

A crowd of people, mostly young adults, are gathered outdoors on a grassy area. Some are sitting on the ground, while others are standing. Several people are clapping. In the background, a person holds a sign that says "THERE IS NO PLAN B". The image is framed by a thick orange border.

**FOSSIL FREE UNB**

*RAVEN RESEARCH PROJECT*



# A GUIDE TO FOSSIL FUEL DIVESTMENT



OCTOBER 2021 EDITION

<https://raven-research.org/divestment/>

# A Guide to Fossil Fuel Divestment

Fifth Edition, October 2021

This booklet describes the Fossil-Free UNB Campaign, supported by the University of New Brunswick's RAVEN project and the UNB Student Union. The views expressed are those of the authors.

Cover/back page photograph: Courtesy of the Conservation Council of New Brunswick:  
Launch of the Orange Square Campaign at the Climate Strike, Sept. 20, 2019

Page 3, 4, 5, and 7 photographs: R. Bensler: The Climate Strike on Sept. 20, 2019

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<https://raven-research.org/divestment>

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RAVEN (Rural Action and Voices for the Environment) is an activist research project working with rural champions for the environment in New Brunswick. Our work is building support for environmental justice and sustainable rural communities. The RAVEN research team is based at the University of New Brunswick and is working in partnership with St. Thomas University in Fredericton.





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# A GUIDE TO FOSSIL FUEL DIVESTMENT

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# 1.The Climate Crisis

The science is clear and documented in the Intergovernmental Panel on Climate Change reports. The extraction, production, transportation, storage and burning of fossil fuels is the primary cause of the climate crisis. In order to avoid catastrophic climate change, global heating must not exceed 1.5C. Meeting this target requires that the world cut greenhouse gas emissions by 50 per cent by 2030, and reach a net zero emissions target by 2050, ideally much earlier. [1]

On August 9, 2021, the IPCC released the report “Climate Change 2021: The Physical Science Basis,” which documented the changes in the Earth’s climate. Many of the observed changes, from extreme climate events such as drought and heatwaves, to sea-level rise, ocean-acidification, and which would have been previously unprecedented for thousands of years without human influence, have increased in frequency. Many of these changes are irreversible over hundreds to thousands of years. [2] As the UN states, this report is “...**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.**” [3]

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. As a result, the existing change in the climate will accelerate: increasing the intensity and frequency of natural disasters, raising sea levels, killing ecosystems and entire species, as well as many other extreme impacts.

Carbon gas emissions contribute to growing changes in the climate and the global temperature rise. Specifically, carbon emissions contribute to the 'greenhouse effect'; the trapping of heat within the earth's atmosphere due to an increase in greenhouse gases. Reaching the essential net zero emissions target will require a complete transformation of the energy systems and industry in Canada.

**We must immediately end the development of new fossil fuel infrastructure and keep existing fossil fuel resources in the ground.**

[1] “Global Warming of 1.5 oC.” Accessed October 17, 2021. <https://www.ipcc.ch/sr15/>.

[2] 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.

[3] “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>.



## 2. What is Divestment?

Fossil fuel divestment removes investments in the fossil fuel industry and the diverts these funds into sustainable investment practices. Divestment groups may refer to the Carbon Underground 200 list of companies, the 200 largest coal, gas, and oil companies based on the estimated carbon emission content of their reported reserves.

These campaigns began as an effort to stigmatize the fossil fuel industry for socio-political reasons. Calling for divestment means calling upon the integrity, ethics, social responsibility, and financial stability of institutions with regards to their investments.

Divestment is a strategy to fight the climate crisis, as it allows groups of activists to financially impact fossil fuel companies: the largest contributors to climate change. It is an ethical issue that calls upon the social responsibility of a university that profits off of the climate crisis. [4]

Therefore, **Fossil Free UNB is calling upon the University of New Brunswick to immediately divest its fossil fuel holdings**, reallocate the funds into renewable energy research and, as an academic institution, **set an example by addressing their financial role in climate destruction.**

## 3. Why Divest?

Investing in the Fossil Fuel industry is a lose-lose scenario for investments and for the planet. As such, organizations across the globe are adjusting their investments to exclude the industry entirely. However, for many organizations, the climate impact alone is not enough motivation to divest. Internationally, universities are divesting from fossil fuels for one shared reason: investment in the fossil fuel industry is also no longer a fiscally responsible decision. Divestment takes into consideration both the ethical and financial responsibility of an institution.

[4] Maina, N. (2016). The State of Fossil Fuel Divestment in Canadian Post-secondary Institutions. Sustainability and Education Policy Network, University of Saskatchewan, Saskatoon, Canada.



## • Ethical Responsibility

By divesting, universities set an example as an academic institution and demonstrate acknowledgement of their financial role in climate destruction

They become an environmental leader by taking the step to acknowledge their ethical responsibility. Academic institutions are based upon educating future leaders and encouraging innovation through research, and divestment acknowledges the role of fossil fuel industries in the climate crisis.

## • Financial Responsibility

There is an undeniable excess of carbon beyond climate limits. To ensure international target agreements are met, 60 percent of oil and fossil methane gas, and 90 percent of coal reserves must not be burned. [5] This brings into question the potential of this carbon to create stranded assets and destroy significant shareholder value.

Evidence is showing 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. [6] These reports also determined that fossil fuel stocks have well underperformed for the last 5 years.

