

# The Student Perspective on Divestment

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**We're Juliet & Elora, and  
we're here on behalf of  
UVic students and  
Divest UVic.**

# Outline of Presentation

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- 1. The Moral Imperative**
- 2. The University of Victoria's Reputation**
- 3. The Future of UVic's Finances**

1.

# The Moral Imperative

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It's time for UVic to invest in our future.

*In a 2015 referendum, 77% of students voted in favour of “the UVSS lobbying the **University of Victoria Foundation** to withdraw (or “divest”) its direct investments in fossil fuel companies and re-invest in the proceeds in the financially and socially responsible alternative investments.”*



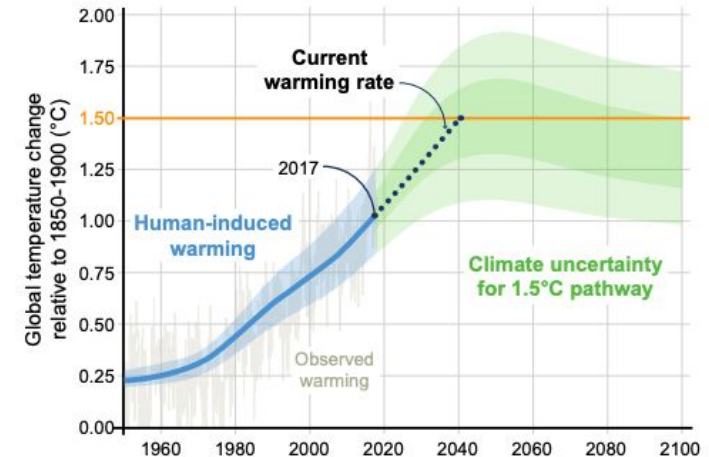
# In the face of the Climate Crisis

To avoid the widespread suffering attributed to a 1.5° increase in global temperature, the IPCC states we need to lower our emissions by 50% in the next decade. This is a transition which needs to start now in order to succeed.

Conducting business as usual, in regards to fossil fuels, is currently risking the wellbeing of millions of people and our ability to implement effective climate policy in the future.

## FAQ1.2: How close are we to 1.5°C?

Human-induced warming reached approximately 1°C above pre-industrial levels in 2017



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*"Claiming leadership on Respect and Reconciliation while investing millions in two of the biggest despoilers of Indigenous lands and waters in Canada (Suncor Inc. and Canadian Natural Ltd.) is hypocritical and colonial"*

- James Rowe, Environmental Studies



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*The Canadian Association of Physicians for the Environment (CAPE) has urged everyone with a stake in human health, "to freeze any new investment in oil, gas, coal and pipeline companies, and to divest from direct ownership and any commingled funds that include fossil fuel public equities and corporate bonds within 5 years."*

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Russell, E. (2013). Avoid the carbon bubble. *CMAJ: Canadian Medical Association Journal*.

2.

# The University of Victoria's Reputation

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Putting UVic's money where its mouth is.

2018 Year In Review:  
Divestment from fossil  
fuels tops \$8 TRILLION

Fossil Fuel Complicity No  
Longer Hidden Behind  
'Fiduciary Duty'

Smith College will divest from fossil fuels  
within 15 years

Divesting from fossil fuels means investing in our  
future

Opinion: UC investments are going fossil free. But not  
exactly for the reasons you may think

## *The case for fossil fuel divestment over engagement*

Can we shift oil and gas companies' behavior through engagement or is it time for a new approach?

