

**REPORT OF THE
AD HOC COMMITTEE ON FOSSIL FUELS
TO THE CHAIRPERSON
OF THE BOARD OF TRUSTEES
AND CHANCELLOR
OF THE UNIVERSITY OF PITTSBURGH**

15 January 2021

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REPORT OF THE AD HOC COMMITTEE ON FOSSIL FUELS OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF PITTSBURGH

SECTION 1: UNIVERSITY BACKGROUND

1.1. History and Mission of The University of Pittsburgh

Founded in 1787, the University of Pittsburgh is one of the oldest institutions of higher education in the United States. The University’s mission is to provide high quality undergraduate and graduate programs in the arts and sciences and professional fields; engage in research, artistic, and scholarly activities that advance learning through the extension of the frontiers of knowledge and creative endeavor; cooperate with industrial and governmental institutions to transfer knowledge in science, technology, and health care; offer continuing educational programs adapted to the personal enrichment, professional upgrading, and career advancement interests and needs of adult Pennsylvanians; and make available to local communities and public agencies the expertise of the University in ways that are consistent with the primary teaching and research functions and contribute to social, intellectual, and economic development in the Commonwealth, the nation, and the world.

1.2. University Consolidated Endowment Fund

The University’s largest financial asset is the Consolidated Endowment Fund (“CEF”), which has been primarily provided by donors and is intended to support the University’s mission by providing permanent and stable financial support in perpetuity for the benefit of current and future generations of University stakeholders by funding financial aid, scholarships, faculty positions, research activities, and more.

“It is expected that the University will have an infinite life and that the CEF will be capable of perpetually providing a reliable stream of meaningful income to the designated University beneficiaries. The primary investment objective of the CEF is to earn a rate of return over an extended period of time that, net of all costs, is sufficient to support a prudent spending policy and preserve the CEF's real (inflation-adjusted) asset value. Accordingly, it is anticipated that the CEF will be invested generally in a diversified, risk-controlled manner that optimizes long-term total return potential without sacrificing the integrity of the assets or the ability to meet ongoing spending obligations.”¹

As of June 30, 2020, the University’s CEF had a value of approximately \$4.1 billion, including both donor-restricted endowed gifts and funds restricted for University management (including post-retirement benefits). The CEF includes thousands of individually endowed funds having a variety of designated purposes and restrictions; while each fund is distinct, they are commingled for investment purposes and managed similar to a mutual fund.

¹ University of Pittsburgh. (2012). *University of Pittsburgh Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund*.
https://trustees.pitt.edu/sites/default/files/statement_of_governance.pdf.

As an essential source of funding for the University’s mission-driven activities, the long-term strength of the CEF contributes significantly to the University’s ability to impact the social, intellectual, economic, and sustainable development of the Commonwealth, nation, and world.

1.3. Management of the Consolidated Endowment Fund

Pursuant to the Bylaws of the University, the Investment Committee (“IC”) of the Board of Trustees provides oversight and guidance to the Chief Investment Officer regarding the management of the University endowment. The IC’s “responsibilities shall include, but not necessarily be limited to, the approval of endowment investment guidelines, objectives and spending policies, and the review of the selection of investment advisers and consultants and the review of the performance of investments.”²

The IC is guided in its work by the “Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund” (“Statement of Governance”). The Statement of Governance provides that “the Committee shall not apply non-financial constraints pertaining to investment holdings of the CEF unless there is a situation of such magnitude that the Board specifically directs the Committee to consider such non-financial parameters.”³ The IC includes two student members.

While the IC provides oversight and direction, only the University Board of Trustees can apply non-financial constraints to the CEF, which it has done only once previously. No current non-financial constraints on the CEF currently exist. A history of the Board’s consideration of non-financial factors is provided in Section 1.4 and Appendix B.

1.4. Non-Financial Considerations

The University’s investment team uses “modern portfolio theory” and “mean variance optimization” to construct portfolios with the highest potential return for a given level of risk.⁴ Under this theory, removing any single sector, asset class, or type of investment from an investment portfolio like the CEF increases investment volatility without the guarantee of increased return. Therefore, applying non-financial constraints to the CEF via a categorical restriction or “negative screen” may generate suboptimal portfolio outcomes (wherein increased risk does not generate higher returns). As a result, applying non-financial constraints to the CEF may limit the CEF’s ability to generate returns adequate for the University to sustain its mission by funding financial aid, scholarships, faculty positions, research activities, and more. However, adding a negative screen does not necessarily lead to lower returns.

² University of Pittsburgh. (2018). University of Pittsburgh of the Commonwealth System of Higher Education Bylaws As Amended Through June 29, 2018 and Commonwealth Act. <https://trustees.pitt.edu/sites/default/files/osec-docs/Bylaws.pdf>.

³ Ibid, Footnote 1.

⁴ Henry Markowitz. (1952). Portfolio Selection. *Journal of Finance*, 7(1): 77-91. <https://jstor.org/stable/2975974?seq=1>

SECTION 2: AD HOC COMMITTEE ON FOSSIL FUELS

Resulting from University community concerns relating to divestment from fossil fuels reaching a significant threshold (see Appendix for history), at the Annual Meeting of the Board held on June 26, 2020, Board Chairperson Thomas E. Richards stated that he would be appointing an Ad Hoc Committee of the Board to consider the matter of University's investments in fossil fuels as was contemplated in the Board's 2020 resolution adopting a SRI screening process.^{5,6} Following that announcement, Board Chairperson Richards appointed the following Trustees to serve on the Ad Hoc Committee on Fossil Fuels:

- Dawne S. Hickton, *Committee Chair*
- Sundaa Bridgett-Jones
- Edward J. Grefenstette
- Diane P. Holder
- John A. Maher III
- Marlee S. Myers
- Herbert S. Shear

Chancellor Patrick Gallagher also participated in the Ad Hoc Committee's discussions, along with Dr. Kathy W. Humphrey, Senior Vice Chancellor of Engagement and Secretary of the Board of Trustees. The Senior Administrator Liaison for the Ad Hoc Committee was Narahari Sastry, Senior Vice Chancellor and Chief Financial Officer. The Liaison Support Team included Natalie Carter of the Office of Finance; Kimberly L. Honath of the Office of the Secretary; and Dr. Aurora Sharrard, Director of Sustainability for the University.

2.1. Charge to the Ad Hoc Committee

The Ad Hoc Committee on Fossil Fuels held its first meeting on August 17, 2020. At that meeting, Board Chairperson Richards delivered the formal charge to the Ad Hoc Committee. The Charge to the Ad Hoc Committee is:

The University of Pittsburgh's Consolidated Endowment Fund (the "Endowment") is a supporting financial pillar that enables the University to carry out its education and research mission now, and into the future. The University's primary investment objective is the maximization of the financial return on the Endowment, while taking into account risks in order to preserve the assets. Ultimate oversight and safeguarding of the Endowment rests with the Board, which has sole authority to place any non-financial constraints on the investment holdings of the Endowment.

The University strives to be cognizant of the views of its community members and recognizes that, from time to time, members of the University community may express their concern on an issue that impacts societal values to such a level that change is sought in the University's investment of its Endowment. One such issue, fossil fuel investment, has been persistently raised over multiple years by multiple stakeholders within the University community. In

⁵ Jones, Susan. (2020). New Trustees' Chair Forming Ad Hoc Committee on Fossil Fuel Investments. *The University Times*, June 26, 2020. <https://utimes.pitt.edu/news/new-trustees-chair>.

⁶ University of Pittsburgh. (2020). Resolution Adopting a Socially Responsible Investing Screening Process. University of Pittsburgh's Board of Trustees. <https://cfo.pitt.edu/documents/SRI%20Resolution%20-%20Amended%20at%20Board%20-%20Unmarked.pdf>

consultation with the Chancellor, I have determined that a significant threshold has been met related to fossil fuel investments.

The determination as to whether non-financial constraints should be placed on investment holdings of the University's Endowment rests solely with the Board of Trustees. Accordingly, I am now charging this ad hoc committee (the "Committee") to provide options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments. The impact of such recommendation should be considered in the context of: (i) the University's mission, values, and reputation; (ii) existing University policies, including the Environmental, Social, and Governance (ESG) policy that governs the Endowment; (iii) the need to maintain sound financial investment policies; and (iv) such other considerations as the committee may deem appropriate. In reviewing the issue, the Committee should consider, among other things, research and market reports, including, the findings and recommendations found in the University's Socially Responsible Investment (SRI) Committee Report that was issued in April 2019, as well as testimonies from the Pitt community, including the Fossil Free Pitt coalition, and subject matter experts.

The Committee should then provide a findings and options report by January 15, 2021.

2.2. Ad Hoc Committee's Process

In following the guidance in its Charge, the Ad Hoc Committee worked to conduct analysis and outline the issues in a non-biased and balanced way. Some key areas of examination for the Committee were: (i) understanding the current global picture of fossil fuels investments; (ii) how the University viewed fossil fuels investments; and (iii) how other institutions addressed this concern. In conducting a thorough and detailed study, the Ad Hoc Committee's process included:

- Reviewing extensive background and reference materials;
- 12 Committee information meetings;
- 11 interviews with 9 invited subject matter experts;
- 1 month of online public comment submission, yielding comments from 91 individuals; and
- 2 Open Forums that provided the opportunity for public comment by members of the University community and general public.

Further detail on the Ad Hoc Committee's meetings, open forums, public comments received, and supplemental materials are included below and in the Appendices of this report.

Prior to and during the Ad Hoc Committee's convening, a wide variety of background, reference, and supplemental materials related to the Ad Hoc Committee's Charge were compiled. A full list and links to many of these materials is provided in Appendix C.

2.2.1. Transparency

For the benefit of the University community and its process, the Ad Hoc Committee has been committed to transparency from the start. As a result, special webpages relating to the Ad Hoc Committee on Fossil Fuels were created under the Board of Trustees' website to share this process and many of its outputs with the University community and public. The website is/was located online at <https://trustees.pitt.edu/fossil-fuels>. Comments made at the Open Forums and submitted online were made available on the Ad Hoc Committee's webpages in December 2020.

2.2.2. Information Meetings, Including Subject Matter Expert Interviews

Over a six-month period from August 2020 through January 2021, the Ad Hoc Committee on Fossil Fuels held 12 information meetings. As summarized by meeting in Appendix D, the meetings included interviews with the following subject matter experts, whose profiles are provided in Appendix E:

1. Jagdeep Singh Bachher, *Deputy Chief Investment Officer & Vice President of Investments*, University of California
2. David Scott Bizer, *Co-Founder and Managing Partner*, GCW Global Customised Wealth
3. Douglass Coyle, *Deputy Chief Investment Officer*, The Rockefeller Foundation
4. Edward Kolano, *Vice President Finance and Administration / Chief Investment Officer*, The Heinz Endowments
5. Kathryn L. Murtagh, *Chief Compliance Officer and the Managing Director for Sustainable Investing*, Harvard Management Company, Inc., a subsidiary of Harvard University
6. Grant Oliphant, *President*, The Heinz Endowments
7. Gregory Schuler, *Chief Investment Officer*, University of Pittsburgh
8. Pat Miguel Tomaino, *Director of Socially Responsible Investing*, Zevin Asset Management
9. Fossil Free Pitt Coalition representatives:
 - a. Annalise Abraham, *Undergraduate Student*, Dietrich School of Arts and Sciences; *Member*, Student Government Board
 - b. Nick Suarez, *Graduate Student*, Department of Physics and Astronomy
 - c. Abhishek Viswanathan, *Doctoral Student*, School of Computing and Information.

2.2.3. Public Comments from Open Forums

The Ad Hoc Committee on Fossil Fuels held two (2) Open Forums in October 2020 for the University community and public to provide comment on and related to the Ad Hoc Committee's Charge. The Committee invited all University students, faculty, staff, alumni, and the broader community to offer comments to the Committee during the Open Forums, which were held on Wednesday, October 28, 2020, starting at 5 p.m., and Friday, October 30, 2020, starting at 8:30 a.m. Due to the Covid-19 global pandemic, both forums were held virtually as Zoom webinars. Both attendees and speakers were asked to register in advance. Each Open Forum was scheduled for two hours, allowing for thirty (30) three (3)-minute speaking slots per forum.

Four (4) Ad Hoc Committee members attended the Open Forum on October 28, 2020, and four (4) Ad Hoc Committee members attended the Open Forum on October 30, 2020. Both open forums

were transcribed and recorded to allow Committee members who were unable to attend the opportunity to hear and read comments received.

Forum details and registration was advertised to the University community and public starting on October 15, 2020, via Pittwire, *The Pitt News*, the *University Times*, and a variety of social media. Interested parties who were unable to attend the open forums were invited to provide written public comment online, as described in Section 2.2.4.

The Ad Hoc Committee heard University of Pittsburgh students, faculty, staff, and alumni present public comments at the Open Forums, with the majority of commenters supporting University divestment from fossil fuels.

Attendance at the forums is summarized in Table 2 in Appendix D; cumulatively, the open forums attracted 95 participants and 26 speakers. The forums provided enough time for the Ad Hoc Committee chair to invite comments from all those in attendance who wished to speak – in addition to pre-registered speakers; comments were up to three minutes each.

The Ad Hoc Committee is grateful for the engaged, polite, and often eloquent comments provided at the virtual Open Forums. All comments provided to the Ad Hoc Committee on Fossil Fuels during its two Open Forums were transcribed and provided verbatim in Appendix G and Appendix H. Some speakers at the Open Forums also submitted copies of their delivered comments and/or other public comments, which are included in Appendix I.

2.2.4. Public Comments via Online Submission

The Ad Hoc Committee established a month-long time period for written comments to be provided by the University community and public; the online public comment portal to the Ad Hoc Committee on Fossil Fuels was open and advertised from October 15 through November 13, 2020. Overall, 91 comments were submitted to the Ad Hoc Committee on Fossil Fuels via the online portal. Of these comments, 77 were for divestment from fossil fuels, 11 were against divestment, and three (3) had no stance or their stance was unclear.

University of Pittsburgh students, faculty, staff, and alumni all provided public comments via the online portal, with the majority of University-affiliated commenters supporting University divestment from fossil fuels. External comments were also received from 19 individuals, 14 of whom supported divesting from fossil fuels.

The Ad Hoc Committee is grateful for the focused and well-formed comments provided via online public comments. All comments provided to the Ad Hoc Committee on Fossil Fuels via its online portal are provided verbatim in Appendix I.

SECTION 3: FINANCIAL INVESTMENTS

3.1. Fossil Fuel Investments

Many of the subject matter experts (“SMEs”) interviewed by the Ad Hoc Committee expressed their opinion that in a global economy shifting towards lower carbon utilization and production, fossil fuel investments offer increasing risk for lower returns.^{7,8} Many SMEs also stated their opinions that increasing global investor appreciation of ESG factors has brought greater focus in financial markets on greenhouse gas (“GHG”) emissions (and their reduction), causing fossil fuels to become decreasingly financially attractive in the long-term; as a result, new investments in the exploration and production of fossil fuels is unlikely to provide adequate financial returns commensurate with the risk being taken.

3.2. CEF Fossil Fuel Exposure

Through SME interviews, the Ad Hoc Committee learned that the University investment team shares the views summarized in Section 3.1 and believes there is increasing global investor appreciation of ESG factors and an expanding body of data that has brought greater focus on the long-term financial implications of GHG emissions and climate change. The growing focus on GHG emissions will likely create many attractive investment opportunities from the development of technology and processes that reduce, avoid, and eliminate GHG emissions. Given that fossil fuels will likely become decreasingly important long-term in the global transition to reduced GHG emissions, there is increasing conviction by investment professionals that new investments in long dated funds that focus on the exploration and production of fossil fuels will not generate attractive risk-adjusted returns.

In fact, as this conviction has been developing for some time, it is already being reflected in the management of the CEF. Explicitly, over the past five years, the University has decreased its investments in the exploration and production of coal, oil, and natural gas as part of the overall CEF investing approach of reducing financial risk as a means of increasing financial returns; this reduction also mirrors global financial trends. Specifically, the CEF’s exposure to fossil fuels has decreased 42% over the past five years, falling from 10.0% on June 30, 2015 to 5.8% of the CEF’s holdings as of June 30, 2020. Most of the remaining exposure is in private equity investments, which are expected to drop to zero by the end of 2035 (as these investments are liquidated by external fund managers and not replaced with others).⁹

As private fossil fuel investments drop to zero, the CEF’s total fossil fuel exposure is expected to be less than 1% by the end of 2035, with the remaining exposure primarily tied to public equity

⁷ Bachher, Jagdeep Singh and Richard Sherman. (2019). “Opinion: UC investments are going fossil free. But not exactly for the reasons you may think.” *Los Angeles Times*. September 17, 2019.

<https://latimes.com/opinion/story/2019-09-16/divestment-fossil-fuel-university-of-california-climate-change>.

⁸ Fink, Larry. (2020). “A Fundamental Reshaping of Finance.” BlackRock.

<https://blackrock.com/corporate/investor-relations/larry-fink-ceo-letter>.

⁹ Most of the private equity investments are in funds with long-term commitments that cannot currently be sold in secondary markets without expecting significant financial loss. The value of these investments is expected to increase in the short-term until 2023; as these investments reach their planned liquidation dates, they are expected to drop to zero by the end of 2035.

and bond investments that are extremely difficult to disentangle. ESG considerations may cause those fund managers to further reduce their fossil fuel-related exposures over time.

3.3. University Environmental, Social, and Governance (ESG) Policy Statement

In March 2020, the University's Office of Finance established a "Consolidated Endowment Fund Environmental, Social, and Governance ("ESG") Policy Statement" ("ESG Policy"). Developed by the University's Office of Finance and shared with the Board's Investment Committee, the ESG Policy was designed to document certain considerations that have been essential to the University's investment strategy of risk-adjusted return potential for investment opportunities. The ESG Policy states that the University is committed to "fully integrating ESG factors into the University's decision-making processes, on the core belief that supporting responsible business practices also supports strong investment outcomes."¹⁰

Though ESG factors will vary based on the type, industry, and scope of an investment, the ESG Policy outlines how the University's investment team considers a range of factors when evaluating investment risk. Those factors could include environmental, social, and/or governance factors such as (but not restricted to): energy efficiency, hazardous materials management, climate change, water and land management, data protection and privacy, human rights, labor standards, product safety, accounting and audit standards, bribery and corruption, business ethics, and regulatory compliance.

3.4. Other Considerations

The Ad Hoc Committee analyzed the details of the 54 other U.S. higher education institutions that have investment positions on fossil fuels, some dating back as far as 2011. Some institutions made very specific commitments related to (i) certain types, sources, uses, and/or life cycle stages of fossil fuels and/or (ii) certain types of investments. However, upon review, each institution has made decisions relating to their specific investment and social circumstances; as a result, while this information was helpful, it did not form the basis for the Ad Hoc Committee to make its conclusions.

While beyond the Ad Hoc Committee's scope, the Committee would like to emphasize that the University's investment strategy is only a small piece of how the University considers, approaches, and impacts environmental, social, and governance issues, including climate change and fossil fuels.¹¹ The University's Sustainability initiatives date back three decades and include both mission-focused and mission-supporting sustainability activities and commitments most holistically framed by the 2018 *Pitt Sustainability Plan*.¹² The Board has also already supported the University's commitment to become carbon neutral by 2037 (the University's 250th

¹⁰ University of Pittsburgh's Office of the Senior Vice Chancellor and CFO. (2020). *Consolidated Endowment Fund (CEF) Environmental, Social, Governance (ESG) Policy Statement*. <https://cfo.pitt.edu/documents/ESGPolicyFinal3-25-20.pdf>.

¹¹ University of Pittsburgh's Board of Trustees. (2020). *Winter Meeting of the Board of Trustees - February 28, 2020*. https://trustees.pitt.edu/sites/default/files/minutes_and_materials/2-28-2019_winter_meeting.pdf

¹² University of Pittsburgh. (2018). *Pitt Sustainability Plan*. https://issuu.com/upitt/docs/2018_pittsustainabilityplan_final?e=2614445/56117752.

anniversary)¹³ for the Pittsburgh campus with a resolution.¹⁴

The forthcoming *Pitt Climate Action Plan* will lay out the strategic framework for the University to reduce GHG emissions resulting from mission-enabling operations, while framing related strategic educational, research, and community engagement efforts.

SECTION 4: AD HOC COMMITTEE ON FOSSIL FUELS' FINDINGS AND OPTIONS

The Ad Hoc Committee on Fossil Fuels endeavored to make certain its findings and options aligned with: (i) the University's mission, values, and reputation; (ii) "The Plan for Pitt: Making a Difference Together - Academic Years 2016–2020;" (iii) existing University policies, including the ESG Policy Statement; and (iii) the need to maintain sound financial investment policies. Based on its process, in balance, and in accordance with the parameters outlined in the Charge and as described in Chapter I, Article V, Section 5.2 of the Bylaws of the University, the Ad Hoc Committee on Fossil Fuels presents the following findings and options to the Chancellor and Board Chairperson Richards for consideration and appropriate action.

Key findings on fossil fuel investments:

- A. The economic and social context of fossil fuels and climate change is changing locally and globally, with the University and its community being important actors and stakeholders in that transition.
- B. Globally, increasing investor considerations of ESG factors and a growing body of data have brought greater focus on the long-term financial implications of GHG emissions and climate change.
- C. Given that fossil fuels are likely to become decreasingly important in the long-term, existing and new investments that focus on the exploration and production of fossil fuels are expected to continue to become less attractive on a risk-adjusted basis.
- D. The growing focus on GHG emissions is likely to create many new attractive investment opportunities associated with the development of technologies and processes that reduce or avoid GHG emissions.
- E. Many other institutions of higher education, foundations, and private investment firms have considered divestment from fossil fuels for their endowments, resulting in a wide variety of approaches. Most institutions with investment positions on fossil fuels have agreed that fossil fuels are increasingly risky investments, and a common approach for institutions choosing to take action is to phase out their investment exposures to fossil fuels in an orderly manner.

¹³ Ibid, Footnote 17.

