**Slide 1: Title Page Slide**

**Slide 2: Introduction to FFL**

* What is FFL?
	+ Fossil Free Lakehead is a student group advocating for Lakehead University to divest from the fossil fuel industry.
	+ We believe strongly that the university should divest from the top 200 coal, oil and gas companies and reinvest in socially and environmentally responsible industries.
* What is meant by fossil fuel divestment?
	+ The opposite of investing, divestment removes financial support from the fossil fuel industry; keeping reserves in the ground and promoting a shift in politics to demand more sources of renewable energy.
	+ It is a tactic that changes the conversation by levelling the playing field for green energy initiatives and signals investors to reflect the transformation in our economy that is needed to provide real climate change solutions.
* What is the goal of divestment?
	+ The goal of divestment is not to directly impact the ability of fossil fuel companies’ to operate.
	+ Instead, it sends a loud and clear message that the age of fossil fuels is over, it raises awareness, and it works to help speed the transition away from fossil fuels— a transition that is entirely possible, but requires real action to be effective.
* Who do we represent?
	+ These sentiments are shared by \_\_\_ (petition #’s) students who over the last few weeks have signed our petition to get this board to divest.
	+ On February 24 after a presentation to the The Sustainability Stewardship Council, there was an overwhelming positive reception to vote in favour of writing a letter of support for our divestment campaign. This letter was also signed by the Executive Sustainability Council. Also, on November 7th, the Lakehead Office of Sustainability also wrote a letter of support.

**Slide 3: The Future is Young… and sustainability-minded**

* The climate crisis is human-caused, happening now, and getting worse day by day.
* Between school strikes such as Fridays For Future, and community climate rally’s attracting young people, sustainability-minded youth are the future of this school - What reputation will LU have for the next generation of students?
* Not to mention that among students at LU, there is an increased eco-anxiety. Denise Baxtor (Aboriginal initiatives) has said that many of the students who come in for counselling have expressed anxiety about climate change.
* Youth are mobilizing around this issue because they care about their future, and they are concerned with what will be left for future generations. This is the definition of sustainability.

**Slide 4 - 5: The University Divestment Movement**

Slide 4

* The fossil fuel divestment movement began in 2011 with university students pushing their administrations to divest. Since then, this movement has grown worldwide and into many different sectors, having seen over $5 trillion divested from fossil fuels to date.
* Universities have a long history of leadership in society as models for change, innovation, and action. Campus divestment movements are built on the premise that universities should represent the moral and environmental interests of current and future students. *By taking a strong position and wielding their public and political clout, post-secondary institutions can give voice to their student bodies’ calls for change, empowering them to become the next generation of climate action leaders.*
* Today, students on campuses globally continue to mobilize around divestment, with national strategic planning meetings and actions beginning to take place.

Slide 5

* In the context of Canadian universities, all the universities on this list have committed to divest from this dirty industry. Most recently UBC, committed to divesting their $2 B endowment from fossil fuels after a student hunger strike at the end of 2019. UQAM is the first university to sell all of their fossil fuel stocks, saying that they were *“incompatible with a desire to preserve the environment especially when it comes to the battle against climate change."* and that they *“are not sound investments even for someone with no political inclinations in this regard”.* I will hand it off to Erin to build on these facts.

**Slide 6:** **Making the Case: Lakehead’s Responsible Investment Policy, Divestment Considerations**

* There are many reasons to divest, which are also deeply tied to the university’s responsible divestment policy
* The intent of our ask today is not to debate the topic of climate change; Current public discourse already supports the acknowledgment that our climate is changing and that impacts are felt globally and locally.
* The University's Responsible Investment Policy states that its purpose is to ensure fiduciary duty with a view to the impact of governance, environmental and social criteria. The policy further states that Lakehead incorporates these factors through guidance received by the UN Principles for Responsible Investing
* If one were to visit the link included in the Policy, the first set of supports they would find supports that and I quote:  “prepare investors for the inevitable policy response to climate change”.
* We would submit that the University’s commitment to responsible investing requires they sufficiently investigate the advice provided by the UNPRI as per their policy directive.
* Given that Lakehead’s Responsible Investment Policy is not scheduled for review for another 5 years we would submit that in the area of Divestment, not only is the Board not adequately exploring or taking advantage of supports from their cited guidance material, they are straying from their responsibility to ensure effective and efficient policy implementation.
* For the University to uphold its endorsement of ESG principles in their investment policy, we see the divestment from fossil fuel as necessary and not just an act of tokenism.
* Using the above criteria listed under Section 7 of the Policy we will make our case.