National Trust to end all fossil  
fuel investment

Global investors set to triple divestment from fossil  
fuels **Canadian Universities Are Way Behind on  
Fossil Fuel Divestment**

Divestment works - and one huge bank  
can lead the way

Sharp rise in number of investors  
dumping fossil fuel stocks

BloombergQuickTake • Analysis  
How Climate Divestment Won Converts With  
Deep Pockets

Université Laval first university in  
Canada to divest from fossil fuels

Green Coalition: Pension Plans Miss Billions by  
Not Divesting from Fossil Fuels

## FOSTER RESPECT AND RECONCILIATION

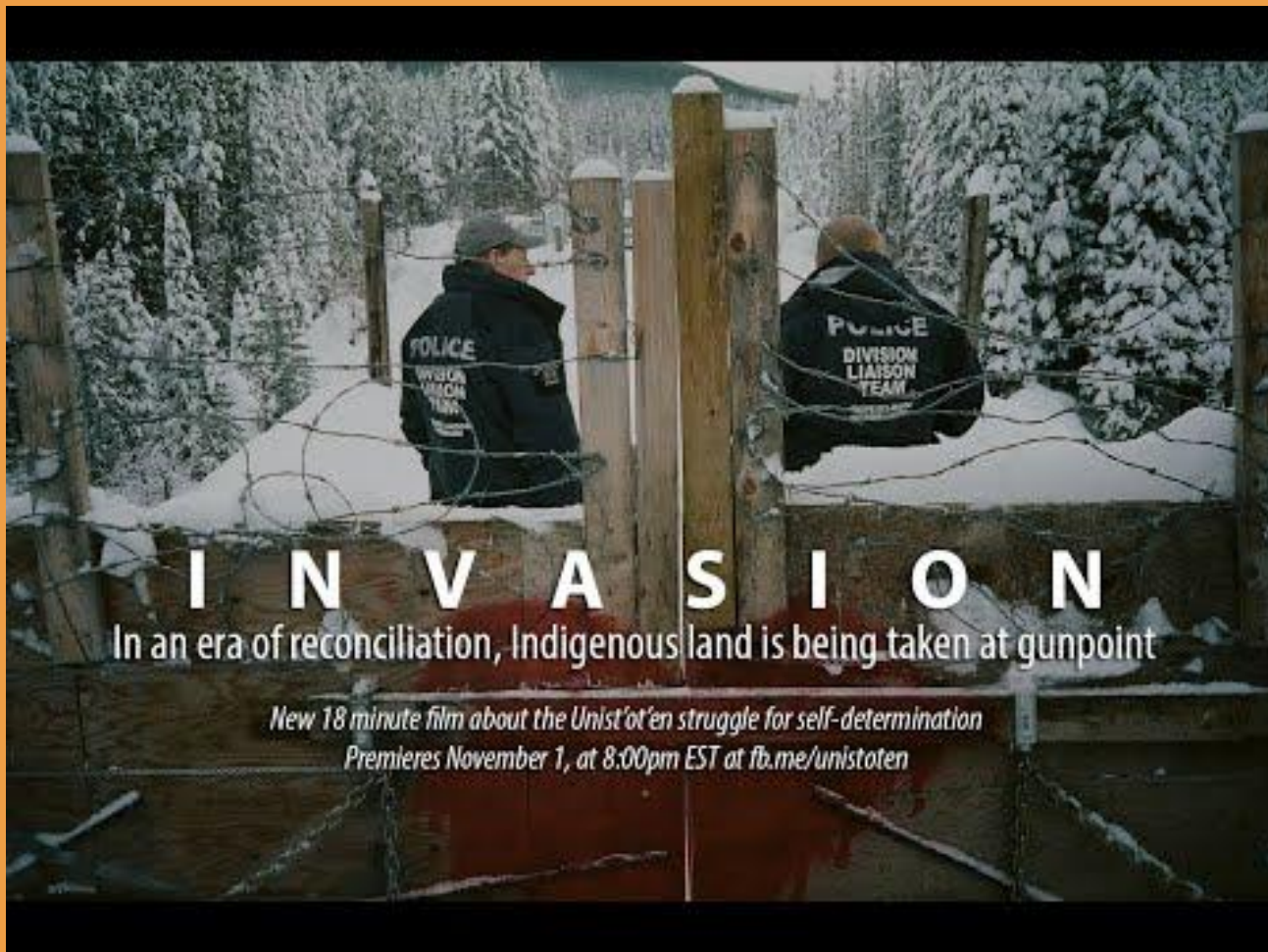
The oil & gas industry is violently displacing Indigenous peoples from their territories.