¹⁴ University of Pittsburgh. (2020). Resolution Committing to Carbon Neutrality for the Pittsburgh Campus by 2037. University of Pittsburgh's Board of Trustees, https://trustees.pitt.edu/sites/default/files/minutes_and_materials/2-28-2019_winter_meeting.pdf

Key findings regarding the University's Endowment:

- F. The CEF is a pool of capital primarily provided by donors, is intended to exist in perpetuity, and its growth is critical to achieving the University's mission for current and future generations.
- G. The same social and economic context and financial markets that have led the University to operationally and academically recognize the importance of sustainability and climate change as vital issues for the University and society have also already materially affected the University's perspective on investing in the exploration and production of fossil fuels.
- H. The University has already reduced fossil fuel exposure in the endowment by 42% over the past 5 years – from 10% in 2015 to 5.8% currently.
- I. The University's view is consistent with the growing global investment consensus that fossil fuel investments will continue to present additional, unattractive future risk. Accordingly, given risk-adjusted, return-driven considerations, the CEF's fossil fuel exposure is expected to fall to 1% by the end of 2035, with private investments in the exploration and production of fossil fuels running off to zero by the end of 2035.
- J. The University is actively seeking attractive investments that will advance the reduction and/or avoidance of greenhouse gas emissions.
- K. Adopted in March 2020, the University's ESG Policy documents how the investment team universally considers environmental, social, and governance factors when evaluating all CEF investments, based on the strong conviction that the assessment of ESG factors will enhance the CEF's long-term returns.

Key findings regarding the University community:

- L. University students, faculty, staff, and alumni, along with external stakeholders, weighed in on the Ad Hoc Committee's Charge. These articulate comments showcased the University community's durable passion and commitment to the exploration of CEF divestment from fossil fuels, with the strong majority of commenters supporting divestment.
- M. The University's sustainability and carbon neutrality commitments showcase its long-term commitment to balancing equity, environment, and economics so that current and future generations can thrive. Documents like the *Pitt Sustainability Plan* and forthcoming *Pitt Climate Action Plan* help to ensure that the University will meet its goals in a strategic manner.
- N. The University takes its role and responsibility of being a premier research institution and community anchor seriously, both educating and researching about the entire life cycle of energy resources, along with their uses, opportunities for efficiency, environmental impacts, and policy and social implications.

After consideration and review, the Ad Hoc Committee provides the following statements and options to the Board for consideration. Based on the information collected by the Committee and the findings included in this report, the Board may choose to:

1. Forgo applying a negative screen to the CEF with respect to fossil fuels.
2. Strongly support the implementation of the University’s current ESG Policy and direct the University’s Chief Investment Officer and investment team to apply ESG considerations to every CEF investment decision.
3. Strongly support the current long-term strategy of the University’s CEF, which is expected to continue to pursue strong risk-adjusted financial returns while reducing private holdings in fossil fuel exploration and production to zero by the end of 2035, as monitored by the Investment Committee.
4. Direct the University’s Investment Committee to oversee the development of a long-term strategy focused on seeking attractive investments that help reduce, avoid, and eliminate GHG emissions.
5. Direct the University to provide greater transparency regarding the fossil fuel investment trends of the CEF, which would support the University in its mission and goals, while increasing University community understanding about the purpose and management of the CEF. Specifically:
 - a. Support the commitment made by the Office of the Chief Financial Officer (“CFO”) to begin publishing an annual public ESG Report in 2021, which will highlight the application of ESG considerations in ensuring the CEF provides strong financial returns in perpetuity and to fossil fuel investments specifically.
 - b. Support regular, clear, and accessible University communication, education, and engagement about the CEF’s aggregate status, trends, and current and future fossil fuel exposure (including the basis for any material changes in expectations), including an annual update to the Board and University community.

4.1. Conclusion

The Ad Hoc Committee has been proud to take up and deliver on its Charge. The Ad Hoc Committee would like to sincerely thank all members of the University community and external stakeholders who contributed their time and energies to this process. Engagement with the University’s many constituents is (and must remain) an institutional priority, as it has undoubtedly resulted in greater discourse about the University’s values and greater attention to issues of societal importance.

The Ad Hoc Committee’s findings are anchored in the strong consensus that the Board of Trustees must not sacrifice the University’s core values, while also maintaining fidelity to its primary CEF responsibility of maximizing long-term risk-adjusted returns that provide financial support to the University in perpetuity. Ultimately, the University’s strong commitment to its values is demonstrated through action, as reflected in its 2018 *Pitt Sustainability Plan*, soon-to-be-released *Pitt Climate Action Plan*, and recently developed ESG Policy. The ESG Policy documents the University’s firm belief that incorporating environmental, social, and governance considerations into investment decision-making will result in better long-term outcomes.

SECTION 5: APPENDICES

Appendix A: University of Pittsburgh Background

5.1. University Status as a State-Related Institution and Commonwealth Appropriation

A private institution for most of its history, the University of Pittsburgh became a state-related institution in 1966. As a state-related institution, the University receives an annual operating and capital appropriation from the Commonwealth of Pennsylvania. Appropriations are contingent upon the Commonwealth's annual budget process, and there are no assurances that appropriations will continue to be made, when they will be made, nor at what level they will be made. Accordingly, the University cultivates many other sources of funding to ensure it has sufficient resources to fulfill its mission without unduly escalating tuition. Primary examples include research grants and contracts, gifts, and endowment distributions. In light of waning Commonwealth support, increasing government scrutiny, and a concerted effort to control tuition rates, these other sources of funding have grown considerably in significance and are vital to the University's achievement of its mission.

5.2. The Board of Trustees

The University of Pittsburgh's Board of Trustees is defined by the Bylaws of the University and the 1966 Commonwealth Act providing for the establishment and operation of the University as an instrumentality of the Commonwealth to serve as a State-related university in the higher education system of the Commonwealth:¹⁵

“The Board of Trustees shall include thirty-six voting members. It shall also include the following four non-voting members: (i) Governor of the State, the Secretary of Education, the Chief Executive of the County of Allegheny, and the Mayor of the City of Pittsburgh, all four of whom shall be ex officio members of the Board of Trustees; (ii) Special Trustees; and (iii) Emeritus Trustees.

Twelve of the voting members shall be designated Commonwealth Trustees and shall be appointed as provided by the University... [t]he remaining twenty-four voting members shall consist of the Chancellor and Chief Executive Officer and two classes: Term Trustees and Alumni Trustees. There shall be seventeen Term Trustees and six Alumni Trustees.

The Commonwealth Act further provides that, “[T]he entire management, control and conduct of the instructional, administrative, and financial affairs of the University is hereby vested in the Board and that the Board may exercise all the powers and franchises of the University and make bylaws for their own government, as well as for the University.”

5.3. University Sustainability and Carbon Background, Activities, and Commitments

The University has been actively involved in sustainability initiatives and practices since 1990, when then Chancellor Wesley W. Posvar was one of the original signatories of the *Talloires*

¹⁵ Ibid, Footnote 2.

Declaration supporting the mobilization of the resources of higher education institutions to advance sustainability.

Academically and operationally, the 2018 *Pitt Sustainability Plan* set a robust, campus-wide sustainability strategy.¹⁶ The *Pitt Sustainability Plan* includes the equitable, environmental, and economic aspects of sustainability and builds on decades of sustainability leadership and initiatives that nurture a culture of sustainability on campus, including, but not limited to: the Office of Sustainability, the Chancellor’s Advisory Council on Sustainability, the cross-disciplinary Mascaro Center for Sustainable Innovation, the Center for Sustainable Business, and the Student Office of Sustainability.

Specific to GHG emissions, the University has been actively tracking its carbon footprint since 2008, with five GHG inventories currently completed (and Fiscal Year 2020 in process). In 2014, the University committed to the international 2030 Challenge reduction targets set by Architecture 2030 of 50% reductions in energy use, water consumption, and transportation GHG emissions by 2030. In 2018, the University strengthened that commitment by adopting a goal to reduce GHG emissions 50% campus-wide by 2030.¹⁷

University investments (including those of the CEF) are not accounted for in the University’s (now annual) GHG Inventory, nor is it common practice for universities to account for the GHG emissions of their investments in their campus inventories. As laid out in the *GHG Protocol*, GHG emissions from investments are counted by public and private companies that provide financial services (e.g., banks and credit agencies).¹⁸

In February 2020, the University strengthened its operational carbon commitment, committing to become carbon neutral by 2037 (the University’s 250th anniversary) for the Pittsburgh campus, while also meeting its incremental GHG reduction targets;¹⁹ the Board supported this commitment with a resolution.²⁰

5.3.1. Pitt Climate Action Plan

Resulting from its Carbon Commitment,²¹ the University is also in the process of developing its first *Pitt Climate Action Plan*, to be completed in the first quarter of 2021. The *Pitt Climate Action Plan* will ensure the University meets its goal for the Pittsburgh campus. The *Pitt Climate Action Plan* will lay out the strategic framework for the University to reduce GHG emissions resulting from mission-enabling operations. *The Pitt Climate Action Plan* will embed equity, resilience, and

¹⁶ Ibid, Footnote 12.

¹⁷ Ibid, Footnote 14

¹⁸ GHG Protocol, Carbon Trust, & World Resources Institute. (2013). *Technical Guidance for Calculating Scope 3 Emissions*. World Business Council for Sustainable Development: https://ghgprotocol.org/sites/default/files/ghgp/Scope3_Calculation_Guidance.pdf.

¹⁹ Ibid, Footnote 17.

²⁰ University of Pittsburgh. (2020). Resolution Committing to Carbon Neutrality for the Pittsburgh Campus by 2037. University of Pittsburgh's Board of Trustees, https://trustees.pitt.edu/sites/default/files/minutes_and_materials/2-28-2019_winter_meeting.pdf

²¹ Second Nature. (2006). The Presidents’ Climate Leadership Commitments. <https://secondnature.org/signatory-handbook/the-commitments>

mission-oriented opportunities into the University's actionable implementation roadmap for carbon neutrality, including identifying the actions, timelines, infrastructure, responsible parties, stakeholders, resources, and scenarios required to do so. Once all viable GHG emissions mitigation has been attempted, the University will consider carbon insets, offsets, and sequestration opportunities that support a just, equitable pathway to carbon neutrality by 2037.

The Pitt Climate Action Plan will also set a strategy for climate change-focused educational, research, and community engagement efforts. Specific educational opportunities will be developed for University students, faculty, and staff; University partners; and local communities. These opportunities will include information about University commitments, progress, climate change, and how everyone can participate in achieving local and global carbon reductions.

Appendix B: Sustainable Investing at the University

5.5. Non-Financial Parameters and the University's Endowment

The discussion of implementing non-financial considerations into the University's investing strategy dates back to 1970s when the Investment Committee explored the relevance of social criteria for investments, leading to the "Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund" that has "Social Responsibility" section, which clearly states:

"To fulfill the University's stated mission and meet the expectations of the donors who have entrusted gifts to the University, the University must manage its CEF wisely. As stated previously, the primary investment objective established for the CEF is to maximize the financial return on such assets, taking into account risk and other considerations as more specifically set forth in this Statement, in order to provide a reliable stream of meaningful income while preserving the CEF's real asset value. Accordingly, the Committee shall not apply non-financial constraints pertaining to investment holdings of the CEF unless there is a situation of such magnitude that the Board specifically directs the Committee to consider such non-financial parameters...

In no event will a recommendation be made that an investment be selected or retained solely for the purpose of encouraging or expressing approval of a company's activities or, alternatively, for the purpose of placing or leaving the University in a position to contest a company's activities."²²

5.5.1. Prior University Divestment from Apartheid

The University Board of Trustees considered the issue of divestment for social concerns prior to the end of apartheid in South Africa. Divestment was considered by the full Board of Trustees (along with various Board Committees) over an extended period of time, from December 1970 through June 1994. Over that same time period, the University's position on divestment evolved, in part, due to the social and economic climate. On July 1, 1987, the Executive Committee of the Board approved a resolution directing the University to completely divest stockholdings in American companies that by March 31, 1988, had not effectively commenced withdrawal from South Africa, with divestment to be completed no later than December 31, 1988.²³

Following the end of apartheid in South Africa, the Board approved a resolution to lift the University's sanction on investing in companies doing business in South Africa at the Annual Meeting of the Board held on June 30, 1994.²⁴

²² Ibid, Footnote 1.

²³ University of Pittsburgh's Board of Trustees. (1985). Minutes of the Annual Meeting of the Board of Trustees of the University of Pittsburgh: May 14, 1985.

²⁴ University of Pittsburgh's Board of Trustees. (1994). Resolution to Lift the University of Pittsburgh's Sanction of Investing in Companies Doing Business in South Africa. In *Revised Agenda, Annual Meeting of the Board of Trustees of the University of Pittsburgh: June 30, 1994*.

5.6. 2018-19 Socially Responsible Investing Committee

In January 2018, Chancellor Patrick Gallagher established the University’s Socially Responsible Investing (SRI) Committee (hereinafter referred to as the “SRI Committee”) to examine socially responsible investing and how it might apply to the University’s endowment. Specifically, the SRI Committee was asked “to review and assess:

- the approaches that other universities and nonprofits have taken in determining whether or not they will pursue socially responsible investing strategies;
- the relative merits and trade-offs of different approaches, including commercial SRI funds; and
- the factors to consider when developing an effective socially responsible investment strategy.”²⁵

Chaired by Dr. David J. Denis (Roger S. Ahlbrandt, Sr. Chair in Finance and Professor of Business Administration), the SRI Committee included University faculty, students, and staff. It spent 18 months exploring and discussing SRI, resulting in a findings report submitted to the Chancellor in April 2019 – and published by the University’s Office of the Chief Financial Officer (CFO) in July 2019; it is published on the CFO’s website. The report states, in part, that:

“Specifically, the [SRI] committee identified three factors meriting careful consideration: 1) the importance of an identified social issue to the University community; 2) if and how an SRI decision would affect an identified social issue; and 3) if and how an SRI decision would impact the institution’s long-term financial health.”²⁶

Subsequently, Chancellor Gallagher addressed the University’s next SRI steps in an August 2019 letter, asking the University’s Office of the Senior Vice Chancellor and Chief Financial Officer to pursue the following strategies:²⁷

- Develop Environmental, Social and Governance criteria to positively screen for potential investments that align with our endowment’s investment objectives and our institutional values.
- Establish a clear approach for screening and presenting proposed investment exclusions to the University’s Board of Trustees... This process must carefully weigh the importance of the social issue prompting an investment exclusion against the potential harm caused to future students and faculty members if the endowment fails to maintain its investment value.” Factors should consider: “1) the presence of a persistent and pervasive community-wide concern; 2) actions or behaviors that are contrary to the institution’s core mission and values; and 3) an organization, industry or entity that appears to be uniquely responsible for an identified set of problems.”

²⁵ Bhattacharya, CB, Ronald Brand, David Denis, Emily Elliot, Young Sarah Grguras, Marguerite Kennedy, Sera Linardi, and Clayton Steup. (2019). *Report of the University of Pittsburgh's Socially Responsible Investment Committee*. https://cfo.pitt.edu/documents/SRI-Committee-Report_Final.pdf.

²⁶ Ibid, Footnote 25.

²⁷ Gallagher, Patrick D. (2019). Next Steps: Socially Responsible Investment Committee Report Response. <https://chancellor.pitt.edu/spotlight/next-steps-socially-responsible-investment-committee-report-response>.

- Expand and leverage the University’s long-term sustainability plan, which is designed to promote lasting change that will enable future generations to thrive in a world that is environmentally responsible, socially equitable and economically robust.”

5.7. University Socially Responsible Investing Screening Process

Building on the July 2019 report of the 2018-19 SRI Committee and Chancellor Gallagher’s August 2019 letter, the Board of Trustees passed a resolution at its Winter Meeting held on February 28, 2020, adopting a “Socially Responsible Investing Screening Process” (“SRI Screening Process”), which reads in part:

“Socially responsible investing (SRI) considers societal issues in the management of an investment portfolio. The practice of SRI screening considers those societal issues in the context of making investment decisions in specific areas. The Board of Trustees is responsible for overseeing and safeguarding the University’s endowment to support the education and research mission of the University. Placing non-financial constraints on the investment holdings of the University’s endowment is the sole decision of the Board of Trustees.

The University recognizes the need for a clear process that allows for University community input, evaluation, and articulated criteria to inform the University and/or Board in its decision-making related to socially responsible investing as described [herein].”²⁸

The SRI Screening Process resolution acknowledges that the “Board strives to be aware of the views of the members of the University community and recognizes that, from time to time, occasions may arise wherein members of the University community wish to express their views on issues that impact the larger society, and in turn, the University’s investments and/or investment policies.”²⁹

Resultantly, the SRI Screening Process lays out procedures for an orderly process for “bringing socially responsible investing issues to the attention of the Board” that meet a significant threshold, including being raised over a sustained time period by multiple stakeholders. Once concerns meet the threshold, the Chancellor can determine whether to bring the matter to the Board or to establish an Ad Hoc Advisory Committee to analyze the issue at hand. The first implementation of the Board’s SRI Screening Process is this Ad Hoc Committee on Fossil Fuels, as described in Section 2.

²⁸ University of Pittsburgh. (2020). *Resolution Adopting a Socially Responsible Investing Screening Process*. University of Pittsburgh's Board of Trustees. <https://cfo.pitt.edu/documents/SRI%20Resolution%20-%20Amended%20at%20Board%20-%20Unmarked.pdf>.

²⁹ Ibid, Footnote 28.

Appendix C: Ad Hoc Committee’s Background Resources and Supplemental Materials

The list below summarizes and links to University of Pittsburgh background resources provided to the Ad Hoc Committee upon its convening, along with additional information provided to the Ad Hoc Committee throughout its duration. All supplemental materials were related to the Ad Hoc Committee’s answering the Committee’s Charge via their Process detailed in Section 2.2.

1. University and Ad Hoc Committee Governance Documents

- a. Charge to Ad Hoc Committee on Fossil Fuels³⁰
- b. University of Pittsburgh of The Commonwealth System of Higher Education Bylaws as Amended Through September 25, 2020³¹

2. Investment Committee of the Board of Trustees Governance

- a. Mission Statement of the Investment Committee³²
- b. Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund³³
- c. Consolidated Endowment Fund Environmental, Social, and Governance (ESG) Policy Statement³⁴

3. Socially Responsible Investing Committee

- a. University of Pittsburgh’s Socially Responsible Investment Committee’s July 2019 Report³⁵.
 - i. Executive Summary
- b. Chancellor Patrick Gallagher’s August 2019 letter detailing the University’s next steps towards considering sustainable investment strategies.³⁶

4. General University Sustainability Resources

- a. Pitt Sustainability Plan (January 2018)³⁷
- b. Resolution of the Board of Trustees in Support of the University of Pittsburgh's Carbon Neutrality Commitment (Approved by the Board of Trustees at its Winter Meeting held on February 28, 2020)³⁸
- c. Resolution of the Board of Trustees Adopting a Socially Responsible Investing (SRI) Screening Process (Approved by the Board of Trustees at its Winter Meeting held on February 28, 2020)³⁹

³⁰ Section 2.1.

³¹ Ibid, Footnote 2.

³² University of Pittsburgh. Investment Committee Mission Statement. <https://trustees.pitt.edu/investment-committee>.

³³ Ibid, Footnote 1.

³⁴ Ibid, Footnote 10.

³⁵ Ibid, Footnote 25.

³⁶ Ibid, Footnote 27

³⁷ University of Pittsburgh. (2018). *Pitt Sustainability Plan*.

https://issuu.com/upitt/docs/2018_pittsustainabilityplan_final?e=2614445/56117752.

³⁸ Ibid, Footnote 11.

³⁹ Ibid, Footnote 28.

- d. University of Pittsburgh Courses Related to Fossil Fuels⁴⁰
- e. University of Pittsburgh Faculty with Research Related to Fossil Fuels⁴¹
- f. University of Pittsburgh Research Grants and Subawards Related to Fossil Fuels Active in 2015 - 2020⁴²

5. References Focused on the Impact of Fossil Fuels on Global Social Issues

- a. Brockway, Paul et al. “Estimation of global final-stage energy-return-on-investment for fossil fuels with comparison to renewable energy sources.” *Nature Energy*, 4, 612-621. <https://nature.com/articles/s41560-019-0425-z>.
- b. Covert, Thomas et al. (2016). “Will We Ever Stop Using Fossil Fuels?” *American Economic Association*, 30(1), 117-138. <https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.30.1.117>.
- c. Hao, Feg et al. (2019). “An Analysis of Environmental and Economic Impacts of Fossil Fuel Production in the U.S. from 2001 to 2015.” *Society & Natural Resources*, 32(6), 693-708. <https://tandfonline.com/doi/abs/10.1080/08941920.2019.1574044?journalCode=usnr20>.
- e. International Energy Agency. (2020). Electricity Security in Tomorrow’s Power Systems Insights from World Energy Outlook 2020. <https://iea.org/articles/electricity-security-in-tomorrow-s-power-systems>.
- f. Santoyo-Castelazo, Edgar and Adisa Azapagic. (2014). Sustainability assessment of energy systems: integrating environmental, economic and social aspects. *Journal of Cleaner Production*, 80, 119-138. <https://sciencedirect.com/science/article/pii/S0959652614005381>.
- g. World Economic Forum. (2019). World Economic Forum’s 2019 Global Competitiveness Report. http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf

6. Other Supplemental Materials Provided

- a. Bachher, Jagdeep Sing and Sherman, Richard. “UC investments are going fossil free. But not exactly for the reasons you may think.” *Los Angeles Times*. September 17, 2019. <https://latimes.com/opinion/story/2019-09-16/divestment-fossil-fuel-university-of-california-climate-change>
- b. Fossil Free Indexes. (2019). The Carbon Underground 200. 2019, Quarter 4. <https://ffisolutions.com/research-analytics-index-solutions/research-screening/the-carbon-underground-200>.
- c. Intentional Endowments Network. (2020). *Financial Performance of Sustainable Investing: The State of the Field and Case Studies for Endowments*. February 2020. https://intentionalendowments.org/financial_performance_of_sustainable_investing.
- d. Letter from Emma Gray, University student and member of the Fossil Free Pitt Coalition. Received by University of Pittsburgh Office of the Secretary, June 21, 2020.
- e. Reading Materials Provided by the Fossil Free Pitt Coalition:

⁴⁰ Provided by the University of Pittsburgh’s Office of the Registrar; November 9, 2020.

⁴¹ Provided by the University of Pittsburgh’s Center for Energy; October 28, 2020.

⁴² Provided by the University of Pittsburgh’s Office of Research; November 2020.