**Slide 7: A) Proven social, political, economic or environmental rationale**

* The rationale for divestment currently exists not just on the Lakehead campus, or in Thunder Bay for that matter.
* The IPCC, acting as the UN body for accessing the science of climate change provides regular assessments of the scientific basis of climate change.
* By providing this data to all levels of government, the IPCC functions as a key input for the development of climate-related policies, including reinforcing the importance of keeping fossil fuels in the ground to remove their continued contribution to greenhouse gas emissions.
* Incidents of flooding, wildfire and serious weather events are all increasing in frequency and severity and though we may be unable to control Nature’s reaction, we can acknowledge our contribution to the climate crisis and act accordingly.

**Slide 8 - 9: B) Reasonable evidence that divestment is an effective way to achieve the desired outcome**

Slide 8

* World Bank/IMF divesting or no longer supporting oil and gas as of 2019 in response to the threat posed by climate change
	+ Last year, both the World Bank and the IMF published reports citing the need to end subsidy programs for fossil fuel companies and tho recognizer the simple yet inconvenient truth that achieving the Paris agreement’s climate goals requires an end to the expansion of the fossil fuel industry.
	+ “ the United Nations pension fund – which manages $68 billion in assets - and is autonomous in its management – also annouced that it will divest from investments in publicly traded companies in the coal energy sector and will not make any new investments in it.”

Slide 9

* Divestment is often criticized for being unable to show a direct correlation with fossil fuel extraction.
* A recent study conducted by the researchers at the School of Environment, Enterprise and Development (SEED) at the University of Waterloo however was able to produce the graphic above showing that across 200 publicly traded fossil fuel companies share prices dropped on the days that institutional investors announced they were divesting of fossil fuels.
* They concluded that investors, and the market as a whole, perceive divestment as integral to the long-term valuation of the fossil fuel industry. Lower share prices increase the costs of capital for the fossil fuel industry, which in turn decreases their ability to explore new resources and exploit proven resources rendering them to  “stranded assets”
* To avoid the risk of stranded assets, [a number of influential private and institutional investors](https://www.arabellaadvisors.com/wp-content/uploads/2016/10/Measuring-the-Growth-of-the-Divestment-Movement.pdf) (over 430 actually) have pledged to reduce their fossil fuel investments or divest from the fossil fuel industry entirely. Many of which also citing ethical concerns over climate change alongside the long-term economic risk to their portfolios.

**Slide 10 - 11: C) Absence of alternative policies that are as effective at a lower cost, or more effective at the same cost**

Slide 10

* The financial case for fossil fuel divestment is strong. Over the past three and five years, respectively, global stock indexes without fossil fuel holdings have outperformed otherwise identical indexes that include fossil-fuel companies according to the MSCI All Country World Index
* Lakehead’s Responsible investment policy states concern that divestment “might be expensive” citing administrative expenses and investment management fees.
* We would argue that fossil fuel investment is far more expensive— the oil sector’s last growth cycle was based on being able to attract investors for long-term high cost, high priced extractions from expensive reserves. But things are different now. The renewable energy sector has advanced further and faster than anticipated and public policy and public opinion have shifted too.
* Mark Carney (former Governor of the Bank of Canada, now Governor of the Bank of England) has warned about “stranded assets” in the oil, gas, and coal industries that are currently on fossil fuel companies’ balance sheets, as the realities of climate change make pursuing these reserves irreconcilable with keeping the Earth’s warming below 2 degrees.