The university's investments in fossil fuels do not reflect a commitment to respect and reconciliation.

## PROMOTE SUSTAINABLE FUTURES

The fossil fuel industry is the leading cause of the climate crisis that students are inheriting.

The university's fossil fuel investments are in direct opposition to the promotion of sustainable futures.



# INVASION

In an era of reconciliation, Indigenous land is being taken at gunpoint

*New 18 minute film about the Unist'ot'en struggle for self-determination*

*Premieres November 1, at 8:00pm EST at [fb.me/unistoten](https://fb.me/unistoten)*



# Student Disconnect

- Students are shocked to hear that the University has millions of dollars invested in the fossil fuel industry.
- We are told our university prioritized the environment and reconciliation, but this is not reflected UVic's investment practices.
- There is a disconnect between the university we were sold and the one we are actually attending.



# ■ Avoiding Greenwashing

Students will not allow the University to get away with the hypocrisy of adopting an image of sustainability while remaining invested in fossil fuels. An investment strategy that perpetuates the very industry threatening our generation cannot claim sustainability.

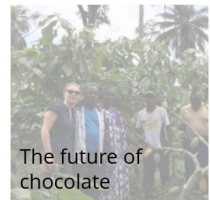
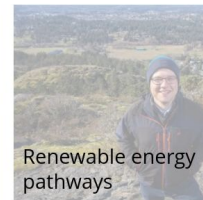
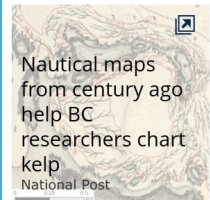
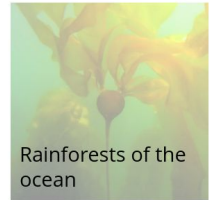
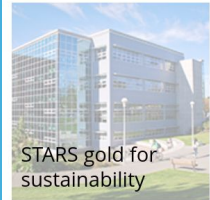
**If the University does not vote to divest from fossil fuels in the spring of 2020, UVic's reputation and donations will be significantly damaged.**

# Reputation of Climate Leadership

The University has done great work funding climate research and engaging with sustainability on campus.

It's time for UVic to align their investments with their values and avoid greenwashing.