As stated by Larry Fink, chairman and CEO of Blackrock, **"Climate risk is investment risk... [and] the climate transition presents a historic investment opportunity."** [7]

*"If it's wrong to wreck the climate then it's wrong to profit from that wreckage."*

Bill McKibben,  
Founder of 350.org

**CURRENT UNB  
INVESTMENT**

**\$6.3 MILLION**

At October 28, 2021, approximately \$6.3 million (or 1.5%) of UNB's Long-term Investment Fund was invested in the Carbon Underground 200™ list companies.

**CURRENT GLOBAL  
DIVESTMENT**

**\$39.88 TRILLION**

To date, 39.88 Trillion dollars have been divested globally. Educational institutions are the second largest sector of divestors, comprising 14.8% of all divested organizations.

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

[6]: 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/>.

[7]: BlackRock. "Larry Fink CEO Letter." Accessed October 23, 2021. <https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>.

## 4. Fossil Free UNB

The international movement against investments in the fossil fuel industry began in 2012. Students in universities across Europe, Canada and the United States initiated campaigns for the universities to remove any fossil fuel holdings. The University of New Brunswick's campaign began in 2016. In 2021, it continues as a partner with RAVEN and Divest STU.

The Fossil Free UNB Campaign is requesting that the University of New Brunswick divest from all companies on the Carbon Underground 200 List; the 200 largest coal, gas, and oil companies, designated based on the estimated carbon emission content of their reported reserves.



We endorse the reinvestment principles recommended by [gofossilfree.org](http://gofossilfree.org) which increase community empowerment and prosperity, shift economic control, drive social equity, promote ecological wellbeing and resilience, and shift trends in production and consumption. As UNB's fiscal decisions impact everyone in the university, any UNB student, staff, faculty member, and alumnus can support the divestment campaign!

## 5. UNB'S Investments in Fossil Fuels

UNB has a Long-term Investment Fund of \$331.8 million, 3.3% (\$10.9 M) of which is invested in the top 200 coal, gas, and oil companies (as of December 31, 2018).

Most of the assets in this fund are externally managed via pooled funds. The benefits of pooled funds include an “opportunity for diversification, risk management, [...] and best in class investment.” However, this type of fund places limitations on the direct control the university has over its investments. The Board of Governors Investment Committee has directed investment managers to consider environmental sustainability when making investment choices; as such, divestment is a promising idea but a difficult process.

We believe that this challenge does not justify inaction. The University of New Brunswick (*Report on Long-Term Investment Fund, 2019*) argued that pooled funds facilitate prudent governance and oversight which should include the capacity to divest from certain environmentally destructive industries. Divestment is not only a fiscally responsible decision, but also an ethically responsible decision.

The UNB Statement of Sustainable Investment includes reference to holding stakeholders accountable for environmental, social, and governance implications of investment (ESG Factors). Divestment was a priority ESG discussion topic for the UNB Investment Committee and we believe it should be a priority action as well.

## 6. Divestment Across Canada

Divestment campaigns like FF-UNB are happening all across Canada. In New Brunswick, students are active at Mount Allison University, St. Thomas University, and the University of New Brunswick. Across Canada, campaigns are active at McGill University, Queens University, University of Toronto, McMaster University, University of Winnipeg, Concordia University, Guelph University, Lakehead University, University of Saskatchewan, Simon Fraser University, University of British Columbia, and the University of Victoria.

Some of these universities have already committed to partial or full divestment setting the standard high for UNB.

Nationally and internationally, calls have given students an opportunity to communicate shared challenges, strategies, and collaborate on future initiatives.

With the growing knowledge and movements around fossil fuel divestment in Canada, we have growing confidence in the capacity of UNB to pursue our recommended investment strategies. As a university with an endowment fund ranked in the top 30% in Canada, it is important that we act to set a standard for ethical, environmental, and responsible investments in Canada.

### DIVESTED CANADIAN UNIVERSITIES

- University of British Columbia
- University of Toronto
- Simon Fraser University
- Concordia University
- Lakehead University
- University of Guelph
- Université de Laval
- University of Quebec in Montreal

### OTHER DIVESTED UNIVERSITIES

- Harvard University
- Oxford University
- University of Cambridge
- Brown University
- Columbia University



## Petition for Fossil Fuel Divestment at the University of New Brunswick

The Fossil Free UNB Campaign supports an ethical financial portfolio and the wellbeing of its current and future students, staff and faculty, who deserve a future not defined by climate chaos.

I, the undersigned, call upon UNB to create an ethical investment portfolio by divesting its endowment from fossil fuel companies in order to avert further environmental and social harm caused by climate change, by:

- a) immediately ending any new investments in the fossil fuel industry
- b) divesting all holdings, direct and indirect, from the fossil fuel industry
- c) screening for, and excluding, fossil fuel investments from all of UNB's future investment portfolios
- d) refusing any funds from the fossil fuel industry that could impact research and programs

I understand that by signing this petition, the UNB Divestment campaign can display my name, affiliation and role at UNB publicly online on a list of people supporting the UNB Divestment campaign.

**FIRST NAME**

**LAST NAME**

**ROLE (STUDENT, FACULTY,  
COMMUNITY MEMBER,  
ALUMNUS, ETC.)**

**SIGNATURE**

### SIGN ONLINE

[CLICK HERE](#)

Or scan this QR code to  
sign the petition online!



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divestunbstu@gmail.com