- i. Bottger, Celia et al. (2018). The Reinvest Report: Divesting from Injustice & Reinvesting in Community, in New England and Beyond. The Solidarity Economy Initiative.
<https://community-wealth.org/content/reinvest-report-divesting-injustice-reinvesting-community-new-england-and-beyond>.
- ii. Food & Water Watch. (2018). *Pernicious Placement of Pennsylvania Power Plants: Natural Gas-Fired Power Plant Boom Reinforces Environmental Injustice*.
<https://foodandwaterwatch.org/insight/ Pernicious-placement-pennsylvania-power-plants>.
- iii. Kimmerer, Robin W. (2015). “Harmony with Nature: Dr. Kimmerer Remarks to United Nations.”
<http://files.harmonywithnatureun.org/uploads/upload70.pdf>
- iv. Movement Generation. (2016). From Banks and Tanks to Cooperation and Caring: A Strategic Framework for a Just Transition.
<https://movementgeneration.org/justtransition>.
- v. Swack, M. (2009). Maximizing Returns to Colleges & Communities: A Handbook on Community Investment. Responsible Endowments Coalition.
https://researchgate.net/publication/254721490_Maximizing_returns_to_colleges_and_communities
- f. The Heinz Endowments. “Socially Responsible Investing Policy.”
- g. Varco, Chris et al. (2020). “The Materiality of Sustainability for Investors.” Cambridge Associates. June 2020.
<https://cambridgeassociates.com/insight/the-materiality-of-sustainability-for-investors>
- h. “What Role Does Sustainability Play in Students’ College Decision?: Summary of & Quotes from External References: Sustainability-Related Rankings & Certifications, plus Surveys of Incoming & Enrolled Undergraduate Students⁴³

⁴³ Provided by the University of Pittsburgh’s Office of Sustainability; November 5, 2020.

Appendix D: Meetings and Open Forums of the Ad Hoc Committee on Fossil Fuels

Table 1: Ad Hoc Committee on Fossil Fuels Information Meeting Dates and Content

Meeting Date	Focus of Meeting
August 17, 2020	<p>The inaugural meeting of the Ad Hoc Committee was focused on organization and planning. The Committee was officially charged with its duties by Board Chairperson Thomas E. Richards. Discussion topics included:</p> <ul style="list-style-type: none"> • Reference materials; • Establishing a timeline and schedule of meetings in order to complete the Committee’s work by January 15, 2021; • Interviews to be conducted with internal and external subject matter experts (SMEs); • Creation of a website to communicate with and provide transparency the University community; and • Scheduling of Open Forums.
September 4, 2020	<p>The Committee reviewed additional reference materials and developed a strategy for interviewing SMEs. The Committee also reviewed its webpages.</p>
September 11, 2020	<p>The Committee conducted its first SME interview with members representing the Fossil Free Pitt Coalition:</p> <ul style="list-style-type: none"> • Annalise Abraham, <i>Undergraduate Student</i>, Dietrich School of Arts and Sciences; <i>Member</i>, Student Government Board • Nick Suarez, <i>Graduate Student</i>, Department of Physics and Astronomy • Abhishek Viswanathan, <i>Doctoral Student</i>, School of Computing and Information. <p>Following the interview, the Committee discussed other scheduled SME interviews and additional potential SMEs to invite to interview.</p>
September 18, 2020	<p>The Committee conducted an interview with Gregory G. Schuler, Chief Investment Officer of the University of Pittsburgh. Mr. Schuler discussed the University’s Consolidated Endowment Fund and the composition of the Fund. Mr. Schuler briefed the Committee on risks and returns, including how risks are evaluated, and expected returns.</p>

Meeting Date	Focus of Meeting
October 23, 2020	<p>The Committee discussed newly provided reference materials. The Committee conducted two interviews:</p> <ul style="list-style-type: none"> • Pat Miguel Tomaino, Director of Socially Responsible Investing at Zevin Asset Management, who was recommended by the Fossil Free Pitt Coalition. Mr. Tomaino stated that Zevin Asset Management takes environmental and social risk seriously and discussed socially responsible investing and the impact such investing has on returns. • Kate Murtagh, Chief Compliance Officer and Managing Director for Sustainable Investing at Harvard Management Company, Inc. (“HMC”, which manages Harvard University’s endowment). Ms. Murtagh discussed the HMC’s process of working with vendors to initiate carbon footprinting into the portfolio, working towards a net zero carbon investment portfolio by 2050.
October 30, 2020	<p>The Committee discussed newly provided reference materials. The Committee conducted an interview with t Interview with Douglass Coyle, Deputy Chief Investment Officer, The Rockefeller Foundation. Mr. Coyle discussed how the matter of fossil fuel investments had been handled at other institutions. Following the interview, Committee Chairperson Hickton provided the Committee with: (i) an update on public comments submitted online; (ii) an overview of the two open forums held on October 28 and 30; and (iii) a review of upcoming SME interviews.</p>
November 6, 2020	<p>Committee Chairperson Hickton provided an update on public comments submitted online and noted that the comment period will remain open through November 13, 2020. She also advised the Committee that recordings of the Open Forums held on October 28 and 30, 2020, were now available.</p> <p>The Committee conducted two interviews:</p> <ul style="list-style-type: none"> • Jagdeep Singh Bachher, Chief Investment Officer and Vice President of Investments, University of California system. Mr. Bachher discussed his views on fossil fuel investments in general, as well as the approaches used to manage the University of California system’s endowment. Mr. Bachher emphasized the importance of communication and transparency with students, faculty, and staff. • David Bizer, Managing Partner - GCW Global Customised Wealth, who was recommended by Committee member Marlee S. Myers. Mr. Bizer provided the Committee with background on his experience in constructing portfolios and the analytical information that is integral to that process. He reviewed a number of financial concepts with the Committee.

Meeting Date	Focus of Meeting
November 13, 2020	The Committee held a second interview with Mr. Schuler, who advised the Committee that that over the course of the past five years, the Consolidated Endowment Fund’s investments in fossil fuels had decreased significantly. He also discussed how the University’s investment team uses Environmental, Social and Governance (ESG) Policy to evaluate categories and define risk. Dr. Aurora Sharrard reviewed: (i) a summary of references relating to whether an institution’s decisions about fossil fuel investments impacted admissions; and (ii) a summary of courses relating to fossil fuels offered at the University and its regional campuses.
December 4, 2020	Prior to the meeting, the Committee was provided with all public comments submitted online. The Committee conducted interviews with two representatives of The Heinz Endowments: <ul style="list-style-type: none"> • Grant Oliphant, President; and Edward Kolano, Vice President Finance and Administration/Chief Investment Officer. Mr. Oliphant discussed the Endowments’ Socially Responsible Screening Process, how the Endowments incorporates ESG into its investment evaluation process, and investment effects since adopting the Socially Responsible Screening Process. The Committee discussed potential findings and options to be included in its report to the Board Chairperson.
December 18, 2020	The Committee reviewed a draft of the report to be submitted to the Board Chairperson. The Committee support team was instructed to make additional changes to be circulated for comment to the Committee prior to the meeting scheduled for January 7, 2021.
January 7, 2021	The Committee reviewed a draft of the report to be submitted to the Board Chairperson on January 15, 2021, The Committee support team was instructed to make additional changes to be circulated for comment to the Committee prior to a final meeting.
January 12, 2021	The Committee reviewed a final draft of the report to be submitted to the Board Chairperson on January 15, 2021, and reached consensus on releasing the report following discussion. Committee Chairperson Hickton thanked the Committee members and University personnel for their efforts over the past six months.

Table 2: Ad Hoc Committee on Fossil Fuels Open Forums

Open Forum Date	Number of Participants	Number of Speakers
October 28, 2020	49	15
October 30, 2020	46	12

Appendix E: Biographies of Interviewed Subject Matter Experts

1. Jagdeep Singh Bachher,

Chief Investment Officer & Vice President of Investments, University of California

Jagdeep Singh Bachher is responsible for managing the University of California (“UC”) pension, endowment, short-term, and total-return investment pools. He reports directly to the Board of Regents on investment matters and the President on administrative issues related to managing a group of more than 60 investment professionals and staff.

Before joining the UC system in 2014, Bachher was an executive vice president of venture and innovation for one of Canada’s largest and most diversified investment fund managers. He was with Alberta Investment Management Corp (“AIMCo”), based in Edmonton since 2009. He also served as the corporation’s deputy chief investment officer and chief operating officer. With an investment portfolio of more than \$66 billion (U.S. dollars), AIMCo invests globally on behalf of public sector pension plans, provincial endowments, and government funds.

Prior to his position at AIMCo, he served as president at JH Investments (Delaware) LLC and worked in the U.S. Wealth Management, Canadian, and Investments divisions of Manulife Financial. Before joining Manulife, he was an entrepreneur. He is a visiting scholar in the Global Projects Center at Stanford University and chairman emeritus of the Institutional Investors Roundtable, a leading financial think tank. He is also a member of Young Presidents' Organization and the Institute of Corporate Directors. Bachher received his Ph.D. and M.A.Sc. degrees in management sciences and B.A.Sc. degree in mechanical engineering from University of Waterloo. He has been a champion for change in the investment business and gained an international reputation as an innovator.

2. David Bizer,

Managing Partner, GCW Global Customised Wealth

David Bizer is a co-founder of GCW Global Customised Wealth where he oversees all aspects of the business. Prior to founding GCW, Dave was a Managing Partner at Jasper Ridge Partners, a California-based investment manager, where he contributed to all aspects of the firm’s investment strategy, with particular focus on portfolio construction, the firm’s risk factor overlay program and new product development. Dave serves on the Board of the Stanford Institute for Economic Policy Research and on the London School of Economics North American Advisory Board.

Previously, Dave served on Nomura’s Wholesale Executive Committee and held various senior management positions at Lehman Brothers. Dave has served on the Council of Economic Advisers under two U.S. Presidents. Additionally, he was a visiting assistant professor of Finance at the Kellogg School of Management at Northwestern University and a visiting assistant professor of Finance at the University of Chicago Booth School of Business.

Dave has published articles in the American Economic Review, Journal of Political Economy and the Journal of Monetary Economics, among other periodicals and publications. Dave

received his Ph.D. and MA in Economics from Stanford University and an AB from the University of Michigan.

3. **Douglass Coyle,**

Deputy Chief Investment Officer, Rockefeller Foundation

Douglass Coyle joined The Rockefeller Foundation in 2007. As Deputy Chief Investment Officer, Mr. Coyle oversees asset allocation and portfolio management across the endowment. Before serving in his current role, he managed RF's private equity/venture capital portfolio.

Prior to joining the Foundation, Mr. Coyle served as Assistant Treasurer at the University of Southern California, helping manage its endowment. Before USC, Mr. Coyle worked for 12 years in investment banking at Goldman Sachs and Bank of America Securities executing a wide variety of capital markets transactions. Mr. Coyle holds a bachelor's degree in economics from Duke University, and an MBA in finance and organizational behavior from Kellogg (Northwestern University).

4. **Fossil Free Pitt**

Fossil Free Pitt is a coalition of University of Pittsburgh students and organizations, listed below. Fossil Free Pitt was represented by three currently enrolled students:

- **Annalise Abraham**, *Undergraduate Student*, Dietrich School of Arts and Sciences; *Member*, Student Government Board
- **Nick Suarez**, *Graduate Student*, Department of Physics and Astronomy
- **Abhishek Viswanathan**, *Doctoral Student*, School of Computing and Information.

Fossil Free Pitt's coalition includes the following student organizations:

- Active Minds
- Aquaponics Project
- Asian Student Alliance
- Black Action Society
- Campus Women's Organization
- Caribbean & Latin American Student Association
- Chess Club
- Chinese American Student Association
- Club Football
- College Democrats
- Collision Literary Magazine
- Community & Students for All Workers (CSAW)
- Ecology Club
- Engineers for a Sustainable World
- Facilitating Opportunities for Refuge Growth and Empowerment (FORGE)
- Feel Good
- Free the Planet
- Geology Club
- Global Brigades at Pitt
- Handbell Choir
- Hillel Jewish Student Union
- Introspect Left
- Keep it Real
- Muslim Students Alliance
- Outdoors Club

- Panther Women's Rugby Football Club
- Phi Delta Epsilon
- Pitt Bicycle Collective
- Pitt Cycling
- Pitt Pendulums
- Pitt Prison Outreach
- Pitt Rugby Football Club
- Pitt Ski and Snowboard Club
- Pitt Wushu Club
- Pittiful News
- Planned Parenthood Club
- Premedical Coalition of Minority Students (POMS)
- Rainbow Alliance Club
- Sigma Alpha Mu Fraternity
- Songburghs
- South Asian Students Association
- Students for Justice in Palestine
- Students for Sustainability
- The Fourth Wave
- Thirst
- United Students Against Sweatshops (USAS) Local #31

5. Edward Kolano,

Vice President Finance and Administration / Chief Investment Officer, The Heinz Endowments

Ed Kolano joined The Heinz Endowments in July 2013. As the Endowments' Vice President of Finance & Administration and its principal financial officer, he provides operational and financial management leadership. Ed also is the foundation's chief investment officer, and is responsible for overseeing, at the direction of the Investment Committee, all investments and investment managers of the Endowments.

Before joining the Endowments, Ed was a senior financial executive with The Hillman Company. Hillman is a private, fully integrated family office, which manages a multi-billion dollar, diversified, global portfolio with an emphasis on private equity investing. Ed gained 23 years of investment-related experience with Hillman, where his last position was vice president, treasurer. Prior to Hillman, he started his career as an analyst with Westinghouse Corp. and an auditor with KPMG Peat Marwick.

Ed is a certified public accountant in the state of Pennsylvania. He received his bachelor's in accounting in 1984 and his Master of Business Administration, concentrating in finance, in 1990, both from Duquesne University.

6. Kathryn I. Murtagh,

Chief Compliance Officer & Managing Director for Sustainable Investing, Harvard Management Company, Inc.

Kate Murtagh is the Chief Compliance Officer and the Managing Director for Sustainable Investing of Harvard Management Company, Inc. (HMC), a subsidiary of Harvard University, providing investment management of the University's endowment and related financial assets. Ms. Murtagh joined HMC in 2006. As Chief Compliance Officer, Ms. Murtagh is responsible for regulatory and legal matters relating to HMC's investment activities. In this capacity, Ms. Murtagh has extensive expertise in the structuring and implementation of various investment

strategies including co-mingled funds, separately managed accounts, joint ventures, private REITS, and direct asset ownership.

As Managing Director, Sustainable Investing, Ms. Murtagh is responsible for designing and implementing HMC's sustainable investing program across all asset classes. Ms. Murtagh developed HMC's first sustainable investing policy and worked closely with Harvard University in its decision to become the first U.S. endowment signatory to the United Nations-supported Principles for Responsible Investment.

Ms. Murtagh was named a 2017 Leader in the Law by Massachusetts Lawyers Weekly for her innovative work in sustainable investing. Prior to joining HMC, Ms. Murtagh was a partner in the Business Law Department of Goodwin Procter LLP, a national law firm based in Boston, MA. Ms. Murtagh earned a B.S. in Management from Rensselaer Polytechnic Institute and a J.D. from Cornell Law School, where she served as Managing Editor of the Cornell Law Review.

7. Grant Oliphant,
President, The Heinz Endowments

Grant Oliphant has been President of The Heinz Endowments since 2014 and has been a positive force in philanthropy and public service for nearly three decades. A leading proponent of the idea that philanthropy must be vocal in the defense of its values, he has written and lectured extensively on issues of equity, race and social justice, and championed principles that address critical community and societal issues in Pittsburgh and beyond.

Following a six-year term as President of The Pittsburgh Foundation, Grant joined the Endowments where he reshaped the foundation's grantmaking around three key strategic areas based on the core ethos of a 'just community,' supporting commitments and initiatives that enhance the quality of life for all.

Under Grant's leadership, the Endowments refocused its work on advancing a sustainable and equitable future, locally and globally; creating equitable opportunities that benefit families and individuals, especially those living in vulnerable neighborhoods; and building a culture of engaged creativity for all citizens.

Grant's appointment as President of the Endowments marked his return to the organization that previously he had served from 1993 to 2008, holding a number of senior management positions. A former journalist, Grant previously served as press secretary for the late Senator John Heinz until the Senator's death in 1991.

During his tenure at The Pittsburgh Foundation, Grant recast the foundation's mission around a commitment to community leadership and impact. He also led the organization through a period of major growth, the largest in its history, with the development of significant community initiatives, broadened donor engagement, and the realignment of funding priorities to maximize impact.

Grant has served extensively on the boards of local nonprofit and national sector organizations, including the Center for Effective Philanthropy, where he is Board Chair. He earned a master's degree in Organizational Development from Pepperdine University's Graziadio School of Business, and a bachelor's degree from Swarthmore College.

8. Gregory G. Schuler,
Chief Investment Officer, University of Pittsburgh

The Board of Trustees elected Greg Schuler as Chief Investment Officer on June 29, 2018, and he assumed his duties at the University of Pittsburgh on August 20, 2018. Prior to his election, Mr. Schuler served as the Chief Investment Officer and Treasurer for BJC HealthCare since 2011. While at BJC Healthcare, Greg managed investment activities covering \$8 billion in assets and oversaw treasury activities related to debt, derivatives and cash management. Prior to joining BJC HealthCare, Mr. Schuler served as Vice President of Investments for Kisco Management Corporation, where he managed the investment activities for the Kohlberg Family Office and its foundation portfolios. He began his career as a Financial Advisor with Mobil Oil Canada and went on to hold positions of increasing responsibility in the private sector. Mr. Schuler has a Bachelor of Commerce and M.B.A. from the University of British Columbia. Mr. Schuler also holds the Chartered Financial Analyst (CFA) designation.

9. Pat Miguel Tomaino,
Director of Socially Responsible Investing, Zevin Asset Management

Pat Miguel Tomaino leads environmental, social, and governance (ESG) research and engagement — to help create responsible investment portfolios as well as positive impact on behalf of our clients. To that end, Pat negotiates with portfolio companies; connects with experts, NGOs and activists; and challenges firms to improve using shareholder proposals. After graduating from Harvard College, Pat worked for several years as a senior analyst on the responsible investment team of F&C Asset Management, a large London-based sustainable investment firm. He has held research roles for several progressive groups, including Senator Elizabeth Warren's 2012 campaign and the Service Employees International Union (SEIU). Pat serves on the Socially Responsible Investing Committee of the Unitarian Universalist Association and the Investment Committee of Boston Ujima Project. Three facts about Pat: he is an avid runner, a U.S.-Mexico dual citizen, and a former public radio producer.

Appendix F: Resources Submitted to the Committee

Supplemental Materials Provided by Fossil Free Pitt

Resources submitted to the Ad Hoc Committee on Fossil Fuels by the Fossil Free Pitt student coalition and as part of public comment via the Ad Hoc Committee's webpages on the Board of Trustees website are summarized below.

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2. Food & Water Watch. (2018). *Pernicious Placement of Pennsylvania Power Plants: Natural Gas-Fired Power Plant Boom Reinforces Environmental Injustice*. <https://foodandwaterwatch.org/insight/ Pernicious-placement-pennsylvania-power-plants#:~:text=Food%20%26%20Water%20Watch%20studied%20the,and%2For%20communities%20of%20color>.
3. Kimmerer, Robin W. (2015). "Harmony with Nature: Dr. Kimmerer Remarks to United Nations." <http://files.harmonywithnatureun.org/uploads/upload70.pdf>
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External Reference Materials Submitted via Public Comment

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6. Newkirk, Vann R.. (2018). "Trump's EPA Concludes Environmental Racism Is Real." *The Atlantic*. February 28, 2018. <https://theatlantic.com/politics/archive/2018/02/the-trump-administration-finds-that-environmental-racism-is-real/554315>.

7. Perera, Frederica. (2018). “Pollution from Fossil-Fuel Combustion is the Leading Environmental Threat to Global Pediatric Health and Equity: Solutions Exist.” *International Journal of Environmental Research and Public Health*, 15(1): 16.
<https://ncbi.nlm.nih.gov/pmc/articles/PMC5800116/>.
8. Ryan, Christopher J. and Christopher Marsicano. (2019). “Examining the Impact of Fossil Fuel Divestment on University Endowments.” *New York University Journal of Law and Business*, 17. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3501231.
9. Schimel, T. H. S. J. D. (2020). “Opinion: Coronavirus will realign investors’ priorities toward a new normal of sustainability.” *MarketWatch*. March 20, 2020.
<https://marketwatch.com/story/coronavirus-will-realign-investors-priorities-toward-a-new-normal-of-sustainability-2020-03-20>.
10. Union of Concerned Scientists. (2016). “The Hidden Costs of Fossil Fuels: The true costs of coal, natural gas, and other fossil fuels aren’t always obvious—but their impacts can be disastrous.”
<https://ucsusa.org/resources/hidden-costs-fossil-fuels#:~:text=Known%20as%20externalities%2C%20the%20hidden,to%20our%20health%20and%20environment.&text=When%20the%20fuels%20are%20burned,public%20health%20and%20the%20environment>
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Appendix G: Public Comments Received: October 28, 2020, Open Forum

Overview: 14 total participants delivered comments verbally to the Ad Hoc Committee on Fossil Fuels at the Open Forum held on October 28, 2020. Constituencies represented on this date included University of Pittsburgh students, faculty, staff, and alumni. All comments provided to the Ad Hoc Committee on Fossil Fuels were transcribed and are provided verbatim as delivered below.

1. Danny Doucette

Graduate Student

Department of Physics and Astronomy

Thank you very much. My name is Danny Doucette. I'm a Grad Student in Physics. Fossil Fuel consumption is having a devastating impact in our backyard and around the world. I can see from the resources submitted to this Ad Hoc Committee that you have already been presented with convincing evidence that both extraction and industry disproportionately impact people of color in Pennsylvania. And likewise, it's becoming increasingly clear that we're at a tipping point where millions of our brothers and sisters in the developing world are seeing livelihoods destroyed by the warming climate.

For me, I need only think about my second home, Mongolia, where the shifting climate is turning the green steps, the world's 19th largest country into an uninhabitable desert. It's clear we need to do something; by we, I mean every human organization, company, and government. So, the question is what can we do?

I want to commend local efforts like the carbon neutrality pledge supporting green transport, discouraging air travel, and investing in energy. This institution has resources and using those resources to decrease harm takes courage and I'm proud to see that. But where's the courage when it comes to the University's investing decisions?

Let us not forget that the University of Pittsburgh is an institution of higher education deeply rooted in Western Pennsylvania as an education and research hub, not a Wall Street investment firm. The \$4 billion gift from alumni is described as a strategic resource and it should be used as such.

Divestment is valuable because it sends an unequivocal message that this institution believes that anthropogenic climate change is real, that it's our fault, and that we are doing what we can to address it. It's a message that resonates with young people, with leading researchers, with alumni interested in making mindful donations, and with progressive community organizers, all of which Pitt needs to attract if it is to maintain its standing.