Slide 11

* As of early 2020, this argument has become stronger as the fossil fuel sector and major investors see the writing on the wall and are beginning to act accordingly.
* In February 2020, Teck Resources decided to withdraw its application for the proposed $20 billion Teck Frontier oil fields mining project, citing a changing investment culture, but also the level of controversy around this kind of project, acknowledging the severity of climate change.
* BlackRock investment firm, which holds over $5 trillion in assets and is one of the biggest fossil fuel stockholders, made an announcement this January that it is pulling back it’s investments in coal, with Larry Fink, the chairman and CEO, citing that “Climate change has become a defining factor in the company’s long-term prospects”.
* Given this investment forecast, divesting from fossil fuels in a financial case alone demonstrates that the cost to divesting outweigh the benefits of avoiding the burst of the carbon bubble which will leave billions of dollars of stranded assets in the fossil fuel sector.

**Slide 12 - 15: D) Consistency with the university’s legal obligations as trustee**

Slide 12

* LU’s RIP states “The University endorses the incorporation of ESG principles into its investment policy, subject to its primary fiduciary responsibility of acting in the best interest of the University.”
* In 2020, investing in fossil fuels is not in the best interest of the university.
* The UNPRI cites responsible investing as a strategy and practice to incorporate environmental, social, and governance factors in investment decisions and active ownership. Under “environmental factors”, the first example of an ESG issue given is that of climate change.
* This slide shows a list of companies, provided to FFL in 2014 by the BOG’s then Chair of Finance and Operations Committee, David Heroux, in which Lakehead is invested from the list of Top 200 fossil fuel companies as well as the percentage of investments in comingled funds that include fossil fuel public equities and corporate bonds.
* While we have not been given updated information since then about the University’s current portfolio holdings, an investigative look at the stock market today has shown that every single fossil fuel stock in LU’s 2014 holdings have under-performed; every single one lost value, even when adjusted for splits.

Slide 13 – Bonvista

* Bonvista has lost 98% of its value.

Slide 14 – Crescent Point

* Crescent Point lost 92% of its value.

Slide 15 – Husky Energy Inc.

* Husky Energy Inc. lost 84% of its value.
* Overall, this demonstrates that the fossil fuel stocks in the Lakehead Endowment in May 2014 have lost between 32 - 35% of their value, taking millions from our endowment fund (please note that the value determined on March 6th for this presentation was prior to the oil price collapse that occurred over this past weekend).
* While we don’t know if some of these stocks have been sold and others purchased since 2014 as the most current information about the endowment fund’s portfolio has not been shared with us, if they are still a part of the investment portfolio, in just the Gluskin Sheff investments alone, these stocks have lost the endowment 1.5 million dollars.
* It could be argued that if LU had divested when first asked in 2014, the fund would be worth millions more by now. However, we didn’t know as much then as we do now, so the concern about profitability was understandable. Today though, we know much more - about the climate crisis, about the financial climate and risks - and we know how to make this right to act now and play a part in changing the trajectory of the climate crisis. It is clear that both morally and financially, Lakehead should NOT have fossil fuel stocks in their portfolio.
* It is time for Lakehead to show leadership as an academic institution that values sustainability and the future safety and well-being of its greatest relationship – it’s students.

**Slide 16 - 22:  E) Consistency with its other university relationships**

Slide 16

* In considering divestment, the university is compelled to consider its many relationships and obligations, of which students are arguably the most important; our learning is what grounds the purpose for its existence.
* Thus, we feel that the University must be responsible to its students; those of us here now, and those in the future. The state of Mother Earth is a mess that we are inheriting to clean up and thus we are demanding that our futures and those of all living beings on earth, be taken into account as mattering more than financial gain. Is this not fiduciary responsibility?
* Shown here is the first climate strike in Thunder Bay from March 2019, led by a group of LU students, demonstrating the growing concern LU students have about climate change.

Slide 17

* Shown here are survey results from just over 200 LU students concerning climate change and divestment. What the results show is that:
* Nearly 92% of Lakehead students surveyed believed that the burning of fossil fuels is contributing to climate change and that 99.5% said Lakehead should look into using alternative energy sources.

