Statement on the IPCC Working Group 1 Report on the Physical Science Basis of the Sixth Assessment | United Nations Secretary-General.” Accessed October 18, 2021. <https://www.un.org/sg/en/content/secretary-generals-statement-the-ipcc-working-group-1-report-the-physical-science-basis-of-the-sixth-assessment>.

[3] “Our Vision | Toward 2030 | UNB.” Accessed January 2, 2022. <https://www.unb.ca/toward2030/vision.html>.

[4] Welsby et al., "Unextractable Fossil Fuels in a 1.5 °C World." <https://doi.org/10.1038/s41586-021-03821-8>.

[5]: Institute for Energy Economics & Financial Analysis. "IEEFA: Major Investment Advisors BlackRock and Meketa Provide a Fiduciary Path through the Energy Transition," March 22, 2021. <http://ieefa.org/major-investment-advisors-blackrock-and-meketa-provide-a-fiduciary-path-through-the-energy-transition/>.