Opposition to divestment by Chancellor Gallagher and others argues that unbridled investment of the endowment generates better returns, which pays for more scholarships. But, let's dissect that logic. A tuition scholarship isn't real money. It's a promise that a student can pay less or nothing for their classes. The number of scholarships this University offers depends on how many unpaid seats it's willing to have in its classes. It is a dishonest and pathetic sham to argue

that returns from investment equals scholarships. Failing to divest from Fossil Fuels in 2020 is nothing less than a failure vision, leadership, and courage.

If this Ad Hoc Committee does not support divestment in the strongest terms, or if the Board of Trustees does not subsequently enact a speedy and thorough divestment policy, it'll be a generational shame. My mother taught me when I was young to stand up for what I believe in, even if it's unpopular or if it isn't easy, or if it hurts. Ultimately, the University of Pittsburgh should divest from Fossil Fuels because it's the right thing to do. Not because it's financially viable or because it will improve enrollment or because it will free up investments target green and community investing, but because it is the right thing to do. Thank you very much.

2. Robert Nishikawa

Professor - Department of Radiology
Imaging Research Laboratory

My name is Bob Nishikawa. I'm a professor in the Department of Radiology and a Medical Physicist by training. Thank you for the opportunity to express my views on divestment and Fossil Fuels. I'd like to comment from two different perspectives. First, from my perspective as a researcher. There seems to be a significant disconnect between research conducted at Pitt and how the endowment is being invested. I'm talking here specifically about climate change and the fossil fuel industry. Pitt has invested millions of dollars in research on climate change and is one of the leading institutions studying the economic, social, and environmental impacts through the Climate and Global Change Center. These researchers conclude that there'll be dire consequences for the state, the country, and the world if we continue business as usual. This has been confirmed by the most recent IPCC report stating that we have less than 12 years to act before it becomes too late to for global catastrophe.

Given what the University is invested in, it seems totally in congruent for the University to support the Fossil Fuel industry, either directly or indirectly through our Endowment. Either the University believes the research it produces and acts accordingly, or they should ask themselves why did they invest millions of dollars in research, just to ignore it?

I contend to continue to invest Endowment and the Fossil Fuel industry is a slap in the face to all of us researchers at Pitt. We do research and attempt to make the world a better place. But we need people in the position of power to act accordingly on our research. Please divest from the Fossil Fuel industry immediately.

Second, as a father of two my daughter just graduated from Pitt and my son is just entering college. I've heard that Universities have (and Pitt is no exception) of the goal of educating students so they can have an impact and make the world a better place. This is a worthy goal. Again, I find it completely incongruent that the University is training students to make our future brighter, while at the same time contributing financially to the destruction of the planet with the investments of the Endowment. I cannot understand how the Board of Trustees continue these incongruencies. Please divest from the Fossil Fuel industry now. Thank you.

3. Annalise Abraham

Undergraduate Student
Environmental Studies

My name is Annalise Abraham. I am a junior at Pitt and I'm a Student Government Board member. And in September I presented to you all (along with two other students) about the need for Fossil Fuel divestment and community reinvestment in its place. I want to start by saying that the formation of this Committee itself is extremely disappointing to me. I am not honored to have the opportunity to speak today and I'm not glad that the Board has decided to hold these public sessions to hear from the community.

Students have been campaigning for divestment since 2014 -- and in the 2019 Student Government election, 91% of student voters voted in favor of divestment. The fact that we are still having this discussion shows just how out of touch the Board and the University is with the desires of students. So far, trillions of dollars have been divested worldwide -- and each month additional schools are going Fossil Free. Divestment is more and more becoming an industry trend and we know that it is inevitable.

I'm a little unsure of what to say to you all today, because the impacts of fossil fuels are already so abundantly clear. But I guess I will speak on that topic a little bit more. Beyond the economic reasons, which you all have already heard divestment is necessary because fossil fuels are destroying ecosystems and they are harming people. We know that these industries disproportionately harm marginalized communities. People of color are more likely to live by polluting plants which cause increased birth defects, heart disease, asthma, lung disease, and learning difficulties. They're more likely to live in places with failing grades for ozone and particle pollution in the air -- and we know that as the climate crisis worsens, black and brown communities will continue to bear the brunt of the impact.

Furthermore, Fossil Fuel industries have been harming our very own communities in Southwestern Pennsylvania for years. Again and again, Allegheny County air quality has earned a failing grade from the American Lung Association. We know that our high levels of particulate matter pollution are harming children. They're harming elderly folks. They're harming all of us. We know that this pollution is affecting people's daily lives. It's affecting whether people can go for a run outside, whether they can leave their windows open. Checking the air quality has become a daily practice for people, and it is causing people to leave this city. I say all this because the impacts of Fossil Fuels are not a problem with the future. They're not a problem affecting faraway places. This is something very real to our very own neighbors -- and if we accept those facts, then we must stop supporting such industries and must divest from fossil fuels immediately. Thank you.

4. Barbara Brandom

Retired Professor of Pediatric Anesthesiology
Graduate School of Public Health Graduate

I totally agree and support the comments of the people who spoke before me. I'll try to say something a little bit different. I do agree with them. Especially as a member of Physicians for

Social Responsibility -- the good perspective that the members of that group published in the New England Journal, a few years ago concluded that we absolutely must leave it in the ground. We should not be mining more Fossil Fuels and burning them because of the risks that have already been discussed. There are a lot of sophisticated responses to this divestment; would not be the best one, perhaps. In some places, investors work with their companies to get them to change. There was just an article published today about a Dutch fund manager, Robeco -- and their work with several different companies to get those companies to move towards Green industry from Fossil Fuels; if they couldn't make any progress, then they divested from that. This is an investment company; it's not a University. The Universities could be even more responsible or spend time working with the companies to get them to go into green energy instead.

Just this week, there was also a very interesting presentation given by people from Brown about the wide variety of different companies, practices in the oil and gas extraction industry, and that the biggest impact on our environment is done at the extraction and transfer portions of this industry -- and that the company should be taxed differentially so that they're motivated to keep methane in the ground and to capture methane. So, if the University wants to continue any investment in Fossil Fuels, they must examine all these different elements and make the wisest choices. It could be argued that a company has done everything they can to reduce their methane waste and that company could be still part of the investment portfolio. But, it can't be that they all can continue doing what they're doing now because we're marching towards disaster very rapidly. Thank you for your time and I look forward to hearing the rest of the comments.

5. Annie Ryan

Undergraduate Student

Thank you. I'm appreciative of the University of Pittsburgh's steps towards sustainability, but in the interest of the future of the students of this institution, Pitt must do more. The question should not be whether the University should divest, but when -- and the answer to when cannot be 2037. We simply do not have time; divestment must start now. I understand the intricacies of the University's financial health and how embarrassingly dependent it is on the University's investment in Fossil Fuels; yet, complexity and difficulty to divest from Fossil Fuels is not an excuse or reason to not divest.

I'm 19 and I've been aware of the climate crisis since I was eight; that's over half of my life that I've been aware that by the time I'm like the age of all of you, I'm likely going to be living on an uninhabitable planet. That is difficult. I'm an Environmental Science student. Almost every day, I learn a new way or new degree you're irreversibly destroying our planet. That is difficult and I don't get a pass. I don't get a day off from worrying about my future, rather the severity and the stakes of the climate crisis is why I'm here. It's why I study and it's why I push for change.

So, by taking part in this Committee, where your choices will be impacting me (and my generation) I'm asking you to take the mindset of my generation. That difficulty is not an

excuse, but a benchmark for what must be done, how far we have to go, what must be accomplished, and the money that must be divested from Fossil Fuels. Thank you.

6. Nicholas Suarez

Graduate Student

Department of Physics and Astronomy

Hello, my name is Nick Suarez and I'm a PhD student at this University and lifelong resident of Southwest Pennsylvania. While I'm glad for this chance to speak in front of the Committee, is not them who I wish to address today, but the students and community members who are listening and who have had the interest, the drive, and the compassion to attend this forum (whether they're speaking or merely here to see what all is going on). And what is going on? I truly wish I could say that I'm excited this public forum is being held today and that the community is having the chance to make its voice heard, but instead I am ashamed. I'm ashamed that the Board of Trustees is resorting to these impotent stall tactics.

The Fossil Free Pitt Coalition (of which I'm a member) has been demanding that the Board vote to divest from Fossil Fuels since 2014. We've presented on numerous prior occasions sound arguments for the economic and ethical imperatives for divestment. We have demonstrated the support of alumni and faculty for divestment -- and the overwhelming support of the student body for our campaign. And now this Committee appears and what do they want? They want us, they want you, to do it all over again. They want you to (again) prove that divestment from Fossil Fuels and reinvestment in local communities is the only sustainable moral path forward. They again want you to prove that the student body wants what we've been shouting for over six years now. As the world burns (and not even figuratively anymore), they want you to again show them the blood on their hands -- blood that is obvious to anyone with a first-grade education, which they hypocritically pride themselves in providing for us.

Earlier this Fall, I was one of three coalition organizers who attended a meeting with the Ad Hoc Committee. That meeting was confidential (an arrangement that I will honor), although, the fact that it was held behind closed doors attests to how little the Board trusted students and how little it cares about their inputs and transparency, even if they make the show of holding public forums like these. At that meeting, we presented five documents regarding divestment and reinvestment for them to read, which they have since posted to the Committee's website, with a note saying "read" beside the ones that they have read. I checked last night and three of the five remain unread. And all along, I thought it was just us students who didn't always do the readings.

So, I say to you all, speak up, make your voices heard to the Committee. I can only hope that they will listen. But if my meeting with them was any indication of their true intents, they will try to continue investing in Fossil Fuel companies, citing them as leaders in green technologies or innovators in sustainability. We're smart. After all, we're at Pitt and we know that is simply not true. What we want is divestment from the Fossil Fuel industries that are destroying our futures, even as they ruin the lives of vulnerable populations around the world and right here in Pennsylvania. What we want is investment our community not extractive industries. We want an end to the stall tactics and bureaucracy. What we want is greater transparency in the

University's financial decisions and student input, not just to be heard, but to be a mandate. We want it now and we will fight for it, whether it's in a public forum or on social media or in the shadow of our Cathedral. Thank you.

7. Joshua Ash

Graduate Student

Graduate School of Public and International Affairs

Hi. So, my name is Joshua Ash. I'm a PhD student at GSPIA -- and I'm also an Attorney here in Pittsburgh. and I'm speaking to y'all largely tangentially about some work I did with an investor strategies and human rights working group last semester; in doing so, I spent a lot of time (as I'm sure this Committee has too) reviewing the ESG policy statement, the SRI Committee report from 2019, and the investor objectives and policies.

So, I'm really going to focus in on the third and final objective of this Committee, the methods to which divestment might happen. I don't want to take time to reiterate things that have already been said, but I think the 2018 report really spoke to the different ways this might happen. And I know that there's challenges (particularly in that the University uses institutional funds). But, there's certainly criteria with which you can use SRI criteria that it could, you know, basically figure out how to point itself in the right direction and ideally at a pretty quick pace. The one thing that I don't think came across super clearly in the 2019 report that we really focused on the working group was the value.

First, there's two things. First, language – and that avoiding language like “may” and “having the option” and “at the discretion of” is (in my opinion) really weak and it kind of discredits this effort and there's a lot of that specifically in the ESG policy. So, you know, I realize there are constraints -- and (you know) as an Endowment management professional, I'm sure one wouldn't want to be constrained into something that's going to harm the Endowment. But, I think there really needs to be some kind of meaningful policy language that does something. And, there is certainly plenty of criteria with which you can use to make that meaningful language, you know, achievable.

And secondly, and finally, the value of transparency, I think is so crucial because we talked a lot in this working group about why are we doing this all in the first place --- and a University (above, you know, all else here, I think) is supposed to be a beacon of light of how investments can be better use for a sustainable future. And you're not really doing any good unless you make it very clear and transparent how you're doing that. So, we had recommended annual reporting, very clear public information with that criteria used to (you know) look at the Endowment. But, basically, much more just transparent than how we go about it now. So, those are my thoughts. I hope they're helpful and I hope they add a little bit to this conversation.

8. Elina Zhang

Graduate Student

Department of English

Hello, Chairman Hickton and other members of the Committee. My name is Elina and I am an MFA student in the Creative Writing Program at the Dietrich School. I'm also a member of the Fossil Free Pitt Coalition. I'm here today to urge you to divest from the Fossil Fuel industry immediately. Last February, I participated in the 13-day long occupation of the Cathedral of Learning. Instead of just attending my classes as I usually do, I sat with other students and community members in the Cathedral [of Learning] Commons [Room], talking about divestment, environmental racism, and indigenous rights. [Pennsylvania] House Representative Sara Innamorato and City Council Members Bethany Hallam, Anita Prizio, and Liv Bennett all visited us to show their support, as did many other local community groups. Many of us spent hours in the Cathedral Commons speaking to other students, faculty, staff, and community members.

As a graduate student, I'm also a graduate worker. I work 20 hours a week for the English Department and my work keeps the University running. I'm also a full-time student attending classes and writing a book that I hope to publish one day. On top of this, I organize with Fossil Free Pitt, attending meetings, project managing, and keeping track of project documents. I'm not alone in this. What we do is only possible because of the hard work of other equally busy students and workers. Organizing with Fossil Free Pitt is a labor of love, but it is also a form of labor, one that I am not paid for. Occupying the Cathedral wasn't some fun party that spontaneously happened. Many, many people put in hours of hard work and time to make it possible. I was surrounded by undergraduates who could have been staying in with friends or studying for their mid-terms, but instead they were in the Cathedral working to build power and community towards a future of divestment and reinvestment.

I care deeply about my future and the future of Pitt, which is why I am at this Ad Hoc meeting on a Wednesday night. But the University's continued failure to divest from the Fossil Fuel industry keeps me working. Should it really be on us students to be doing the work that our University admin should be doing? Should the burden of protecting our future really lie in us students?

I'm here today to ask you to consider and respect our time and our labor. As we refuse to wait for the Board of Trustees to delay and delay until it is the most financially opportune time to act. The longer public officials and the Pitt community have to wait for the administration to arrive at some moral clarity, the more embarrassing inaction will look in Pitt's history. None of the Ad Hoc meetings have led to action, now is the time. Once again, I urge you to divest the University's Endowment from the Fossil Fuel industry immediately and reinvest it in local community based regenerative industries. Thank you.

9. Eric Macadangdang

Undergraduate Student

President - Student Government Board

So, I come to speak today as a concerned student, but as you can see on the slide, I'd be remiss not to acknowledge that I'm also the elected president of the University of Pittsburgh's Student Government Board, which is tasked with promoting the needs and general welfare of the undergraduate student body. This simple, yet direct mission of the organization lends directly why I am here today, to provide my perspective on why the University should divest entirely from the Fossil Fuel industry now and forever. Undergraduate student organizers (as you have heard already) have been on the forefront of this issue for well over five years. They have put in countless hours and dedicated their precious time in college to fight for a cause so great that the health and wellbeing of our future rests on it. Now, I'm not one of the core members of these organizations behind grassroots efforts, so I won't go into detail on their work.

I'm neither an economist nor scholar on the issue of investment strategies either. I'm not an Environmental Scientist and I'm not majoring in the field, so I won't delve into the effects that the Fossil Fuel extraction industry has on the air, ground, and water. I will simply say this: undergraduate students have (from the beginning) been on the right side of the moral dilemma we find ourselves in in these types of debates. Do we really gain from profitable companies and industries that damage the environment and put all of us, especially poor and marginalized communities, at risk for poor health outcomes? Or do we gain when we side with the people (in and of themselves) who make up the classrooms we learn and teach in, the workforce we enter and contribute to, and the communities that we choose to live and build.

The Student Government Board had a referendum in the Spring of 2019 asking whether or not the University should divest from Fossil Fuels. Of the 2,401 undergraduates who voted, 91% were in favor. In the Fall of 2019, Student Government Board's Board (made up of eight undergraduate student leaders duly elected by the student body) voted unanimously in favor of a resolution calling on the University to divest from Fossil Fuels. Cities such as Pittsburgh, institutions of higher education (such as a University of California system), and countless other examples also show us what students have known from the beginning -- and four to five through electoral and legislative evidence. We must divest for the good of the University, for the good of Southwestern Pennsylvania, and for the good of the world. Thank you.

10. Susan Peterson

Graduate Student

Department of English

Great, thanks for the opportunity to address you all today. I'm Susan Peterson and I'm a grad student in the English department. I have a three-year-old daughter who may well live into the 22nd century. I moved to Squirrel Hill a year ago, but I used to be the Sustainability Director for an affordable housing nonprofit with a 5,000-unit portfolio in Austin, Texas. My work in energy efficiency, water efficiency, and renewable energy was worth a million dollars annually to our organization.

I've been thinking about how I'd approach my own former execs on the topic of Fossil Fuel divestment if we had something like an Endowment. I think it's clear to everyone here that the Pitt community overwhelmingly supports divestment -- and that that surfaces in Pitt's socially responsible investment Committee report, the one that was made public in July of 2019. But I also think that the market supports divestment -- and I think it's a good moment to do it.

I want to share a perspective from a brief published by the Institute for Energy Economics and Financial Analysis that demonstrates this. Their argument is that in 1980, the oil and gas sector claimed almost 30% of the S&P 500 value. But by the end of 2019, oil and gas made up less than 5% of S&P 500. It's a much, much smaller task to reallocate 5% of an investment portfolio as opposed to 30%. What's more, it's also less painful to do when you acknowledge how poorly the oil and gas sector has been performing. Over the last five years, all of the five largest oil and gas companies have lagged the S&P 500. Exxon Mobil, in particular (formerly one of the largest companies in the world) has performed worst of all. The S&P 500 has gone up by 50% and Exxon Mobil has fallen by 30%.

To put it a little more memorably, the combined values of Exxon and Chevron and BP together are less today than the value of Tesla, a company that went public for the first time 10 years ago. Over the last 10 years, these companies have lost more than half their value and Tesla has grown 300-fold, actually. (I actually fact checked this for myself this morning.) So anyway, I'm going to share this brief for you. I think it's a distinct and interesting angle. From my perspective, investment from Fossil Fuel should be a really serious concern to any long-term investor. It seems you can invest in just about any other sector of the economy and do better - - and Pitt should. Thank you for your time.

11. Marianne Novy

Professor Emerita
Department of English

Hi, I'm a Professor Emeritus from the Department of English at Pitt -- and I'm going to speak at greater length tomorrow morning. But, I wanted to say that I am making a point very similar to the one that Susan Peterson made; in fact I'm making the same point. You know that investment in Fossil Fuels is not really a good investment, economically, as well as not being a good investment morally. And I have submitted a document that goes into more detail on this. So, I won't say more on it now, but I just did want to say that I agreed with what Susan said.

12. Sharon Yeager

Alumni

Hello. I am an Alumni, College of Arts and Sciences 1988. My question is this: What are the Trustees main objections (in a practical sense) to divesting? That's it.

13. Liam Hodgson

Undergraduate Student

My name is Liam and I am an undergraduate Civil Engineering major. Civil Engineering majors learn about the American Society of Civil Engineers' code of ethics -- one of our code of ethics concerns holding safety paramount.

It is unsafe in the job site to have unsafe principles for workers -- and we believe the same thing can be applied with Fossil Fuels and investment in Fossil Fuels by Pitt leads to unsafe conditions. The cannons continue in teaching us ethics -- and we believe that the University can follow similar practices that our students do.

Secondly, the motto of the University: truth and virtue would apply here as well. Virtue from a quick thesaurus is moral excellence, goodness, righteousness, and conformity of one's life and conduct to moral and ethical principles. Conformance is not easy. Conformance might not be the best thing in order to raise the amount of dollars existing on a balance sheet. However, for it to be the motto of the University to include virtue, as well as truth, it is irresponsible to continue investment and Fossil Fuels. Thank you.

14. Marcela Gonzalez Rivas

Assistant Professor

Graduate School of Public and International Affairs

Hello, I'm a Professor at Pitt and I just want to support all the comments that have been made earlier and I just want to emphasize the question about what is preventing the shift from Fossil Fuels investments? And also, would like to remind the, the fact that the University of Pittsburgh should not miss an opportunity to present a bold statement about how we care about our communities -- about the environment -- which is exactly what we teach in our programs. And do not choose to ignore the science and the studies that we are actually producing in our very own University. We should be trying to be leaders in change and not regret the lack of decisions that could be really sort of important and essential for the future of our community and this planet. Thank you.

15. David Kitch

Alum

I did submit some comments in writing to the Committee, relative to my belief or disbelief in the use of Fossil Fuels.

First of all, I am proud to say I have a bachelor's degree in Mechanical Engineering and a master's degree in Industrial Engineering from University of Pittsburgh's Engineering School. I have been in the power engineering field working for Westinghouse Nuclear and other companies involved in power production for about 50 years. I am very familiar and promote the use of co-generation power to produce electricity.

First of all, this Committee or University may not be aware there is a lot of research being done by DOE and by gas industries and turbine manufacturers in high efficiency units that really cut down in emissions. Now, you take a conventional power plant that burns gas -- 40% efficient; nuclear power -- 30% efficient, requiring 1,000 people to operate. Co-generation, 40 people to operate. I'm familiar with wind power. You've got to put a lot of turbines up to get one thousand megawatts. Secondly, they are not reliable. I know very little about solar and very little about geothermal, but if you're going to start putting solar panels up, you better leave a lot of space. And those are my closing comments, as I said, I'm serving on the Mechanical Engineering or Science Visitors Committee for 40 years (or I'm sorry 25 years) and very proud to be a Pitt graduate. And we live in the state of Pennsylvania. Now, come on. You can't squeeze blood out of a rock. What does the other liberal arts people propose in a way of power? If it's not phasing the pro per use of Fossil fuels? That's my position.

Appendix H: Public Comments Received: October 30, 2020, Open Forum

Overview: 12 total participants delivered comments verbally to the Ad Hoc Committee on Fossil Fuels at the Open Forum held on October 30, 2020. Constituencies represented on this date included University of Pittsburgh students, faculty, staff, and alumni. All comments provided to the Ad Hoc Committee on Fossil Fuels were transcribed and are provided verbatim as delivered below.

1. Mark Paterson

Associate Professor
Department of Sociology

Thank you. Thank you very much. Okay, I got it as a prepared statement. I'd just like to read that, if that's okay. So, I've been following the efforts of this student body of the past few years, calling for Fossil Free Pitt and these are heroic efforts and so on. And of course, Chancellor Gallagher has talked about being carbon neutral by 2037 and this is our future, which is fantastic. So, we're really, really happy about that.