Slide 18

* In regards to divestment, over three quarters of respondents didn’t know (and were surprised to find out) that LU invests in the fossil fuel industry. Upon finding this out, 80% said Lakehead should STOP investing in fossil fuels.
* If Lakehead is responsible and accountable to students as a part of its fiduciary responsibility, then listening to our requests about the future and how our collective funds are being invested needs to be taken seriously.

Slide 19

* University relationships also apply to being mindful of the institution's objectives, mission and vision.
* Given the wide range of focus paid to sustainability across the university, divesting from the industry most complicit in the creation of the climate crisis is certainly in line with the universities policies and strategic goals, whether it is the social responsibility criteria of the current strategic plan,

Slide 20

* OR the opportunities for leadership in sustainability, social justice, and Indigenous education in the academic plan,

Slide 21

* OR the priority of sustainability, resources and the environment of the research plan,

Slide 22

* OR the university’s approach to an overarching focus on sustainability through its recently revealed sustainability plan.
* As students who care deeply about how these words are actioned, we are left wondering, which responsibilities are weighing more heavily than others? Espousing the above policies while continuing to invest in climate corrupting companies is like talking out of both sides of one's mouth. What values does Lakehead truly want to stand behind?
* The Responsible Investment Policy sets out clear criteria for divestment that we have painstakingly proven that fossil fuels investments meet.
* Carbon emitting products they are selling aside, fossil fuel companies have spent millions funding junk science to cast doubt on the existence of climate change and continue to spend millions each year lobbying governments to delay action on climate change, crippling the global transition to a new energy economy putting us at the direst of deadlines. And yet, fossil fuel companies still allocate billions of dollars each year into finding and developing more fossil fuel reserves and ways to extract them.
* How is this to be explained, morally and financially? How can we justify these ongoing actions towards climate destruction? We have long since passed the threshold of being able to excuse these actions, let alone condone them, which make no mistake, profiting off of fossil fuel stocks makes us all complicit.
* Selling fossil fuel shares sends a message, but so does owning them. There are only two choices and only one of them won’t cost Lakehead it’s sustainability values and goals.

**Slide 24: Challenges & Concerns to Overcome**

* We would like to acknowledge the letter we received on March 10th from Angela Maltese on behalf of the BOG, updating us on the steps taken and progress made since our last deputation.
* We were pleased to hear that the Board requested further analysis of Lakehead’s investment portfolio and the review of the RIP with these considerations, which signal to us good faith in moving forward with this conversation.
* While we understand that the Board has asked their investment managers if ESG (environmental, social and governance) criteria are taken into account and whether they are invested in sustainable funds, we do not feel that assurance by investment managers that ESG factors have been incorporated in to their portfolios means that they are divested from fossil fuel companies, of which their product (and the process of extraction) are directly contributing to the environmental issue of climate change.
* We acknowledge that some monies provided to the endowment may be based on continued investment in these products, however we would like to counter - What would be the overall loss from not accepting those investments? What possible gains could be outweighed by being known as a sustainability-minded university?
* As students who have chosen to enroll here at LU, we think that divesting from fossil fuels is an opportunity for Lakehead to further publicly establish itself as a leader in sustainability. It is a difficult argument to make that the university is a leader in sustainability with a plan that aims to encompass human and ecological health, Indigenous rights, social justice and equity, when it is providing financial support to the largest climate criminals around
* By taking this step in a time of increased public pressure and awareness, particularly with young people, we think this has huge potential to boost LU’s reputation, and subsequently its enrolment, as a university that listens to its student body and genuinely cares about the legacy it is leaving its students.

**Slide 25: The Asks/Motions**

* We understand that although divesting from fossil fuel companies is clearly in line with LU’s RIP, there are other complex factors that as trustees you must take into consideration, and that many of these conversations need to happen behind closed doors, however we would like to clearly state the motions that we would like the BOG to take moving forward:
* For LU to commit to divesting its endowment fund from the Carbon Underground 200 fossil fuel companies in 2020.
	+ We recognize that it is not as simple as deciding to do that today and having that completed tomorrow. Our expectation by a true commitment is that the University will divest what they can, every time they can *(ie. when a contract period is up, not resigning these binding agreements),* as fast as possible until all of these holdings have been divested.
* Second, we would like LU to make its current investment portfolio publicly available.
	+ As the endowment fund is there to serve the larger university community, making it public knowledge what we are invested in ensures transparency and accountability with all stakeholders.
* Lastly, we are asking for a commitment to transparency and accountability in working towards these motions by communicating with FFL and the Sustainability Stewardship Council about the ongoing progress towards these motions.
	+ A recommendation towards this would be to include an update on divestment on the agenda for each Board meeting, which will be captured in public minutes that we have access to and will begin to create clearer channels of communication.