## Climate

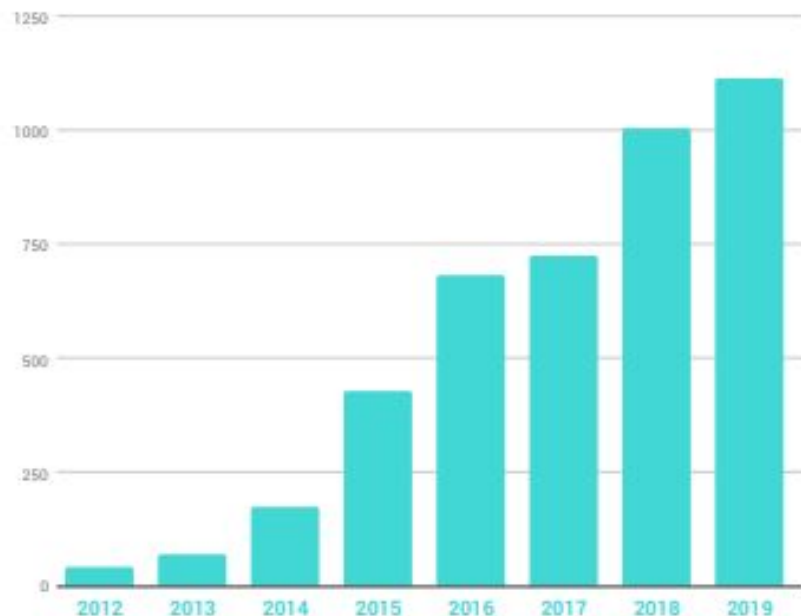




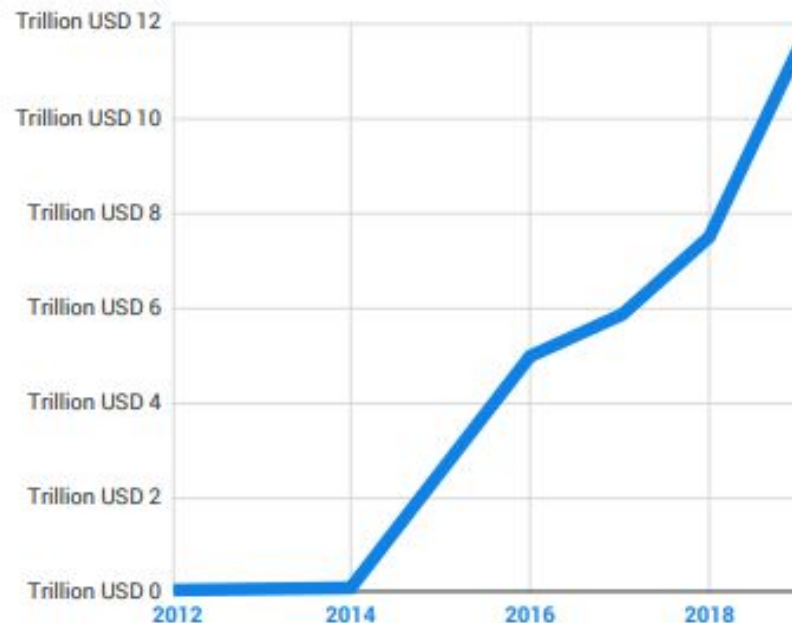
# Join the Global Divestment Movement

- Norway's Sovereign Wealth Fund
- The Episcopal Church
- The Church of England
- Rockefeller Brothers Fund
- World Council of Churches
- The California Academy of Sciences
- World Bank
- The British Medical Association
- Newcastle, Australia
- Stanford
- Oxford
- Cambridge
- Yale
- University of California

## Growth in number of divestment commitments:



## Growth in total assets of divesting institutions:



Cadan, Yossi., et al.  
\$11 Trillion and Counting.  
[gofossilfree.org](http://gofossilfree.org)

# 3.

## The Future of UVic's Finances

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Don't get burned by climate risk.

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*“Fossil fuel divestment does not seem to impair portfolio performance. Fossil fuel company stocks do not outperform other stocks on a risk-adjusted basis and provide relatively limited diversification benefits. ”*

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Trinks, A., Scholtens, B., Mulder, M., & Dam, L. (2018). Fossil fuel divestment and portfolio performance. *Ecological Economics*.

# Oil & Gas Sector Performance

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The Sector, Once a Market Leader, Now Lags

	1980	1990	2000	2010	2018
1	IBM	IBM	GE	Exxon*	Apple
2	AT&T	Exxon*	Exxon*	Apple	Microsoft
3	Exxon*	GE	Pfizer	Microsoft	Amazon
4	Standard Oil Indiana*	Phillip Morris	Citigroup	Berkshire	Facebook
5	Schlumberger*	Shell Oil*	Cisco Systems	GE	Berkshire
6	Shell Oil*	Bristol Meyers	Walmart	Wal-Mart	JP Morgan
7	Mobil*	Merck	Microsoft	Google	ExxonMobil*
8	Standard Calif*	Walmart	AIG	Chevron*	Alphabet, Inc. B
9	Atlantic Richfield*	AT&T	Merck	IBM	Alphabet, Inc. C
10	GE	Coca Cola	Intel	Proctor Gamble	Johnson & Johnson

\* Represent Oil and Gas companies. Source: <https://us.spindices.com/indices/equity/sp-500>

## Standard and Poor's Top Ten 1980-2018



ExxonMobil Growth Compared to Standard and Poor's 500,  
2002 to Present

Yahoo! Finance. Exxon Mobil Corporation (XOM). GSPC- S&P 500 Real Time Price.