The problem is really one, which is more systemic, which is about the U.S. economy -- about the Pennsylvania Shell ethylene cracker plant, which is opening in Potter Township. And the fact that the pipelines that are being built that extend this network out east, that I see parts of the pipeline already leaking and already contaminating groundwater and making the water undrinkable. And this has been profiled by, you know, The Guardian Newspaper (for example) and so on; it's well documented.

So, there's a kind of toxicity at the heart of this, which I think we need to address -- and if investments in green, renewable energies are made, this is the only way to change it. And this -- this is the only way to change what's already happening on a massive scale. So, it's important to state that there are more ethical investment alternatives. But it's also not going to be easy. I've got 17 years of experience as faculty in higher education in the U.K. and the U.S. -- and I know that universities are under immense financial pressure and there are some things here (for example) at Pitt to offer financial aid through the Pell Match system, for example. But in an economic climate, especially with coronavirus, with constant state funding cuts, regular standoffs in Harrisburg, we know the money has gotten from somewhere and that has to be a bottom line.

But I want to just point out something that maybe some of the student body don't know: the undergraduate student body don't know, but the graduating student body do -- that some of the faculty know as well and are very concerned about. And this is, again, back to the systemic idea. So last year, a very large donation of \$4.2 million over five years to the Graduate School for Public and International Affairs, GSPIA, came from the Charles Koch foundation. And as, as many of us know, they are a massively influential network of conservative think tanks and lobbyists permeating American politics, including funding and fostering climate change denialism, a lack of confidence in government, and skepticism of environmental regulations. Their money, their

bottom line comes from oil and the new Center for Governance and Markets at Pitt is one of a number of centers (institutes) dotted around the U.S., which advances fossil fuel ideology, just to find this with reference to the supposedly value neutral and most American of concepts, the market.

So, as various members of the graduate student body and fellow faculty have realized, to a horror, this donation was accepted and the Center established very rapidly and without adequate opportunity for comment or due process by the mechanism of shared governance of the University, the Faculty Assembly, which I'm a member of. So, stories of interventions by Koch-funded centers in hiring, firing, and tenure decisions at George Mason University and Florida State (for example) have a lot of faculty nationally and internationally because it gets to the thorny issue of what academic freedom really is, apart from a catchphrase. And in the University charters for policy developments, the mantra of transparency, accountability, and the fact that they reflect "industry best practices" is repeated again and again and justifiably so which is which is right.

So, this is just to draw attention to the fact that there is actually a policy on donors and sponsored research for the University, which includes a member from this this center, which is funded by the Koch Foundation and we need to basically have joined up thinking here. We can't have on the one hand a move towards divestment, and on another hand actually acknowledging and allowing this toxic fossil fuel ideology. Right, so I'm glad to call this University my academic home. There's time to do some really joined up thinking and to purge the larger body of the University of this toxicity. And so, we have to...

2. Ellen Oordt

Undergraduate Student
Ecology & Evolution

Hello, my name is Ellen Oordt and I'm a third-year undergrad student studying Ecology and Evolution here at the University of Pittsburgh -- and I am a member of the Fossil Free Pitt Coalition. I would like to say, if you did all the readings, you would have divested already, but I'll proceed with my prepared statement.

As we all know, climate change disproportionately impacts people of color within Pennsylvania, the United States, and the world. In the midst of protests against ongoing racial and equalities within the United States, Chancellor Gallagher sent the student body a message addressing the University's actions for improving racial equity at Pitt. Today, I will read you a passage from that email; I quote: "A University is a global force dedicated to advancing and sharing the knowledge to make the world a better place. Racial injustice and equity have no regard for campus boundaries or city lines. These issues are among the greatest challenges facing our society today. Pitt, like all great Universities, tackles great challenges. Transforming our campus systems and structures to fully support the success of Black students, faculty, and staff is a start, one that will require years of internal examination, active conversations, and conscious change. Moving forward, we must tirelessly recognize and address racist attitudes, behaviors, and policies. We must take a closer look at every area within our University,

including how we approach teaching, research, financial decisions, policing, recruiting, hiring, and contracting. We must do better.”

Chancellor Gallagher is right to say the University is a global force. This is an institution capable of making positive change. But are these words just empty promises? Do we as a University, truly tackle great challenges? Or do we like to say that to uphold a facade of being a socially conscious and a progressive institution? Divestment from fossil fuels by no means will end the systemic racism present within the University of Pittsburgh, but it is an opportunity to make that conscious change in the right direction.

Like the Chancellor said, we must take a closer look at every area within our University, financial decisions included; I would say a \$4.3 billion Endowment is a pretty powerful financial decision. And while you sit here, taking years to make this decision, Black communities within Western Pennsylvania, in the United States, are being harmed by this Endowment that supports an extraction economy. Sixty-eight percent of Black Americans live within 30 miles of a coal-fired plant. Black Americans are exposed to over one and a half times more air pollution than white people and Black children's asthma rates are twice as high as white children. So, if you believe in finding racial justice at the University of Pittsburgh, I urge you to start divesting fully from Fossil Fuels and reinvesting in the communities that you say you care about. Thank you.

3. Abhishek Viswanathan

Graduate Student

School of Computing and Information

Good morning. My name is Abhishek Viswanathan And I’m a current PhD student in the School of Computing and Information at Pitt. I'm also an organizer with the Fossil Free Pitt coalition, an immigrant from India, and one of millions of people aghast at the impunity with which a few powerful people use every trick in the book to sustain an unjust system.

I want to use my time here to address the line of questioning that we received during our presentation by this Ad Hoc Committee, specifically, about our stance on investing in technologies that claim to make the extraction and burning of fossil fuels safer or greener. They also asked about investing in companies that claim to be moving a tiny part of their resources towards renewables. We had outlined then that we categorically stand opposed to this reallocation of resources (if it can be called that) to further prolonging catastrophic status quo.

I want to expand on that today, by explaining how there is no silver bullet solution to the problems facing the world today and how they certainly won't come in the form of making coal clean again or other fantasies dreamed up by fossil fuel mega-corporation marketing departments.

The green technologies that this Committee is interested in moving its investments to exist within the framework of other existing infrastructure and technology that already wreaks havoc upon Black and Indigenous land and bodies through continued extraction, refinement, and combustion polluting our air, water, and land. They are grossly insufficient, cowardly, viable,

and risky in a situation that requires bold actions towards a habitable future. Greenwashing is a form of deceptive marketing in which a company, product, or business practice is falsely or excessively promoted as being environmentally friendly. An IPCC report showed that humanity has to cut emissions at least 7.6% each year to have any hope of holding global warming to 1.5 degrees Celsius and avoiding a future of climate catastrophe as the new normal. Now consider that between 2020 and 2024 the fossil fuel industry as a whole is set to invest \$1.4 trillion globally into new extraction projects, driving global oil and gas production up by 7% by 2024 – equivalent to running 1,200 new U.S. coal fired power plants. That \$1.4 trillion includes the funds invested in those companies through Pitt’s Endowment and it includes the social license that as a sustainable institution like Pitt grants to those companies to continue with business as usual.

The industry spends a ridiculous amount of money peddling this information with bloated marketing departments (not unlike certain other institutions) only to receive an egregious rating on climate accountability scorecards from the Union of Concerned Scientists. Many of the technological solutions being proposed have no basis in reality and do not exist in a silo. Geoengineering companies will cause droughts in other parts of the world, carbon capture has not operated feasibly at any significant scale and ramping up by bioenergy production would require using large swathes of land by estimating its biodiversity.

While we are in the midst of the sixth mass extinction event, you can continue to bury your head in the sand and pretend that the settler colonial hubris that brought us to this point will also bring us out of it. Or you can do everything within your significant power to stop, reevaluate, divest, and reinvest in our communities. Thank you.

4. Joshua Ash

Graduate Student

Graduate School of Public and International Affairs

Good morning everyone. I have a short little informal statement here -- and it's not about why we should do this or how we should do this because I think we've sort of talked that to death at this point. But I'm trying to think about, you know, members of the Committee and the Board of Trustees and how they're approaching this issue and what you all might be thinking. And I felt like it was worth discussing this gap I've noticed between decision makers at this University and the University as a whole, basically the professors and students that (in my opinion) are the life of the University.

Let's start with why members (you know) engaged alumni come back and serve on committees and serve on the Board of Trustees I would imagine because you're proud of the University that you attended and for a variety of reasons -- you know, Pitt for a long time now has been a leader in research and bold ideas and shared values. And that same admiration for those things has kept you engaged today. But I think it's important to note that a University is constantly changing. And I'm sure thirty / forty years from now, maybe some of us will be serving on committees and think, you know, where on earth has this University went and what are these new ideas? And I'd like to think that we would support it wholeheartedly, although I can't guarantee that.

But my point here is that the University is a living, breathing, thing with changing ideas and the professors and students that make up the University today overwhelmingly support meaningful action here. And I think this speaks to a problem that I've noticed in what I'd like to summarize as a lack of trust between decision makers and the professors and students who make up the University.

So sort of closing final thought here is you can either be the wind in our sails or the anchor that holds us down. But I think we're ready to take action here. There's a why, there's a how, and there's certainly a commitment to do something, so just dwell on that. I mean that very respectfully, but I hope that it's an important message you'll think about.

5. Prem Rajgopal

Alum

Organizing Fellow, Center for Coalfield Justice

Hello, my name is Prem Rajgopal and I'm a Sustainable Engineering Master's Alumnus from the University of Pittsburgh. I work for the Center for Coalfield Justice as an organizing fellow and I was involved with Fossil Free Pitt as a student.

I'm not going to spend my time analyzing the financial or moral reasons for a divestment as I think those have been outlined eloquently about my fellow commentaries over today and the past day and through the comment section. Instead, I wanted to touch on sustainability -- and about how if Pitt espouses the principles of sustainability, it must divest from fossil fuels and reinvest in the community. One of the first lessons we were taught about sustainability is the three-legged stool: people, planet, and profits must be balanced to ensure that we meet the needs of the present without compromising the needs of the future.

By investing in fossil fuels, Pitt is putting supposed profits over people and the planet -- and is compromising the needs of the future absolutely. When mentioning sustainability, I believe it's important to frame this decision in regard to the U.N. Sustainable Development Goals. There are 17 of them. And I'm going to go through all 17 and hopefully I don't run over time here.

So, Goal One: No Poverty. We know the extractive industries have devastated and directly impoverished rural communities like those I work in due to their boom-and-bust nature.

Goal Two: Zero Hunger. The pollution from fracking alone has devastated farmers and the fossil fuel industry in general has wreaked havoc on our farming industry.

Goal Three: Good Health and Wellbeing. The fossil fuel industry directly challenges public health and quality of life.

Goal Four: Quality Education. Many schools are dependent on property taxes and when we see things like coal companies go bankrupt educational systems are directly affected.

Goal Five: Gender Equity. Fossil fuel companies cause damage that disproportionately affects non-cisgender males.

Goal Six: Clean Water. Do I even need to expand on this? Especially in Southwestern Pennsylvania, we see poisoned water as a direct result of the fossil fuel industry.

Goal Seven: Affordable and Clean energy. The economics of fossil fuel industry shows the sunset industry is certainly not clean.

Goal Eight: Decent Work and Economic Growth. These industries do not provide decent jobs and economic growth like they maintain. Instead, they run on a boomer bust cycle that is fueled by investors like our University, throwing money at these problematic institutions, instead of what communities actually need.

Goal Nine: Industry Innovation and Infrastructure. Roads, water, and sanitation are directly, adversely, affected by the fossil fuel industry.

Goal Ten: Reduced Inequalities. We can clearly see the perpetuated economic inequalities (namely spatial inequalities in frontline communities) of fossil fuel extraction.

Goal 11: Sustainable Cities and Communities. This one speaks for itself again. Fossil fuels are not sustainable.

Goal 12: Responsible Consumption and Production. It's predicated on short term profits and does nothing to encourage responsible consumption or production.

Goal 13: Climate Action. Again, this one's obvious. Seventy-six percent of greenhouse gas emissions are a result of the fossil fuel industry in the United States.

Goal 14: Life below Water. In addition to oil spills, petrochemical facilities like the one in Beaver County (that is being proposed) will lead to more downstream plastic production -- pollution which will negatively affect aquatic life.

Goal 15: Life on Land. Ecosystems have been destroyed on land due to extraction.

Goal 16: Peace, Justice, and Strong Institutions. We've seen from Harrisburg to DC how the fossil fuel industry has corrupted our politics and our institutions.

Finally, Goal 17: Partnerships. The fossil fuel industry directly hampers partnerships between various stakeholders by putting its own short-term profits ahead of what the world actually needs.

By exploring the inherent tensions between the UN SDGS [United Nations Sustainable Development Goals] and our University's continued investment in fossil fuels, I hope you understand why the University of Pittsburgh must divest from Fossil Fuels and reinvest in the community if it wants to use the word sustainable to describe itself in any capacity. Thank you.

6. Tony Kerzmann

Associate Professor
Mechanical Engineering and Materials Science
Swanson School of Engineering

Hey, good morning everyone. I just wanted to start by saying thank you for the passion and love that all of the other members and commenters have brought about. It's, nice to hear that so many people care about this and it's a very important topic. I have a pre-written statement here, so I will read through it and I just want to start by saying, I really appreciate the Ad Hoc Committee for allowing this time and for allowing us to address these important issues.

So, my name is Tony Kerzmann. I'm a Mechanical Engineering Professor at Pitt -- also a Pitt alum, a Pittsburgh native, and a proud husband and father. However, I'm speaking to you today as concerned global citizen mostly. It's been said that every dollar you invest is a vote for the world you want to live. Investing has traditionally been viewed as a way to increase wealth, but we should take into account (or not lose sight of) the fact that investing in a stock or mutual fund means that we are actually part owners in that company. We are now stakeholders in that company. This gives us a moral obligation to take ownership in their actions, not just for profits - for financial reasons.

As we all know, climate change is very real and very dangerous. Many scientists believe it's the leading existential threat to life on Earth. The greenhouse gases that we emit today will stay in the atmosphere for decades, sometimes increasing radiative forcing for over 100 years. At the moment, the climate change wheel is in motion and we simply can't predict the outcome of the future to come. We're all living in a scientific experiment where the outcome has a significant likelihood of being catastrophic; this is nothing new.

Climatologists and other scientists have been ringing the alarm as loud as their platform would allow -- and it almost certainly did not have to be this way. It's now well documented that many fossil fuel interests not only knew about global warming decades ago (and its potentially harmful effects), but spent hundreds of millions of dollars trying to cover it up, distract from the science, and suppress the research. This includes the Koch brothers. Not only have the fossil fuel companies purposefully deceived the public, but they have continued to do everything in their power to increase production [and] consumption -- and in-turn have produced more and more greenhouse gases.

And the question is for what? What did anyone get out of all this? The world is seeing the largest wildfires in human history, severe droughts, constant flooding, sea level rise, an increase in hurricanes and their strength, and obviously the list goes on, I'm sure you've heard it many times, but the question again is "For what?" We're doing all of this so that fossil fuel companies can make a profit. Every day, these companies are making the world less inhabitable and increasing the odds of human extinction -- so that they can make a profit.

Investing in fossil fuels is a moral and ethical issue. There's no separation between owning a portion of a company that is doing harm to the entire planet and simply making an investment. As part owner of these companies, Pitt is also part owner in their moral and ethical misconduct.

We can no longer provide financial support to companies that do harm. This also includes companies that deal tobacco, weapons, child labor, gender inequality, and the like. I know that's beyond this Committee, but those are important issues as well.

As a concerned Engineer, husband, and father, I'm asking the Committee to stop supporting fossil fuel companies and other companies that deal in harm for profits. We should be investing in companies that bring good to the world. From an investment perspective, there are dozens of funds that are performing well above the S&P 500 in areas like information technology, healthcare, biotechnology, and the obvious one is renewable energy. Most clean energy funds are outperforming their energy indices -- and investments in clean energy is increasing exponentially. For example, solar installations have increased twelve-fold over the last ten years in the United States and continue to grow rapidly, year after year. There are no financial advantages to investing in fossil fuels. The long-term outlook of fossil fuels is actually very bleak. As a Pitt alum, we also want to know that when we say hail to Pitt, we know that the University stands as a beacon of integrity and a model for the community. Pitt should be leading the way in these efforts. It's time that we put our money where our mouth is. And thank you for the time and commitment to the Committee and Hail to Pitt.

7. Zachary Delaney

Undergraduate Student
Environmental Studies

Hello. So, I am speaking from the perspective of an undergraduate student, but I'm also one of the two [student] directors of our Student Office of Sustainability on campus. And whenever I view our investments in fossil fuels, I see them functionally as the divestment (actually) from the life and the prosperity of the people that are on this planet -- in addition to those wildlife and other natural functions and features of the Earth. To me, it is quite clear that the production of fossil fuels and their respective byproducts pose serious danger to our society. I use the word "dangerous" specifically because the word "risk" comes with the connotation that there might still be a chance involved; but I argue that there's not quite risk anymore -- and that we've passed this threshold of risk; and we've perpetuated and grown hazards to the planet to the point of true danger.

Our University invests in fossil fuels through our Endowment -- and even beyond, we support the industry explicitly and implicitly through purchasing and distribution of items like single use plastics and many other products that are directly derived from fossil fuels. Through direct investments and otherwise, we feed an industry that is known to contribute to air, water, and land pollution. We see mining-related pollution of selenium, arsenic, lead, mercury, iron, hydrogen sulfide, and fracking-related pollution (including many heavy metals, radioactive materials, organic and inorganic toxins that are known to cause things such as skin, lung, bladder, liver, stomach, blood and bone cancers, as well as many other associated respiratory diseases of lesser intensity).

As a matter of fact, chemical pollution related to the extraction of fossil fuel petrochemical plants and otherwise related pollutants create areas with such long-term environmental damage they become known as "sacrifice zones." When regarding an environmental angle, we see a

failure amongst industries to manage waste and pollution, protect and restore land and water, and fossil fuel consumption and production directly contributes to a change in climate. Through the social lens, we see abuse of the rights to clean air and pure water, which in the Pennsylvania State (or Commonwealth) are constitutional rights. I reference environmental and social factors in reference to the ESG policy statement.

The University of Pittsburgh, in the 2037 carbon neutral video identified climate change as “the defining challenge of this generation”. Another quote from that was that [t “the University of Pittsburgh, we view this in regard to climate change as a clear call to action. We can and must do more, find new paths, forge a better future.”

My charge to this Committee is to do exactly what we said we would do when we announced Carbon Neutral 2037. Find new paths and forge a better future. Wholly divest from fossil fuels -- industries that perpetuate environmental racism and injustice, climate change, and the health endangerment of millions of global citizens. No, divestment will not automatically offset pollution or resolve climate change, but you cannot invest in an industry and derive profit from it without recognizing the consequences of said industry.

Meet this moment with leaping bounds and strive for assets and investments that are regenerative instead of extractive. Please divest. Thank you.

8. Marianne Novy

Professor Emerita
Department of English

Good morning, everyone. Thank you for having this Forum. The arguments against Pitt’s divestment from fossil fuels generally assume that fossil fuels are a good financial bet whatever their hazards are to the climate. This assumption is increasingly losing its basis in reality. Even before COVID-19 hit, oil was becoming less profitable. In the five years before, there were 215 bankruptcies for oil and gas companies. And then the third quarter of 2019, ninety-one percent of defaulted corporate debt in the U.S. came from such companies. A Shell plant being built near Pittsburgh is making plastics in spite of the world's oversupply, because the company hopes that with enough promotion, plastics will be more profitable than gas and oil.

Solar and wind energy (not oil and gas) are the cheapest source of energy in two thirds of the world

-- and they will probably be so almost everywhere in about ten years. Thus, when the University of California university system divested in August 2019, it made good sense, according to their financial advisors.

At least fifty global financial institutions have also cut many of their fossil fuel projects. First in coal, then in gas and oil -- and are committing to net zero (as in the Paris Agreement) by 2050. This May, Sarah Bloom Raskin (the former Deputy Treasury Secretary), wrote: “even in the short- term, fossil fuels are a terrible investment.”

If the Paris Agreement is not followed and gas and oil keep making money, much of the earth will no longer be livable by 2050. The climate problems that we are seeing today drought, wildfires and smoky cities in the West, crop failures in the Midwest, hurricane and flood damage in the South and East, melting of ice in polar regions, migrants fleeing three-digit temperatures will be dwarfed. The oil and gas millionaires may live in climate control towers or bunkers, but most people will have to deal with at least a month of lethal heat every year.

Pitt has been recognized as a leader in sustainability and many dimensions -- and is invested millions in research and climate change, mostly through the Climate and Global Change Center. Its Board of Trustees should pay attention to this research (and that of many other scientists) and stop betting on investment policies that will doom our grandchildren to a world of unlivable suffering and chaos. Thank you.

9. Ray Roberts

Alum

Hey, thank you so much for holding this today. I really appreciate it. And I'd like to just start by seconding what the Professor Emeritus Marianne [Novy] (who went before me) said, as far as how fossil fuels are simply a terrible investment.

You know, there's the moral argument, which it is clearly obvious; there's a moral component to having these investments. But if you purely look at this from economic terms, it is time to get out of fossil fuels. They are a terrible investment. You look at the number of companies that are going bankrupt in fracking (and fracking has been the argument for Southwestern Pennsylvania for almost the past decade or more) -- and the fracking companies have been providing golden parachutes to their owners and the CEOs have been bailing and leaving us with the costs of cleanup. But those companies are a terrible investment. If you simply look at putting money into companies that are as corrupt and intent on privatizing the profits and socializing the costs as the fracking companies, no one in their right mind would invest in them right now.

And we have to get Pitt's money out of fossil fuels as fast as possible or else we're going to be left holding the bag of these worthless companies. And oil companies are the next things to fall. It is really essential that Pitt get out before it's too late.

And getting out of fossil fuel companies has a moral component and my children are going to be the ones who have the longest to live and I really want to have them see a future where they have a good future.

I see it is absolutely essential that Pitt get out while the getting's good, before these companies all go bankrupt and the oil companies will be the next in line. But it is well past time for Pitt to get out of fossil fuels. Thank you very much.

10. Nick Goodfellow

Alum

Sustainability Coordinator

Business & Auxiliaries

Hi, Good Morning. My name is Nick Goodfellow. I'm a Pitt alum and a current [Pitt] Sustainability staff member. First, I want to thank you all for hosting these forums and for your continued engagement on this topic. I recognize that this is a very unique Committee and that not every issue or campaign gets the same opportunity to engage with our Board and senior leadership in this way.