**Conclusion:**

* We are not here today to cause trouble. We are here today because we are terrified of what the future holds and we do not want to be affiliated with institutions that are complicit in sealing the fates of our and all future generations, to a dangerously warming planet. We are here because we believe that life on earth MUST be valued more deeply than monetary gain; where does money get us on a planet that is simultaneously underwater and on fire?
* The tide of divestment is now sweeping universities more strongly than ever before. As students of this institution – arguably the most important relationship the University is beholden to – we do not want to have to drag our BOG kicking and screaming to make this fiduciary decision on our behalf. We know what the answer is. Please join us in being leaders and champions for the climate, for the future.

*Additional info to add into the financial sections...*

* Financial risks/The investing climate is shifting...  ([Arabella Advisors Report, 2015](https://www.arabellaadvisors.com/wp-content/uploads/2016/10/Measuring-the-Growth-of-the-Divestment-Movement.pdf) - excellent background info on this). Recent examples and arguments include:
	+ [Teck Frontier’s official letter to the Minister of Environment and Climate Change](https://www.teck.com/news/news-releases/2020/teck-withdraws-regulatory-application-for-frontier-project) -- cites a changing investment culture, but also the climate of controversy around this kind of project; also acknowledges the severity of climate change… it does a lot of talking out of both sides of their mouth
	+ [Blackrock investment firm](https://thehill.com/policy/energy-environment/478218-investment-firm-blackrock-announces-shift-away-from-fossil-fuels) (over $5 trillion in assets and one of the biggest fossil fuel stockholders) makes an announcement in January 2020 that it is pulling back it’s investments in coal… maybe because [it came out last year that over the last decade they lost $93 billion](https://www.theguardian.com/environment/2019/jul/31/blackrock-lost-90bn-investing-in-fossil-fuel-companies-report-finds) and decreased the value of the fund by betting on oil companies that were falling in value…?!?
	+ The Institute for Energy Economics and Financial Analysis produced [The Financial Case for Divestment](https://www.huffpost.com/entry/the-financial-case-for-di_b_4203910) in 2018 with a section dedicated to rebutting commonly financial arguments against divestment (pages 30-37) including this tidbit about endowments:

“Endowments and small funds already pay fees for the services they receive. It is likely that the basket of services can change and the new fee structures that are entered into need not be higher than those that currently exist. Fund trading and rebalancing of portfolios is a matter of usual and customary practice. One company currently in the market is Storebrand, a Norwegian-based fund that provides asset management, insurance, and banking products. All of its $70 billion in assets are in sustainable Investments; fund returns are comparable to the global index, and their fees are competitive”

* Divestment, while symbolic of the university's commitment to its ethical responsibilities as trustees, is not a purely symbolic action; it has a [statistically significant negative impact on the price of fossil fuel shares](https://theconversation.com/how-divesting-of-fossil-fuels-could-help-save-the-planet-88147);
* Although we have heavily focused on moving away from fossil fuels based on a capitalist rationale for doing the right thing, it is just as important for us to consider the moral justifications. We must examine our exploitative relationships with the land and the people who are most affected by our continued support for extraction. (cite some moving stats). The extraction and burning of fossil fuels is one of the leading sources of the climate crisis, causing land degradation, water pollution, carbon emissions, and ocean acidification. These changes pose serious threats, such as disruptions in our food and water supplies, and increased public health risks. Yet, our society is currently reliant on fossil fuels. The more institutions that divest, the more we signal to the market and government that we need to invest much more in alternative energy sources.