

Proposal to WESEF members to divest our fund from fossil fuel companies

Whereas WESEF funds are invested as part of the pooled endowment funds, these funds hold fossil fuels investments, and carbon and climate risks impacts the entire university community; and

Whereas the WESEF constitution (section 3(b)) empowers WESEF to make recommendations to the University on the management of our funds, to which the Board of Governors is expected to provide a written response (section 8a)ⁱ; and

Whereas the scientific and international community have reached a consensus that a climate that can support civilization requires global temperature increases to remain below 2°C warmer than the pre-industrial averageⁱⁱ, and that this requires leaving between 60-80% of existing fossil fuels reserves unburnedⁱⁱⁱ; and

Whereas these ‘unburnable’ fossil fuel reserves are currently valued as if they will all be burned, at as much as \$20trillion^{iv}; the value of fossil fuel companies and their business models are based on plans to burn these reserves; maintaining a livable climate requires building a consensus that these reserves will be stranded while accepting their financial valuations is accepting climate catastrophe; and

Whereas, in response to this urgent crisis, major endowments, foundations and pensions have pledged to divest funds valued at \$2.6 trillion from fossil fuels^v, and by doing so are demonstrating this divestment is practically feasible.

Be it resolved

That we, members of WESEF, affirm that our funds should not be invested in the top 200 fossil fuel companies who, by maintaining that unburnable carbon reserves are worth trillions, are most responsible for perpetuating climate change.

That WESEF recommends the following to the University Board of Governors:

That the University of Waterloo fully and regularly disclose carbon liabilities and the extent of WESEF’s investment in the top 200 fossil fuel companies for WESEF’s endowment;

That the University of Waterloo commit to divesting WESEF’s endowment from the top 200 fossil fuel companies within the next five years, and direct its fund manager to develop a plan to do so; to reflect that WESEF clearly rejects the financial status quo that values all fossil fuel reserves as if they will be burned

That WESEF continue to be invested as part of the pooled university endowment.

ⁱ “CONSTITUTION OF THE WATERLOO ENVIRONMENTAL STUDIES ENDOWMENT FOUNDATION (WESEF)” (Waterloo Environment Studies Endowment Fund, November 3, 2005), <https://uwaterloo.ca/waterloo-environment-students-endowment-fund/sites/ca.waterloo-environment-students-endowment-fund/files/uploads/files/constitution-05.pdf>.

ⁱⁱ “Copenhagen Accord: Framework Convention on Climate Change” (United Nations, December 18, 2009), <http://unfccc.int/resource/docs/2009/cop15/eng/l07.pdf>.

ⁱⁱⁱ “Unburnable Carbon 2013: Wasted Capital and Stranded Assets | Grantham Research Institute on Climate Change and the Environment” (Carbon Tracker Initiative & Grantham Research Institute, 2014), <http://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/2014/03/PB-unburnable-carbon-2013-wasted-capital-stranded-assets.pdf>.

^{iv} Brad Johnson, “The \$20 Trillion Carbon Bubble: Interview With John Fullerton, Part One,” *ThinkProgress*, March 26, 2012, <http://thinkprogress.org/climate/2012/03/26/432617/the-20-trillion-carbon-bubble-interview-with-john-fullerton-part-one/>.

^v “Measuring the Growth of the Global Fossil Fuel Divestment and Clean Energy Investment Movement” (Divest-Invest, 2015), <http://divestinvest.org/2015report/>.