So, I joined this effort as a student in 2014, because then we knew the horrific threat of climate change. Six years later, that threat is even greater -- and we are dangerously close to reaching tipping points that will forever disrupt the climate and our lives as we know it. And we see clearly that the industry will not make the necessary shifts by themselves.

My family (a lot of my family) lives in California -- and we've been having weekly Zoom calls during the pandemic since we haven't been able to see each other. I've been disturbed by how many of my family members have been so adversely affected by the wildfires there; just three nights ago, my grandmother had to check in to a hospital from continued irritation to her lungs and she might have to have an oxygen tank with for the rest of her life. So the impacts of climate change (besides rising sea levels) are happening here in America, in our backyards and into our families.

So, on campus I've worked as a sustainability staff member in several capacities for the last five years. In that time, my work has confirmed to me that large systemic changes make a much greater impact on the environment and economy and our communities than individual actions (such as using a reusable mug or composting food waste). I am very proud of the massive strides Pitt has made in sustainability in the last ten years. We have a great Sustainability Plan; engage students, faculty, and staff; are working on making the world a better place for everyone and have a commitment to carbon neutrality that I could not imagine five years ago.

I believe we must maintain this commitment to a better world and embrace it holistically, including in our Endowment investments. Divesting from fossil fuels matters. We cannot continue to invest in an industry that so threatens the future of ourselves and our loved ones and that works very hard

to resist the changes to energy production that we all know we need. Also, I just cannot imagine how fossil fuel investments are good financial decision these days. Despite even the federal government's best efforts, these industries are declining as investments in cheaper clean energy increase -- and the world understands the moral and ethical implications of continued fossil fuel use.

I urge you to consider the vast dangerous costs of continued investment in fossil fuels on our neighbors, our future, and the University's reputation as a global leader. I'm very proud to work at this University, on being alum, and Hail to Pitt.

11. Peter Trachtenberg

Associate Professor
Department of English

Thank you very much for (first off) for having me at this Forum -- and for hosting it in the first place, at a very critical time in our institution's history and in the history of the United States and the planet. My name is Peter Trachtenberg. I'm an Associate Professor in the English department. As a writer and a student of literature, I really have nothing to add about the devastation arising from the extraction processing and combustion of fossil fuels. Everything necessary in that regard has already been said by correspondence and physics, climate science, and biology. Though, I will add that with the ongoing conflagrations in the American West (I think it's five million acres in California, Washington and Oregon, almost a quarter of a million in Colorado where The Cameron Peak fire has forced evacuations in Estes Park and Boulder) – the devastation is no longer notional. It's no longer taking place in one of those unlucky countries that we can't place on the map -- and that in our imaginations are perpetually beset by the assaults of rogue nature: fires, floods, tsunamis, landslides. It's happening here in our country's last good places and we can't say that it's just nature.

Because this Board is charged with stewarding the material wellbeing of the University (and especially its financial wellbeing), I'll call attention to the fact that the fossil fuel industry is no longer the investment that it was. In June, analysts predicted that because of climate-related investment risks and the economic shut down to the coronavirus pandemic, the profits of coal, oil, and natural gas industries are set to fall by \$25 trillion. Why is this institution holding on to an investment that's going to lose \$25 trillion in value? Why isn't it getting out of fossil fuels, while the getting is good?

Now, maybe this fidelity reflects Pitt's location in a region that has traditionally been dependent on fossil fuel extraction. The coal whose soot once blackened the facade of the Cathedral of Learning, and forced the office workers Downtown to take an extra shirt to the workplace (to replace the one that would be filthy by midday) -- and natural gas that's so prized for burning clean, but the fracking of which dirties our waters. Maybe we cling to those fuels because they're so deeply lodged in the collective memory of these parts -- and because so many of our neighbors made their livings mining coal or drilling oil or fracking natural gas (good livings too). A lot of our students, a lot of our faculty, are children and grandchildren of those workers; so you could say that my paycheck also depends on fossil fuels (or a portion of it does). I place great value in traditions of work and am moved and disturbed by its disappearance in a virtual gig economy where workers are expected to slap up websites during the day and then drive Lyfts in the evening and shoot out paid tweets in the time in between. But, I would say to people who work in the oil and gas industries, what I would say to people who grow opium in Afghanistan is that this is an industry that is impacting and destroying the lives of millions of people -- and we cannot abet it or have any part in it. Thank you.

12. Anaïs Peterson

Alum

Hi, I'm an Anaïs Peterson. I know two of you pretty well. I'm a [Pitt] alumni, graduated in April 2020 -- and I'm now working with Earthworks, a nonprofit. My work is focused on the petrochemical industry in the Permian [Basin] and Gulf Coast -- and connecting that to the devastation that's happening here in Southwestern Pennsylvania and the Ohio River Valley.

I wasn't planning on speaking -- and I think over my past four years of working on this issue, you all know very well the importance of it, the way that affects our communities, it affects me, it affects each of you, and the devastation it's brought to our communities. And I don't want to reemphasize that. But I think as an Alumni, after spending four years dedicating at least seven hours a week working on this issue (on top of being Executive Vice President of Student Government Board, on top of taking care of myself, on top of going to classes), this was what I focused on for four years -- and to see still to this day that the University has not divested is so disheartening to me as an alumni.

I know there are steps being taken. I know this is a process. But when we are seeing it is an issue that is no longer at our doorstep. This is not a climate catastrophe that is coming; it is a climate catastrophe that is here. It is a climate catastrophe when we cannot go outside in Pittsburgh and breathe our air. When fracking has ruined the water of people in Butler County -- and those are companies that Pitt is invested in. This is not something that we can keep putting down and saying bureaucracy will deal with it later. And as an alumni, I'm just so disappointed that we keep having to talk about these issues. There are no arguments to be made for keeping the investments.

We know that if we want to have any sort of sustainable future, we don't just need to reinvest in clean energy, we need to reinvest in our communities. We need to reinvest in the people that Pitt's investments have absolutely devastated. It is not the worker's fault that they are working in these extractive industries -- and Pitt needs to be there to support them and realize that your investments have done damage. Your investments have devastated our communities -- and it's time that Pitt takes responsibility and puts money into fixing our communities instead of devastating them.

Appendix I: Public Comments Received via Online Portal

Overview: 91 total participants submitted comments to the Ad Hoc Committee on Fossil Fuels relating the Committee's Charge. Of these comments, 77 were for divestment from fossil fuels, 11 were against divestment, and three (3) had no stance or their stance was unclear.

Constituencies: University of Pittsburgh students, faculty, staff, and alumni all provided public comments via the online portal:

- **26** students participated, all of which supported divesting from fossil fuels.
- **15** faculty members participated, 13 of which supported divesting from fossil fuels; 2 were against divesting.
- **9** staff members participated, 8 of whom supported divesting; 1 asked a question and did not register an opinion
- **22** alumni participated, 16 of whom supported divesting from fossil fuels. 4 were against divesting and the stance of 2 commenters was unclear.

External comments received were also received from 19 individuals, 14 of whom supported divesting from fossil fuels. Four (4) were against divesting and one (1) person's stance was unclear.

Comments: All comments provided to the Ad Hoc Committee on Fossil Fuels via its online portal are provided below, sorted by students, faculty, staff, alumni, and external parties. Comments are provided verbatim as submitted online. One reports and 14 letters were submitted as attachments with the public comments; these attachments are noted with their respective comment/ers and included here after all comments.

5.8. Undergraduate and Graduate Students

1. Gian Pablo Antonetti

Pitt always places an emphasis on students participating positively in the community, but has not stopped investments in ecologically damaging practices that shape our community directly and profoundly. There is a distinct double standard between the administration and the students - we are expected to be positive influences on the community, expected to follow Pitt's guidelines, and continue playing by the rules you've laid out for us, but Pitt is often run like a for-profit business that isn't held accountable for its impact - you're not truly a business, you're a school, and we're compensating you to be here. Our voice and opinions need to be taken into account during decision-making. Is Pitt a major source of money and economic growth in Pittsburgh? Absolutely. Is the work you do for medical research and other fields important? Absolutely. Is Pitt, as an institution, held to the same standard of behavior to which you expect students to adhere? Absolutely not. The expectation for Pitt is that it will be a leader, and currently it is lagging behind other institutions and organizations that have ceased funding for ecologically damaging practices. Please consider emphasizing environmentally sustainable methods of conducting your business in the future; the student body and the environment will be grateful.

2. **Joshua Ash**

PhD Candidate - GSPIA

The following report was prepared by the University of Pittsburgh Working Group on Investor Strategies and Human Rights. Please feel free to reach out to the group for further information, we can be reached by contacting Dr. Carey Treado at ctreado@pitt.edu or Joshua Ash at jra67@pitt.edu.

(Report Submitted)

3. **Brandon Brewster**

The students and community fully support divestment from fossil fuels and reinvestment in sustainable options. The evidence is undeniable that anthropogenic climate change is drastically changing our globe. As a University that prides itself on Public Health and the like we need to take immediate action and divest our large endowment from these industries that are harming our communities and planet. Enough stalling, the university produces documents like the Sustainability Plan and boasts about progress in this field, it's time we put our money where our mouth is and divest, as this is the most impactful thing we can do. Students, the Pitt community, and the world at large are tired of propping up a dying industry at the benefit of those at the top who have no regard for public health and well-being. It is time to be a leader, uphold Pitt's core values and divest from the fossil fuel industry.

4. **Sophie Browner**

Hello, I am a student at University of Pittsburgh and I believe that Pitt should divest its \$4.3 billion endowment from the Fossil Fuel industry. According to the Institute for Energy Economics and Financial Analysis, "Oil and gas sector went from 29% of the S&P 500 in 1980 to 5.3% in 2018, the lowest in more than 40 years." This alone shows how it is not a sustainable or wise choice to continue investing in the Fossil Fuel industry. On top of the economic benefit to divestment, Pitt could be a part of a global movement to fight climate change, and truly become a leader among Universities in doing so. Pitt's academics and extracurriculars have taught me a lot about climate change and how big of an IMMEDIATE threat it is to life on earth. We learn about these things in our classes, and Pitt even implements them with certain initiatives like composting, but you still refuse to take action where it counts the most: the fossil fuel industries. In my day-to-day life, I feel severe anxiety about global warming, and the impact on my future and my children's future that it will have. Please, do your part. Be the good guy here. It is your social, environmental, and fiscal responsibility. I also urge the endowment managers to consider community reinvestment and investing in clean, renewable forms of energy. As an anchor institution, Pitt has a responsibility to the community it exists within. It has been derelict in executing this responsibility, gentrifying Black and low-income neighborhoods and inadequately serving those it has displaced. It can right this wrong by reinvesting its divested capital in Community Development Financial Institutions. Thank you for reading this, and I hope you choose to listen to student voices. Sophie Browner

5. **Anna Coleman**

Divestment is the most meaningful climate action Pitt can take. It's not only about our emissions and waste. They aren't significant on the bigger scale. What is significant in the

unique position of Pitt in South Western Pennsylvania such that the decision to divest will have impacts on our surrounding region.

6. Isabel Damazo

Pitt should divest from all fossil fuels, as the University has a moral charge to stop supporting the willful destruction of our planet. Our collective future depends on making the switch to renewable energy, and Pitt should not be investing in any company or companies that continue to ignore the reality we live in and promote and produce fossil fuels.

7. Zachary Delaney

Co-Director - Student Office of Sustainability

Investments in fossil fuels (to me) are, functionally, a divestment from the life and prosperity of the people on this planet, in addition to the wildlife and other natural functions and features of the Earth. It is quite clear that the production of fossil fuels and their respective byproducts pose serious danger to our society. I use the word danger because the word risk comes with the connotation that there is still chance involved. I argue that we have passed the threshold of risk and have perpetuated and grown hazards to the entire planet. Our University invests in fossil fuels through our endowment, and even beyond we support the industry explicitly and implicitly through purchasing and distribution of single-use plastics, for example, as well as many other products that are derived from fossil fuels. Through our direct investments, and otherwise, we feed an industry that is known to contribute to air, water, and land pollution. We see mining-related pollution of selenium, arsenic, lead, mercury, iron, hydrogen sulfide, fracking related pollution includes many heavy metals, radioactive materials, organic and inorganic toxins known to cause skin, lung, bladder, liver, stomach, blood, and bone cancers. As a matter of fact, chemical pollution related to the extraction of fossil fuels, petrochemical plants, and otherwise related pollutions create areas with such long-term environmental damage, they become known as sacrifice zones. When regarding an environmental angle, we see a failure amongst industries to manage waste and pollution, protect and restore land and water, and fossil fuels consumption and production directly contributes to a changing climate. In a social lens, we see abuse of the rights to clean air and pure water, which in Pennsylvania are constitutional rights. I reference environmental and social factors in reference to the ESG Policy Statement. The University of Pittsburgh identified anthropogenic climate change as the “defining challenge of this generation.” “At the University of Pittsburgh, we view this [anthropogenic climate change] as a clear call to action. We can – and must – do more. Find new paths. Forge a better future.” My charge to the Committee is to do exactly what we said we would do when we announced Carbon Neutral 2037. Find new paths. Forge a better future. Wholly divest from fossil fuels, industries that perpetuate environmental racism and injustice, climate change, and the health endangerment of millions of global citizens. No, Pitt’s divestment will not automatically offset pollution or resolve climate change, but you cannot invest in an industry and derive profit without recognizing the consequences of said industry. Meet this moment with leaping bounds and strive for assets and investments that are regenerative instead of extractive. Divest. Thank you.

8. **Danny Doucette**

<<for your convenience, the following is a transcript of my comments at the Wednesday evening meeting>> Fossil fuel consumption is having a devastating impact, in our backyard and around the world. I can see from the resources submitted to this ad hoc committee that you've already been presented with convincing evidence that both extraction and industry disproportionately impact people of color in Pennsylvania. Likewise, it's becoming increasingly clear that we are at a tipping-point, where millions of our brothers and sisters in the developing world are seeing livelihoods destroyed by the warming climate. For me, I need only think about my second home, Mongolia, where the shifting climate is turning the green steppes of the world's 19th largest country into an uninhabitable desert. It's clear we need to do something. By "we" I mean every human, every organization, every company, and every government. So, what can Pitt do? I commend local efforts like the carbon neutrality pledge, supporting green transport, discouraging air travel, and investing in renewable energy. This institution has resources. Using those resources to decrease harm takes courage, and I'm proud of that. But where is that courage when it comes to the university's investing decisions? Let us not forget that the University of Pittsburgh is an institution of higher learning, deeply rooted in Western Pennsylvania as an education and research hub – not a Wall Street investment firm. The four-billion-dollar gift from alumni is described as a strategic resource. It should be used as such. Divestment is valuable because it sends an unequivocal message: this institution believes that anthropogenic climate change is real, that it is our fault, and that we are doing what we can to address it. This is a message that resonates with young people, with leading researchers, with alumni interested in making mindful donations, and with progressive community organizers – all of which Pitt needs to attract if it is to maintain its standing. Opposition to divestment, as laid out by Chancellor Gallagher and others, argues that unbridled investment of the endowment generates better returns, which pays for more scholarships. But let's dissect that logic. A tuition scholarship isn't real money. It's a promise that a student can pay less or nothing for their classes. The number of scholarships this university offers depends on how many unpaid seats it is willing to have in its classes. It is in fact a dishonest and pathetic sham to argue that returns from investment equals scholarships. Failing to divest from fossil fuels, in 2020, is nothing less than a failure of vision, leadership, and courage. If this ad hoc committee does not support divestment in the strongest terms, or if the board of trustees does not consequently enact a speedy and thorough divestment policy, it will be a generational shame. My mother taught me, when I was young, to stand for what I believe in. Even if it's unpopular, or if it isn't easy, or if it hurts. Ultimately, the University of Pittsburgh should divest from fossil fuels because it's the right thing to do. Not because it's a financially viable course of action, or because it will improve enrollment numbers, or because it will free up investments to target green and community investing. But because it is the right thing to do.

9. **Adam Hayes**

Pitt should absolutely not in any way shape or form make money off of fossil fuels. Pitt pretends it cares about sustainability but if Pitt makes money off of pollutant-heavy fossil fuels then that is clearly a lie. The future of the planet impacts the future of Pitt students, and investing in fossil fuels tells everyone that the University in Pittsburgh is interested in profit and nothing else.

10. **Malcolm Jardine**

Condensed Version: I am a graduate student with the Department of physics and I am submitting this comment to urge you to divest the University's \$4.3bn endowment from the fossil fuel industry immediately and reinvest it in local, community-based regenerative industries. As members of the Fossil Free Pitt Coalition have repeatedly pointed out, the endowment is currently an extremely opaque behemoth, with the only transparency coming from the Paradise Papers leaks. I demand more transparency from Pitt's endowment. The struggle for racial justice - in particular the movement for Black lives has emphasized the interconnectedness of struggles. In protest after protest, we see the link between Black health outcomes and the placement of fossil fuel infrastructure, polluting our air, water, and land. If the university believes that Black Lives Matter, I demand that this committee recognizes this link and makes recommendations for reinvestment that center it. Environmental Justice should be one of the core principles of the university's endowment, since fossil fuel extraction, production and use disproportionately affects Black, Indigenous, POC, low-income communities and countries in the Global South. I want to make clear that I DO NOT SUPPORT investing in these so-called green technologies or continuing to invest in fossil fuel companies that have pivoted a small part of their operations to cleaner alternatives, while continuing to extract and use fossil fuels. This practice is called greenwashing and I urge this committee to be cognizant of it and not fall prey to flashy marketing that masks the ugly truth and consequences. I want to draw attention to the blatant hypocrisy existing in the operation of Pitt's marketing departments' grandiose claims, the education imparted to its students, and the diametrically opposite profit-driven governance of the university's endowment. Studies by numerous analysts demonstrate that fossil fuel companies may be overvalued by as much as 40 to 60 percent. Financial analysts call this overvaluation the "carbon bubble" and explain that it could cause similar financial turmoil to previous overvaluations (like the 2007 "housing bubble") when it bursts. Divestment now could protect the endowment's assets in the future. For reinvestment, I urge the endowment managers to consider community reinvestment and investing in clean, renewable forms of energy. As an anchor institution, Pitt has a responsibility to the community it exists within. It has been derelict in executing this responsibility, gentrifying Black and low-income neighborhoods and inadequately serving those it has displaced. It can right this wrong by reinvesting its divested capital in local Community Development Financial Institutions. This will not only grow the endowment, but build community wealth in Pittsburgh neighborhoods, democratize workplaces, advance regenerative ecological economics, and drive social equity. Instead of forming more committees and engaging in more bureaucratic processes, it's time to listen to the overwhelming student and faculty consensus for divestment and quickly make concrete moves towards divestment and community reinvestment. Thank you for your time, Malcolm Jardine

11. **Emily Jolly**

Students at the University of Pittsburgh have been urging this Ad Hoc committee to divest from fossil fuels for years now, but the University continues to use bureaucratic processes like these as a stall tactic. While you continue to do this, black and indigenous people continue to lose their land and health due to fossil fuel extraction. In addition, western Pennsylvania continues to struggle to preserve its dwindling wildlife due to habitat loss. Pitt knows very well that renewable energy is where future technology is headed, yet refuses to divest from harmful energy sources for its own personal gain. We, as student activists, will absolutely not stand for

greenwashing investment in which you try to convince us that fossil fuel extraction has become "greener," nor will we stand for reinvestment for an industry that is known to pose a danger to our society and ecosystems. Do what's right by the school, by the city, and by the future of this nation by actually divesting from fossil fuel industries. I can warn you, along with many other activists, that things will only continue to get worse if you don't.

12. C K

Submitted two comments:

- The university needs to divest from fossil fuels in an effort to reach their carbon neutral goals by 2037. We don't have until 2037, even 2030 for that matter to wait to divest. We must do it now in addition to lowering tuition costs. This university nurtures indentured servitude and suicidal thoughts brought on by student loans. Stop raising tuition and other undergraduate fees, and if you keep doing this at least put that money towards renewable energy instead of athletic uniforms.
- DIVEST YOU PIECE OF TRASH UNIVERSITY

13. David Katz

I would like to see Pitt divest from fossil fuels and all companies that also invest in fossil fuels. I don't believe students should be the gatekeeper to what trades are approved. Though, we should have a say on what companies to never invest in.

14. John Latella

I think that divesting from the fossil fuel industry both sends an important message politically and financially that the University is supportive of phasing out fossil fuels. Action is usually only taken by companies when there is a financial incentive to do so, and for this reason, I fully support the push for the University of Pittsburgh to fully divest from fossil fuel industries and companies which are greatly contributing to climate change.

15. Emily Liu

I went to the University of Pittsburgh School of Pharmacy for both undergraduate and graduate school. There is only one right move. Let's move with science. Let's ban fossil fuels.

16. Alison Mahoney

I urge Pitt to immediately divest from any and all investment in the fossil fuel industry.

17. Riley McGrath

Divest from fossil fuels completely! Pitt needs to set an example as a sustainable university.

18. Kelly McQueston

DIVEST

19. Susan Peterson

Grad student, Dept of English

Thanks for the opportunity to address you all today. My name's Susan Peterson and I'm a grad student in the English department. I have a three year old daughter who may well live into the

22nd century. I moved to Squirrel Hill a year ago, but I used to be the sustainability director for an affordable housing nonprofit with 5,000-unit portfolio in Austin, Texas. My work in energy efficiency, water efficiency, and renewable energy was worth a million dollars annually to our organization. I've been thinking about how I'd approach my own former execs on the topic of fossil fuel divestment if we had had something like an endowment. I think it's clear to everyone here that the Pitt community overwhelmingly supports divestment -- and that fact surfaces in Pitt's Socially Responsible Investment Committee report. But I also think that the market supports divestment and it's a good moment to do it. I want to share a perspective from a [brief published by the Institute for Energy Economics and Financial Analysis](#) that demonstrates this. In 1980, the oil and gas sector claimed almost 30% of the S&P 500. By the end of 2019, it made up less than 5%. It's a much smaller task to reallocate 5% of an investment portfolio as opposed to 30%. What's more, it's also less painful to do when you acknowledge how poorly the sector has been performing. Over the last five years, all of the five largest oil & gas companies have lagged the S&P 500. ExxonMobil has performed worst of all. The S&P 500 has gone up 50% and ExxonMobil has fallen 30%. Put more memorably: The combined values of Exxon, Chevron and BP together are less than the value of Tesla. Those companies have lost more than half their value over the last 10 years and Tesla has grown 300-fold. I'm going to share this brief with you. From my perspective, investment from fossil fuels should be of serious concern to any long-term investor. You could invest in just about any other sector of the economy and do better. And Pitt should.