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*The Network for Greening the Financial System recognises that there is a strong risk that climate-related financial risks are not fully reflected in asset valuations.*

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*First Comprehensive Report,  
Network for Greening the  
Financial System Report.*



# The Carbon Bubble & Stranded Assets

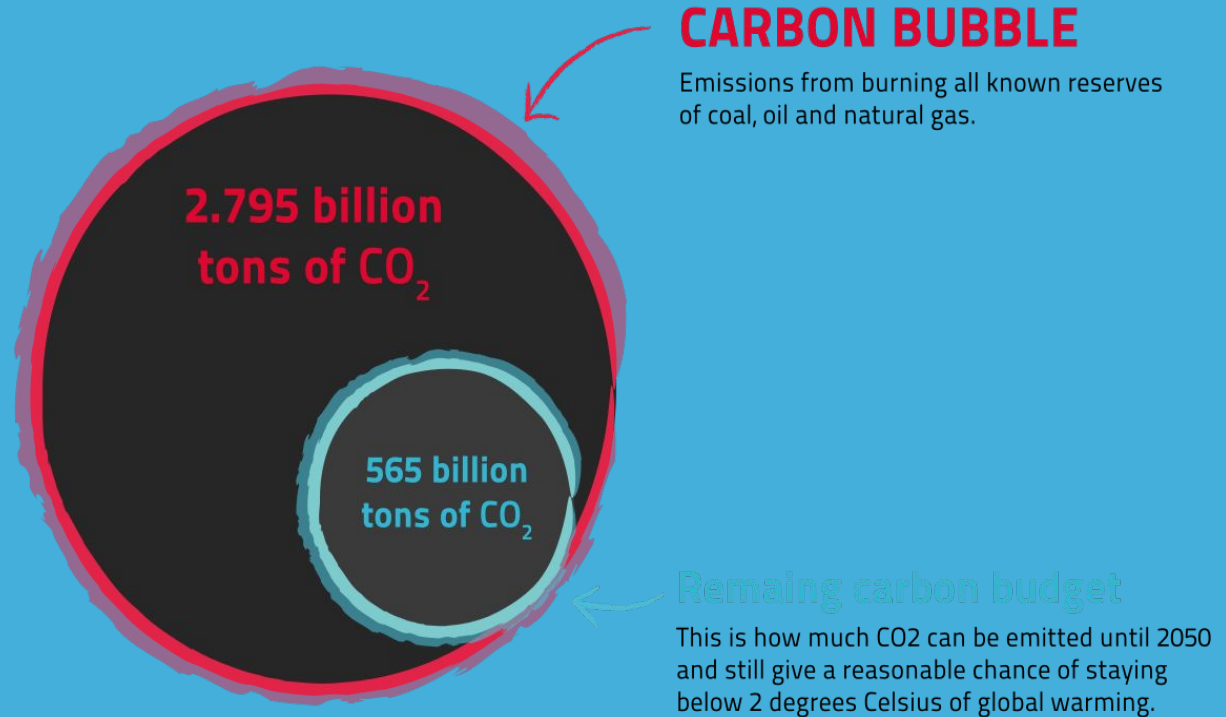
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## ■ Defining a stranded asset:

*"An item that is owned but has no value because the item or associated products can no longer be traded; for example, some fraction of the fossil fuel reserves and related power stations would become stranded assets if it were agreed that only one trillion more tonnes of carbon dioxide could be emitted. **This limit on emissions would mean that fossil fuel stock-market prices would then be above their value, a situation that has been called a 'carbon bubble'.**"*

-Oxford Dictionary of Energy Science

Markets are **mispricing risk** by valuing companies as if all their reserves will be fully exploited, when it is increasingly likely that much of the world's fossil fuel resources will never be extracted or burned.



# ■ In Summary

## Moral

An overwhelming majority of UVic students support divestment from fossil fuels.

The climate crisis is caused by the oil and gas industry. To continue to invest is to be complicit in the climate crisis.

## Reputational

UVic's reputation as a climate leader can only be furthered by divesting from fossil fuels.

The University's reputation and donations will be significantly damaged if oil and gas investments continue past Spring 2020.

## Financial

Investing in fossil fuels is no longer as profitable, or as financially feasible, as it once was.

It is the Board of Governors' and Foundation Board's fiduciary duty to divest from fossil fuels.

# THANK YOU

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## Any questions?

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