<https://ieefa.org/wp-content/uploads/2019/02/Divestment-Brief-February-2019.pdf>

20. Colin Pfeiffer

Pitt should lead by example and divest from fossil fuels. The climate crisis cannot be ignored and without strong leadership showing that divestment is possible, other organizations will not follow. This cannot be a situation where multiple players watch one another and wait for the first move to be made- action must be taken now

21. Heather Phillips

It is imperative that changes are made and that divestment happens. Do not let down your student body. Make the right choice. Thank you.

22. Daniel Pomper

Epsilon Eta Environmental Fraternity

Divest from fossil fuels or live through the consequences

To whom it may concern, The science is there. The public is quickly understanding the imminent threat of climate change. You have continued to blatantly ignore cold hard facts in favor of personal profit at the expense of the health and livelihood of the masses. Further, as an institution founded upon the pursuit of knowledge and integrity, you unabashedly contradict the same values you claim to represent. Shame on you. Divest from fossil fuels, fund green initiatives and green infrastructure. You cannot eat money, nor will it save you from the rising tides, or the floodwaters or heatwaves. You've been warned.

23. Jason Simmons

Epsilon Eta

No comment submitted

24. Rachel Vertucci

I commend Pitt's sustainable development goals. However, how can Pitt claim to be making progress towards being more environmentally responsible without divesting from fossil fuels? Divestment is integral to the reversal of climate change.

25. Caroline Weiss

I am in full support of divestment from fossil fuels and I hope that you consider the major benefits of divestment on climate change. Renewable energy is the future and it will be cost-effective in the long run. Please listen to myself and other students who desire a livable, clean future that will be advantageous to our planet, people, and economy.

26. Sarah Worthington

I am a student at the University of Pittsburgh and I am submitting this comment to urge you to divest the University's \$4.3bn endowment from the fossil fuel industry immediately and reinvest it in local, community-based regenerative industries. As members of the Fossil Free Pitt Coalition have repeatedly pointed out, the endowment is currently an extremely opaque behemoth, with the only transparency coming from the Paradise Papers leaks. I demand more transparency from Pitt's endowment. The struggle for racial justice - in particular the movement for Black lives has emphasized the interconnectedness of struggles. In protest after protest, we see the link between Black health outcomes and the placement of fossil fuel infrastructure, polluting our air, water, and land. If the university believes that Black Lives Matter, I demand that this committee recognizes this link and makes recommendations for reinvestment that center it. Environmental Justice should be one of the core principles of the university's endowment, since fossil fuel extraction, production and use disproportionately affects Black, Indigenous, POC, low-income communities and countries in the Global South. I want to make clear that I DO NOT SUPPORT investing in these so-called green technologies or continuing to invest in fossil fuel companies that have pivoted a small part of their operations to cleaner alternatives, while continuing to extract and use fossil fuels. This practice is called greenwashing and I urge this committee to be cognizant of it and not fall prey to flashy marketing that masks the ugly truth and consequences. I want to draw attention to the blatant hypocrisy existing in the operation of Pitt's marketing departments' grandiose claims, the education imparted to its students, and the diametrically opposite profit-driven governance of the university's endowment. Studies by numerous analysts demonstrate that fossil fuel companies may be overvalued by as much as 40 to 60 percent. Financial analysts call this overvaluation the "carbon bubble" and explain that it could cause similar financial turmoil to previous overvaluations (like the 2007 "housing bubble") when it bursts. Divestment now could protect the endowment's assets in the future. For reinvestment, I urge the endowment managers to consider community reinvestment and investing in clean, renewable forms of energy. As an anchor institution, Pitt has a responsibility to the community it exists within. It has been derelict in executing this responsibility, gentrifying Black and low-income neighborhoods and inadequately serving those it has displaced. It can right this wrong by

reinvesting its divested capital in local Community Development Financial Institutions. This will not only grow the endowment, but build community wealth in Pittsburgh neighborhoods, democratize workplaces, advance regenerative ecological economics, and drive social equity. Instead of forming more committees and engaging in more bureaucratic processes, it's time to listen to the overwhelming student and faculty consensus for divestment and quickly make concrete moves towards divestment and community reinvestment.

5.9. Faculty

27. Ward Allebach

Adjunct Faculty - Dept. of Geology and Environmental Sciences

In Science Magazine in 2018, Chancellor Gallagher recognized the reality of climate change and called out the president of the United States for pulling out of the Paris Climate Accord. As an academic institution, the University of Pittsburgh has a special responsibility. We are educating young people and preparing them to be responsible and productive members of our society. This must mean more than just churning out degrees and research papers. It must mean that we act on the reality that we see in front of us. It must mean that we do more than talk. We need to show our students and shout it to them - and to our faculty and to our staff – that we understand the seriousness of what's happening in the world (particularly climate change) and that we are acting: in their best interests; in the best interests of our Pittsburgh communities; and in the best interests of the world. This is what divestment means, and as people of good conscience, you must act. There is a 97% consensus among climate scientists who are actively publishing in peer-reviewed journals, which cannot be ignored any longer. The time for studying this is long over. If the reality of climate change does not bother you, then you should be thinking about it more, reading about it more, and listening to what climate scientists – and your own scientists at Pitt - have been saying now for decades. For the university to continue investing in fossil fuels sends a strong message that you're not sure if we should be worrying about climate change. And that is hardly a message that an academic institution should be sending. I teach four different classes here at the university that center around concepts of sustainability. I understand that economics is a big part of that equation, and that's one reason that you may be delaying this decision. But the time for action is too long overdue. Please divest. Sincerely, Ward Allebach

28. Tyler Bickford

Associate Professor of English; Chair, Senate Budget Policies Committee

I urge this committee to support divestment from fossil fuels. The moral case for ending Pitt's support for industries that accelerate the climate crisis is clear, and made more effectively by others. But we are not just dealing with a climate crisis. We are also dealing with a crisis in higher education, and in the economy more broadly. We should see clearly that these crises are intertwined, and the financialization of industries like higher education is a major factor in the environmental and economic problems we are all facing. University financial strategies that focus on maximizing endowment returns are presented as conservative efforts focused on long-term stability. But in fact the widespread imitation of the Yale endowment investment model in recent decades has been destructive to the stability of higher education. It encourages unsustainable, zero-sum rankings competitions; it redirects revenue from urgent needs to

indefinite futures without any calculation of the costs and benefits of doing do; and it subsumes our educational mission into the clearly destructive function of the financial industry. Higher education should not be an arm of finance. All of that is to say that the question of “whether non-financial constraints should be placed on investment holdings” should be a simple one. Asserting that there are higher priorities than investment returns should be profoundly simple—none of us would argue with that as individuals. But the fact that as an institution it takes seating a special committee to carefully study whether, in fact, we should be guided by higher priorities than investment returns is itself evidence that we’ve lost our way. Investing in fossil fuels is clearly indefensible. Your committee has a unique opportunity to help us start to right the ship, and to redirect the University of Pittsburgh onto a more sustainable path that puts our educational mission first.

29. Ayres Freitas

Associate Professor

Dietrich School of Arts and Sciences, Department of Physics and Astronomy

The University of Pittsburgh strives to educate future leaders that will shape our region and the world beyond. If our university aims to attract students that fit that mold, it needs to act as a leader itself. There is essentially no doubt in the scientific and financial communities that the future of our society will be free of fossil fuels as an energy source. The remaining questions are how fast and by what means we arrive at that goal and who bears responsibility for it. Pitt can demonstrate its leadership and be an example in how we invest our money for the sake of a future world that will be more equitable, more sustainable and fairer. A transparent and effective strategy for transitioning the university's endowment away from fossil fuel related industries in a timely manner must be part of such an approach. Our students recognize when we don't put our money where our mouth it, and the brightest and most enterprising students will choose their place of study accordingly.

30. Shanti Gamper-Rabindran

Associate Professor - GSPIA

Please see these two recently available reports, and please post to the resources website so that the Pitt community are informed about these reports. Links below. thanks!

https://www.intentionalendowments.org/financial_performance_of_sustainable_investing

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3501231

31. Michael Goodhart

Professor

I write to strongly urge the committee and the Board to divest Pitt from fossil fuels. It's not only the right thing to do, it's the financially prudent course. We've already seen the vulnerability of carbon-fuel companies during the pandemic, and as demand for renewables increases and prices fall, it's quite likely that investments in carbon-based energy lose value quickly -- and certain that they will be poor investments in the future. (It's worth noting that oil prices went negative early in the pandemic). The link between human activity and catastrophic climate change is scientifically certain, and as policy-makers are forced to

confront and act on this fact, their actions will only diminish the value and the security of carbon-energy investments. One argument I frequently hear against divestment is that many oil companies (BP is regularly cited) are making significant investments in renewable energy and that divestment will only hamper this effort. The argument is specious. Most of the investments made by Carbon Majors in renewable energy are purchases of smaller firms (whether with the intent to develop or shelve the technology). There is comparatively little R&D investment. Besides, the argument relies on the faulty reasoning that if Carbon Majors don't purchase and develop these smaller firms, no one will. Since that's obviously false, with demand for renewables rising, the argument collapses. For institutions of higher education, it's important to be on the side of science -- which, we must hope, is the side of history. what "controversy" there is around climate change has been manufactured by the Carbon Majors themselves and flogged by their political allies and campaign contribution recipients. To remain credible with our students, to protect our endowment, and to do our part in ensuring a livable future for ourselves and others globally, Pitt must divest.

32. Harry Hochheiser

Associate Professor - Department of Biomedical Informatics

Please see my comments in the attached file
(Letter Submitted)

33. Katherine Hornbostel

Assistant Professor

Committee on Fossil Fuels, Thank you for undertaking this critical task. I believe it is crucial that the University of Pittsburgh divest fully from fossil fuels as soon as possible. I am a climate change researcher with expertise in carbon capture technology. Based on many reputable reports in my field (from the Academy of Science & Medicine and others), it is clear that our nation needs to phase out fossil fuels within the next few decades if we want any change of preventing a devastating 2 degree increase in global temperature. By divesting from fossil fuels, the University of Pittsburgh will demonstrate leadership in protecting our planet and our society. We must lead the way in this movement so that other universities and companies will follow in our footsteps and do the same. I truly believe that we can make a significant difference if we act swiftly. Best, Dr. Hornbostel

34. Charlotte Johnson

Research Collection Coordinator - University Library System

The University, in its Endowment, should consider complete divestment from fossil fuels in existing and/or future investments to the fullest extent possible. Profit only lasts so long as there is a world to use it in. Thank you.

35. Karl Johnson

Professor

The use and development of fossil fuels is a highly charged topic. Passions run deep. However, the issue over investment in companies that are involved in the use and development of fossil fuels is a complicated one and is not something where passions should overrule thoughtful analysis. I believe that it is not appropriate to bring to invoke non-financial constraints based solely on passionate views with respect to fossil fuel-related investments for a variety of reasons. I strongly encourage investment decisions to be made on a foundation of thoughtful and careful analysis based on reliable and objective research rather than populist pressure for social change.

36. Lisa Nelson

Associate Professor

This effort represents a lack of understanding of the complexity of investments in fossil fuels and the consequences of divestment for many sectors in society. Worse, this effort is driven by an interest that is politically motivated but ill informed. As Stewards of the University, the Board needs to not bend to the political whims of the ill-informed.

37. Robert Nishikawa

(Letter Submitted)

38. Marianne Novy

Professor Emerita

Submitted two statements: An original and an amended copy
(Letters Submitted)

39. Mark Paterson

Please see my attached document, which has hyperlinks. Thank you for the opportunity to speak earlier and submit documents to this Committee.
(Letter Submitted)

40. Jayant Rajgopal

"Both Public Hearings will be transcribed and recorded to allow Committee members who cannot attend to the opportunity to hear and read comments received." I assume the rest of the university community will also be able to also watch a recording of these sessions? Could you please post a link or details on how we can do so (preferably on a university web-site that is commonly accessed by the university community)?

41. Suzanne Staggenborg
Professor

I strongly urge the University of Pittsburgh to divest all holdings in fossil fuels. Climate change is urgent and we must all do our part to drastically cut fossil fuel emissions. Pitt should lead by example even if there are financial costs to doing so.

5.10. Staff

42. Maria Castello

I believe the University should completely divest from fossil fuels in existing and/or future investments in its Endowment, for the good of all people (especially young people) and for the good of the environment.

43. Abigail Chen

I encourage the Committee to consider the short and long-term effects of the effects of continued reliance of funds from fossil fuel investments. Investing in fossil fuels promotes their use, and with it, the pollution and adverse health effects that affect university affiliates and the wider community. Also, fossil fuels are no longer the only option for energy use and investment. Wind, solar, geothermal, and other renewable energy sources have less harmful effects on the environment and public health, while also providing growing options for investments. With this in mind, I recommend divesting from fossil fuels, and diversifying the university's portfolio to include renewable energy sources.

44. Kate Fissell

As a staff member at the University of Pittsburgh for over 20 years, I care about its values and I care about it striving for the highest levels of integrity and competence in carrying out its mission. I welcome this opportunity to register my concern that continuing to support and to gain wealth from fossil fuel companies by including them in the University's endowment portfolio is an affront to its values, integrity, and competence. I urge the Board of Trustees to constrain the University endowment holdings so as to exclude investments in fossil fuels. Implicit in the University's mission of providing superior educational programs is a University value to respect and support the communities served by those programs. As the University's Neighborhood Commitments program puts it: "When we combine the community's agendas and wisdom with the University's assets and resources, we can make a difference." The damage caused by CO₂ pollution is extensive and rapidly becoming irreparable. The burdens of this damage are not distributed fairly, as can be seen locally in the siting of industrial facilities and globally in the flooding and droughts in developing countries who emitted relatively smaller amounts of CO₂ pollution. The University's mission to "advance learning through the extension of the frontiers of knowledge" is clearly constrained by ethical values, one example being guidelines for human subject research. If a scientist cannot pursue knowledge by harming human subjects, equally a trustee should not be able to pursue financial gain by harming human communities and the ecosystems they depend on. The fundamental values of the University need to pertain to all aspects of its operation, including financial decisions. The reality of anthropogenic climate change was first scientifically hypothesized over 100 years ago, modern scientific findings were presented to the US congress over 30 years ago, and nearly unanimous international agreement on addressing the climate crisis was

achieved at the Paris accords five years ago. This is not a fad and it is not a special interest group concern. The work and research of the University's own faculty, staff, and students across multiple departments contributes to a growing body of knowledge about the causes, ramifications, and potential mitigation of the climate crisis. To act with integrity the University needs to support these findings by allowing them to inform its policies, financially and elsewhere. These are complex issues. An orderly adjustment of the endowment portfolio needs to be planned and reinvestment decisions need to be made. An understanding of the significant role coal and natural gas has played for workers in Western Pennsylvania needs to be appreciated. A tolerance for paradox and incremental progress needs to be maintained: yes, the University can upgrade a garage for gasoline cars at the same time it is divesting from gasoline companies if its moral compass is strong. I hope the university does not choose to avoid these issues or opt for simplistic thinking. Rather, the University can leverage the competencies it has in so many key areas in this discussion to rise to the occasion and truly take a leadership role in addressing the climate crisis.

45. **Samantha Ford**

Sustainability Projects Coordinator

Pitt is a great institution that constantly pushes the boundaries of science and rallies under the call to “Forge Ahead”. I believe to truly be an innovative institution we need to lead with the goal of protecting vulnerable populations and creating/investing in science that will help our students and future generations. I do not claim to know if divestment is truly the answer, but I urge this committee to investigate what it would mean to move away from the outdated technologies of fossil fuels towards regenerative practices. I would like to submit the following resources for the committee’s consideration and ask you- what future do we want Pitt to be known for forging?

<https://www.nature.com/articles/s41560-019-0425-z>

<https://www.sciencedirect.com/science/article/abs/pii/S026499931630709X>

<https://www.marketwatch.com/story/coronavirus-will-realign-investors-priorities-toward-a-new-normal-of-sustainability-2020-03-20>

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5800116/>

<https://www.ucsus.org/resources/hidden-costs-fossil-fuels>

<https://www.theatlantic.com/politics/archive/2018/02/the-trump-administration-finds-that-environmental-racism-is-real/554315/>

Below is my summary with references of recent research that I think the committee should be aware of when deliberating:

- In Pittsburgh, a recent study of children in eight school districts located near significant sources of air pollution emissions, such as the U.S. Steel Clairton Coke Works, NRG’s Cheswick power plant and Braddock’s Edgar Thomson Steel Works demonstrated the adverse health effects associated with exposure. The 1,207 children who participated exhibited an asthma prevalence of 22.5 percent (Gentile et al, 2018).
- As of 2018, the national asthma rate reported for children was 7.5 percent, placing some of Pittsburgh school’s child asthma rates three times higher than the national average, indicating a significant health burden caused by local air pollution (CDC, 2020).

- During the study’s monitoring period almost 71 percent of participants were exposed to levels of outdoor air pollution that were above the threshold set by the WHO for particulate matter (PM). Children in schools exposed to the highest levels of PM from industrial sources were 1.6 times more likely to be diagnosed with asthma than children in other districts (Gentile et al., 2017).
- The childhood asthma rate for all of Allegheny County is 11% which is still higher than the national average (Jones et al., 2020).
- Black individuals are 1.54 times more likely to be exposed to particulate matter of 2.5 micrometers in diameter or less than the rest of the population, regardless of their social economic status (Mikati et al., 2018). This means that black individuals are exposed to 54% higher rates of particulate pollution than the general populations, as they are more likely to live in communities that are located near highways, refineries, airports, and other sources of air pollution (Mikati et al., 2018).
- This is not only true for particulate matter. Nationally minorities are exposed to residential outdoor nitrogen dioxide (NO₂) concentrations that are 38% higher than the white majority’s exposure. This inequity existed even when income levels were controlled. Prolonged exposure to NO₂ levels has the potential to have significant public health impacts on black communities (Clark et al., 2014).
- Another study showed that black communities are disproportionately exposed to toxic air pollution generated from the fossil fuel industry and bear the burden of production, as they on average breathe 56% more pollution than they themselves create (Mikati et al., 2018).
- One can clearly see the impact of the fossil fuel industry in Pittsburgh when viewing the disparities in childhood asthma; as of 2017 black children under five years old were four times more likely to be hospitalized than white asthmatic children. With a rate of 29.1 hospitalizations per 10,000 black children under five which exceeds the Healthy People 2020 goal of 18.2 per 10,000 one can see the impact poor air quality is having on minority communities in Pittsburgh (Jones et al., 2020). References Clark, L. P., Millet, D. B., & Marshall, J. D. (2014).
- National patterns in environmental injustice and inequality:
 - outdoor NO₂ air pollution in the United States. PloS one, 9(4), e94431. Gentile, D. A., Sossong, N., Morphew, T., Presto, A., & Elliott, J. (2017).
 - Impact of Environmental Factors on Recurrent Asthma Exacerbations among Inner-City Schoolchildren from the Pittsburgh Region. Journal of Allergy and Clinical Immunology, 139(2). doi:10.1016/j.jaci.2016.12.070 Gentile, D. A., Presto, A., Morphew, T., Sossong, N. L., Dewhirst, P. E., & Elliott, J. P. (2018).
 - Effect of Outdoor Air Pollution (OAP) on Pediatric Asthma Outcomes in Pittsburgh. Journal of Allergy and Clinical Immunology, 141(2). doi:10.1016/j.jaci.2017.12.616 Jones, L., Feldmiller, J., & Selker, K. (2020, February).
 - 2019 Asthma Task Force Report. Retrieved August 1, 2020, from https://www.alleghenycounty.us/uploadedFiles/Allegheny_Home/Health_Department/Programs/Air_Quality/2019-asthma-task-force-report.pdf Mikati, I., Benson, A. F., Luben, T. J., Sacks, J. D., & Richmond-Bryant, J. (2018).
 - Disparities in distribution of particulate matter emission sources by race and poverty status. American journal of public health, 108(4), 480-485.

46. Rachelle Haynik

Research Coordinator – Center on Race and Social Problems - School of Social Work

As a double alumna and current staff member, I am writing to insist that Pitt divest its endowment from all fossil fuels and other industries that threaten the continued health of the planet. If we want Pitt to exist in another 225 years we must be a leader in protecting the environment. The health of the environment is another necessary battleground in Pitt's commitment to racial equity given that Black communities are inequitably exposed to environmental toxins and contaminants. By divesting from fossil fuels, Pitt can once again be on the right(er) side of history.

47. Karsen Shoger

Research Technician

Please completely divest from fossil fuels.

48. Briar Somerville

Academic Coordinator, Languages & Classics - Dietrich School of Arts & Sciences

Please divest from fossil fuels as quickly as possible, and make sure Pitt lands on the right side of history. Climate change is a serious and time-sensitive issue. Thank you in advance for anything you can do to expedite this process.

49. Kevin Stiles

Pitt Leasing and Real Estate

Will the small gasoline and diesel vehicles used by Pitt Grounds Crew be replaced with electric versions?

50. Keilah Vidal

I am a _____ (student/faculty/staff/community member) from _____ (location/school/organization) and I am submitting this comment to urge you to divest the University's \$4.3bn endowment from the fossil fuel industry immediately and reinvest it in local, community-based regenerative industries. This committee is charged with providing options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments. As members of the Fossil Free Pitt Coalition have repeatedly pointed out, the endowment is currently an extremely opaque behemoth, with the only transparency coming from the Paradise Papers leaks. If there was more transparency in the management of such a large amount of capital, we could more clearly see the university's prioritization of its financial affairs in contrast to its stated values, mission and goals. Managing \$4.3bn is political, and to pretend that you can just follow market forces to a profitable conclusion betrays a poor understanding of politics, economics, and the future of our world. The struggle for racial justice - in particular the movement for Black lives has emphasized the interconnectedness of struggles. Again and again we see the link between Black health outcomes and the placement of fossil fuel infrastructure, polluting our air, water, and land. If the university believes Black Lives Matter, its investments in the fossil fuel industry ignores the reality that Black people nationally are exposed to 1.54

times more air pollution than white people, the counties most likely to be impacted by natural disasters have an average population that is 81% minority, and according to the NAACP, race is the number one indicator for the placement of toxic facilities in this country. Racial justice goes beyond inviting speakers to talk at webinars - the university must follow it up with strong action - starting with divesting from fossil fuels. I also want to highlight the disproportionate impact of fossil fuel extraction, production and use on Indigenous communities and countries in the Global South. As developed countries use a significant share of the energy produced, the countries in the Global South and coastline communities experience the disastrous effects of climate change, with unpredictable natural disasters that are exacerbated by continued wanton fossil fuel use. Environmental Justice should be one of the core principles of the university's endowment, ensuring that the slanted economic and political systems do not enjoy uncritical support through investments of large sums of capital. When members of FFPC presented the case for complete divestment from fossil fuels and reinvestment in regenerative community initiatives, they were met with several questions about investing in so-called 'green' technologies that make the extraction and use of fossil fuels marginally safer. I want to make clear that I DO NOT SUPPORT investing in these so-called green technologies or continuing to invest in fossil fuel companies that have pivoted a small part of their operations to cleaner alternatives, while continuing to extract and use fossil fuels. This practice is called greenwashing and I urge this committee to be cognizant of it and not fall prey to flashy marketing that masks the ugly truth and consequences. As mentioned in the IPCC Special Report on Global Warming of 1.5°C approved by governments, "Allowing the global temperature to temporarily exceed or 'overshoot' 1.5°C would mean a greater reliance on techniques that remove CO₂ from the air to return global temperature to below 1.5°C by 2100. The effectiveness of such techniques are unproven at large scale and some may carry significant risks for sustainable development." The risks far outweigh the marginal short-term gains from investing in these life-threatening industries. I want to draw attention to the blatant hypocrisy existing in the operation of Pitt's marketing departments, the education imparted to its students, and the governance of the university's endowment. While on the one hand, Pitt touts itself as a sustainability leader and teaches a robust environmental curriculum highlighting the dangers of a fast-warming Earth exacerbated by fossil fuel use, it recklessly enables the operation of those same industries by uncritically following the profits with its endowment. Not only is investing in the fossil fuel industry morally reckless, it is also extremely risky financially. Studies by numerous analysts, including the London School of Economics, the Aperio Group, HSBC, and Impact Asset Management, demonstrate that fossil fuel companies may be overvalued by as much as 40 to 60 percent. Financial analysts call this overvaluation the "carbon bubble" and explain that it could cause similar financial turmoil to previous overvaluations (like the 2007 "housing bubble") when it bursts. Divestment now could protect the endowment's assets in the future. As the university considers divestment, it is equally important to look at avenues for reinvestment. For this, I urge the endowment managers to consider community reinvestment and investing in clean, renewable forms of energy. As an anchor institution, Pitt has a responsibility to the community it exists within. It has been derelict in executing this responsibility, gentrifying Black and low-income neighborhoods and inadequately serving those it has displaced. It can right this wrong by reinvesting its divested capital in Community Development Financial Institutions. This will build community wealth in Pittsburgh neighborhoods, democratize workplaces, advance regenerative ecological economics, and drive social equity. Pitt is already late to the game

when it comes to divestment. More than 1,110 institutions with over \$11 trillion in assets have committed to divesting from fossil fuels. There are many roadmaps that could be followed. Instead of being a leader, Pitt is lagging behind many educational institutions that have divested their endowments from this toxic and dangerous industry and reinvested in their communities and in funds that exclude fossil fuel companies. Instead of forming more committees and engaging in more bureaucratic processes, it's time to listen to the overwhelming student and faculty consensus for divestment and quickly make concrete moves towards community reinvestment.

5.11. Alumni

51. Linda Backo

Self Employed

Nuclear Energy has a compact footprint for the amount of power it can produce on a level, consistent basis - reconsider it for baseline energy. To completely eliminate "fossil fuels" there are many by-products that would then need to find a new material source for manufacture - check out the link <https://www.coga.org/factsheets/everyday-products-uses>

52. Barbara Brandom

(retired from Children's Hospital of Pittsburgh)

See attached. Thank you for this opportunity to express my strong opinions. Attached are my arguments and suggestions with references to some of the work of researchers outside Pitt.
(Letter Submitted)

53. Natasha Calabria

Development Assistant - Independence Historical Trust

As a graduate of the University of Pittsburgh, I am writing to support Fossil Free Pitt's demand to divest from fossil fuel holdings in the University endowment. Climate change is the single greatest threat to the health of our communities, natural and cultural heritage resources, and our planet. I do not believe that the University should support or profit from industries that have lobbied to slow or stall a transition to a green economy. An economy, which will provide numerous job opportunities for new and developing fields. This is an important action for the University to take that will support jobs in sustainable industries and a livable future for graduates.

54. Robert Campion

My name is Robert Campion, a recent graduate of the University of Pittsburgh. As a former student and alum, I am again, as I did as a student, calling on the University to divest their endowment money in the fossil fuel industry, as it is a testament to the blatant hypocrisy of the university claiming to be a sustainable university or having sustainable goals in mind. The university should divest immediately. As an alum, I will not be affording the university any alumni donations, involvement, and will continue to share the university's complacency in the climate change crisis that faces our world until the university does divest, as I know so will many other alumni.

55. Christopher Connell

My name is Chris Connell and I am an alumnus of University of Pittsburgh. I am submitting this comment urging the university to divest the \$4 billion endowment from the fossil fuel industry and reinvest in local and community-based regenerative industries. The Board of Trustees is in a position to impact the future of our planet and the health of our communities, and divesting from fossil fuels shows that there is a real commitment to honor this. Not only that, but reinvestment into clean energy needs to be implemented. Renewable energy is not only beneficial to the planet and to public health, but it is a lucrative investment that will pay dividends in the future.

56. Annie Deely

I demand that Pitt DIVEST from fossil fuels. Divestment is imperative for the future of the university, its students, and the city. I fear for my future and that I will have to leave my home because of climate-related disaster due to the fossil fuel economy. Pitt should be fighting for young people's futures, not poisoning them. Thank you Ann E Deely adeely2015@gmail.com

57. MJ Flott

Investing in fossil fuels is directly against the interests of the students at Pitt who are being matriculated into a world facing claim the disaster. Divest from fossil fuels to increase these students chances of being able to use their Pitt education to improve the world for generations to come.

58. Amy Greek

Fossil fuel funds are a bad look. Invest in clean energy instead, and support the future of the university and students without killing the planet.

59. Avocet Greenwell

As a recent Pitt graduate, and one graduated with a certificate in sustainability, nothing would make me more proud of this institution than to see it pave the way in divesting from fossil fuels, charting the path to a more resilient and sustainable future. I urge the Committee to strongly consider the comprehensive benefits to such a divestment, for our planet and for generations to come.

60. Matthew Haas

I am completely against the divestment from oil and gas companies. As an alumni I am deeply disappointed to hear this is even being considered as it sounds like very little research went into actually studying and understanding the nuances involved in the hydrocarbon / energy consumption / climate change relationship. If the university does decide to divest from fossil fuels then it had better divest from every company that uses fossil fuels along their production stream. Not doing this would be extremely hypocritical. If the university chooses to remain invested in fossil fuel companies it will show me that more complex solutions are being considered against very complex issues and I will begin donating to the university again. Pulling investments out these companies (who are also spending billions to fix climate change) is such a simplistic, knee-jerk response rather than actually understanding and fixing the problem.

61. David M. Kitch
(Letter Submitted)

62. Christie Lawry
Director - Pittsburgh Ultimate

As a graduate of the University of Pittsburgh who majored in Environmental Studies, I am writing to support Fossil Free Pitt's demand to divest from fossil fuel holdings in the University endowment. Climate change is a major threat to the health of our planet. I believe that the University should NOT support or profit from industries that have lobbied to slow or stall a transition to a green economy. This is important! It will support jobs in sustainable industries and a livable future for current, past, and future students.

63. Katelyn Morris
Counsel - East Management Services
(Letter Submitted)

64. Taiji Nelson
Sunrise Movement

As a University of Pittsburgh Graduate who majored in Environmental Studies, I'm writing in support of Fossil Free Pitt in their request for endowment divestment from fossil fuel corporations. I believe that climate change is the single biggest threat to our futures, and that Pitt should not support, nor profit from, industries that contribute to the climate crisis.

65. Tom R. Pike
When I was a student at Carnegie Mellon, I took two classes at the University of Pittsburgh, my mother's alma mater. I have spent the last nine years in California, where the UC system recently divested from fossil fuels on purely economic grounds. Climate science tells us we must stop burning fossil fuels immediately, so a world where they are a smart investment is not a livable planet for long. So there is no world in which they are a smart investment. Dollars cannot be spent on a dead planet. Either fossil fuels are on their way out, in which case investing in them is a poor decision... Or they are not on their way out, in which case, we are. <https://www.latimes.com/california/story/2020-05-19/uc-fossil-fuel-divest-climate-change> As a member of the U Pitt community, I call on the University to show leadership. It is time to stop profiting from the destruction of the world you are preparing your students to enter. Investing in fossil fuels is incompatible with your mission, and incompatible with continued human habitation on Earth.

66. Prem Rajgopal
Organizing Fellow - Center for Coalfield Justice

I urge the board of trustees to vote to divest from fossil fuels in entirety. Through work I have seen how industry ravages communities and our planet cannot afford to be continually

destroyed through the greed of such a predatory industry. I believe divestment aligns with both financial and moral goals that the University of Pittsburgh espouses. Divest now!

67. Samuel Ressin

I am strongly in favor of efforts to divest from fossil fuels. We cannot continue to financially support an industry that seeks to disrupt our life-supporting planetary systems by releasing dangerous amounts of greenhouse gases into the atmosphere. I urge the University to listen to the student-led Fossil Free Pitt Coalition and follow their demands.

68. Jennifer Schnakenberg

I'm writing to respectfully request that the University of Pittsburgh divest from fossil fuels. Universities need to be in the forefront of the science-based fight to mitigate climate change.

69. Daniel Spagnolo

Computational Biologist

I received my PhD from Pitt's School of Medicine in 2018. I currently live and work in Pittsburgh, and my presence and participation in the scientific community reflects upon the reputation of the University of Pittsburgh as one of its many alumni. I understand and recognize the goal of the University of Pittsburgh to maximize their endowment for the betterment of the University - to generate funds that can be used to hire top notch faculty and staff, build and improve newer/better facilities, and provide financial aid to their students, whilst being financially solvent. In your words, the University's endowment is used "to carry out its education and research mission now, and into the future." This mission seeks to train Pitt's alumni to be more educated, well-rounded, and equipped to build a better future. However, maximizing the endowment cannot be the only factor. It must be balanced with controls for ethical navigation of the investment landscape, the goal of investing in our future as a planet, and reducing any other negative externalities that could be brought about by the endowment's investment strategy. We must hold ourselves to a higher standard to see the change we hope for in the world. Climate and environmental scientists are telling us that our time is running out - we must act now to prevent irreversible damage to our planet. I will not belabor upon the science of global warming as this ground has already been well-trodden with decades of research. Instead I will get to the point: to invest in industries, such as the fossil-fuel industry, that destroy our planet and will make it uninhabitable to future generations, is deeply unethical and morally reprehensible. In my personal financial plans, I include a budget for giving. This includes money for direct distribution of funds to the community, GoFundMe fundraisers, mutual aid projects and organizations, non-profits donations, etc. While I am waiting until after my student loans are paid in full, this budget would also include donations to the universities that have educated and trained me in my career path. But again I will be frank here: I will not donate to the endowment of the University of Pittsburgh unless it is divested from fossil fuel assets. I cannot justify contributing to the wealth of the fossil fuel industry, while they destroy our planet with impunity. For the sake of my niece and nephews, I cannot pass onto them a planet that is doomed to be uninhabitable in the foreseeable future. The stakes are extremely high, literally life and death. Aside from the moral implications, fossil fuel investment can also be a bad financial decision for the University of Pittsburgh. Many others like myself who would otherwise donate to the endowment may withhold these donations according to their personal

moral compass. Additionally, fossil fuels are not a stable long-term investment as they once have been; the future is in green power - wind, solar, hydro, nuclear, etc. - while fossil fuel is a stubborn holdover from a time with different needs. With the growing number of fossil-free mutual funds that are financially sustainable, there is literally no reason to not divest. I urge the University to consider fossil fuel divestment.

(Letter Submitted)

70. Joseph Topper

The University of Pittsburgh needs to commit to the future of a cleaner climate and divest the investments in fossil fuel corporations. During my time at Pitt, I witnessed the administration show a lack of empathy and transparency with both faculty and students, and it is clear that the only thing that matters to them is getting wealthier and protecting their image. Shame on this “global leader” of a university. We have among the most expensive in-state tuition in the country, for what? All of our money is going to the top and being given to greedy oil and gas companies.

71. Mary Jo White

Former Pennsylvania Senator and former Commonwealth Trustee

This comment was prepared on November 11, 2020 by Senator Mary Jo White - PITT Alumni
(Letter Submitted)

72. Sharon Yeager

In 2013, Pitt completed its most successful capital campaign, convincing thousands of donors to contribute \$2 billion to "build our future." However, if you invest donor contributions in industries and operations that cause loss of coastal land, human climate migration, and other needless planet damage - how does that honor donor intent? What future is that building? Pitt is right to focus on the building the future, but that means investing in research and new ways to power our economy that are better than burning carbon-based fuels and creating continued air and water pollution. Institutional investors have even more influence than government regulators because they hold the checkbooks. Pitt and peers need to speak up so that corporations and their shareholders see that there is real value in investing in R&D and moving forward instead of fighting tooth-and-nail to stay in a flawed past. Sharon B. Yeager CAS '88

5.12. External Interested Parties

73. John Blau

Sunrise Movement Pittsburgh

My name is John Blau, and I moved to Pittsburgh in January of this year, 2020. Even before I moved here and got to talk with the people in our communities, I heard a lot of stories about Pittsburgh. Those stories-- about the namesake of this great University, always touch on one aspect of life: the air quality, and water pollution in our community, caused by fossil fuels. From countless colleagues, neighbors, and online recommendation boards I've heard: - "Live in these neighborhoods-- they're the ones without cancer in the water" - "I need to take medication on the days the factories burn the most" -"The low-income communities are the ones worst afflicted, because those folks are trapped." For this to be the story of Pittsburgh--

the story that I knew even before I stepped foot on our city-- is off-putting at best, and a sad reflection of our priorities at the worst.

74. Chelsea Burket

Sunrise Movement Pittsburgh

Colleges and universities are fortunate enough to have a huge ability to affect change. Climate change is one of the greatest threats faced by our community, our country, and our planet. Please consider using your power to be part of the solution by divesting in fossil fuels.

75. David Callahan

(Letter Submitted)

76. Kyle Carson

It is disheartening, in light of the apparent climate crisis we are in the throes of, that an institution like Pitt would support the very industries that have perpetrated it. Pitt's interests should lie in renewable resources, clean energy, and divesting themselves from fossil fuels. Our reliance on these "scarce" pollutants is holding us back as a society, and is positioned to irreversibly cripple our planet.

77. Alexandra Dobell

Clean Water Action

Hello, I am a community member from Point Breeze. I really urge the divestment of the University's endowment from the fossil fuel industry. It should be reinvested into our local, community-based regenerative industries. This system needs to be more transparent! And we do not benefit from any kind of greenwashing, we need substantial and DEEP changes. Fossil fuels are not a good financial investment right now. We need to invest in the future of our planet and quickly!

78. Jeffrey Eshelman

Senior Vice President, Operations & Public Affairs
Independent Petroleum Association of America

To the Ad-Hoc Committee on Fossil Fuels of the Board of Trustees of the University of Pittsburgh, we appreciate the opportunity to share with you important resources to guide the Trustees' conversations regarding the fossil fuel investments.

(Letter Submitted)

79. Catherine Gammon

As a former full time faculty and occasional adjunct, as a resident of Pittsburgh and a living being on the planet, I urge you, for the sake of the biosphere that supports us all, to do everything possible as quickly as possible to divest Pitt from any and all engagement in fossil fuel related and supportive industries, whether extraction, transporting, refining, or financing. Thank you very much, Catherine Gammon 947 Lilac Street Pittsburgh PA 15217

80. Gillian Graber

Executive Director - Protect PT

No comment submitted.

81. Claire Hughes

Sunrise Movement PGH

I'm writing to support Fossil Free Pitt, and Pitt needs to immediately divest from fossil fuels. Fossil fuels hurt everyone while specifically targeting the most marginalized people in a community. They endanger the environment, therefore and will soon and inevitably lead to the destruction of a habitable earth. I urge you to follow Fossil Free Pitt's lead.

82. Mackenzie Kimmel

Sunrise Movement

Hello! I'm a Pittsburgh resident and climate activist who has worked with Pitt as a freelancer for years. Our community -- and the entire world -- look to our academic institutions to be leaders in the world, demonstrating through their actions the consequence of living an informed, just life, and trusting deeply in the veracity of conclusive scientific findings. Climate science has shown us that continuing to rely on fossil fuels will have catastrophic impacts for all life on earth. Any institution that claims intellectual authority and credibility -- as universities should -- must adhere to the highest possible standard, including divesting from fossil fuel. If our institutions of higher learning cannot muster the courage to show us that a better world -- one where we trust scientists and let their findings guide our progress-- is possible, who on earth will?

83. Sage Krombolz

Product manager - DDI

Divest!!!

84. Amos Levy

YMCA Lighthouse

As a community arts educator with the Homewood YMCA, I want to urge Pitt to divest from fossil fuels with destroy our planet and create unsustainable jobs. The impacts of fossil fuels most adversely impact poor communities, like Homewood, who do not have the resources to insulate themselves from extreme weather, pollution, and the resulting economic instability. At the YMCA we are working with Pitt's Community Engagement Center. If Pitt truly wants to be a good neighbor to the most vulnerable Pittsburghers, the board should divest from fossil fuels as soon as possible.

85. Jeff Nobers
Executive Director - Pittsburgh Works Together

Thank you for the opportunity to submit these comments.
(Letter Submitted)

86. Michael Pisano
Sunrise Movement

Hello! I'm a freelancer who works with Pitt every day. I strongly encourage the university to look ahead to a better future, and to lead where other institutions will not: divest from fossil fuels. It is incredibly important to our region to develop a strong, 21st-century economy. We cannot do this while supporting dangerous, detrimental practices in our region. Thank you.

87. Elise Silvestri
Sunrise Movement

Divest from fossil fuels! There's no better time to make a change. Make a statement and stop investing in industry that introduces doubt about climate science and poisons our air.

88. David Spigelmyer
President - Marcellus Shale Coalition

Attached please find the Marcellus Shale Coalition's comments on "options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments." Dave Spigelmyer
(Letter Submitted)

89. Jay Walker
Chair - Green Party of Allegheny County

The students of the University of Pittsburgh have made it very clear how they stand on divestment from fossil fuels. Please listen to them because they are a key constituent of the university.

90. Michael Whitfield
I strongly support the University of Pittsburgh divesting from the fossil fuel industry. I believe it is the University of Pittsburgh's obligation to do what is good for the community at large and act as a leader moving forward helping to create a better, more sustainable future.

91. Peter J. Wray
Member - Steering Committee - 350 Pittsburgh
(Letter Submitted)

**Report
of the
University of Pittsburgh's
Working Group on Investor Strategies and Human Rights**

Addressing the

**Ad Hoc Committee on Fossil Fuels
of the Board of Trustees**

&

**Board of Trustees
Investment Committee**

November 12, 2020

Working Group Members

Joshua Ash, Doctoral Candidate, GSPIA
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Ben Saint-Onge, MPA Candidate, GSPIA
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Introduction

As you know, the Ad Hoc Fossil Fuel Committee (hereafter referred to as the “Committee”) was charged with assessing whether, to what extent, and via what methods the University should consider divestment from fossil fuels in existing and/or future endowment investments. The Committee has a variety of helpful resources to inform its opinion on this matter, including the 2018 Report of the University of Pittsburgh’s Socially Responsible Investment Committee, testimony from students and faculty, and external resources provided by Fossil Free Pitt. The University of Pittsburgh Working Group on Investor Strategies and Human Rights (hereafter referred to as the “ISHR Working Group”) considers these resources to be valuable and informative sources of information and supports their consideration by the Committee. .

In furtherance of the resources named above, the ISHR Working Group offers this report, which summarizes its relevant research in the broader category of socially responsible investing (SRI) in academia (including but not limited to divestment from fossil fuel industries), applicable analysis of the University’s policies, and recommendations for a desirable and effective SRI policy.

I. Background

The 2018 Report by the SRI Committee (hereafter referred to as the “Report”) provides an important background on a variety of pertinent components of SRI investing, including the legal feasibility of non-financial constraints on the University’s endowment, the functionality of SRI considerations, the views of other academic institutions on SRI considerations in endowment management, etc. The following points made in the Report are particularly important for this discussion:

- The Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund (hereafter referred to as the “Statement of Governance”) does acknowledge the possibility of considering non-financial constraints in the management of the University’s endowment investments, should the Board of Trustees direct the Investment Committee to consider the gravity of social impact of its investment holdings (Report, pg. 10).
- The University endowment is invested primarily in institutional funds rather than individual stocks (Report, pg. 14), thus when considering non-financial constraints on endowment investments it should do so primarily in the context of institutional funds with SRI considerations.
- Having researched SRI considerations in institutional funds, the SRI Committee stated in its Report the following, “investors have considerable options should they wish to include SRI considerations into their portfolio choices” (Report, pg. 8). \$11.7 trillion of U.S. financial assets incorporate SRI considerations (by applying various environmental social and governance screens in their portfolio selection process – screens which exclude a variety of investments including but not limited to fossil fuel industries) (Report, pg. 7).

In light of these important points, the ISHR Working Group agrees with the SRI Committee that a substantive commitment to SRI considerations in the University's current and future endowment investments is both feasible and reflective of student and faculty interests.

II. ISHR Research and Recommendations

In addition to the findings discussed above, and in furtherance of this Committee's particular charge, the ISHR Working group offers several additional findings:

- (1) There are a variety of SRI/ ESG criteria which the University could use in assessing institutional funds – a non-comprehensive list of major criteria is provided in Appendix A.
- (2) The ISHR Working Group believes fossil fuel divestment is best viewed as a larger commitment to SRI considerations as a whole, including human rights consideration, and for efficiency and clarity, should adopt a singular SRI policy incorporating fossil fuels under a larger umbrella of SRI/ESG criteria.
- (3) Given the nature of the University's endowment investment process (particularly the fact that it primarily invests in institutional funds), meaningful commitment to SRI considerations in the endowment (including but not limited to fossil fuel divestment) would require amending the current SRI Screening Process (a recommended revised policy is provided in Appendix B).
- (4) The most powerful societal benefit in incorporating SRI/ESG criteria in university endowment management is had when divestment and investment decision models are *open, transparent, and serving as a model for institutions to follow*. That being said, the ISHR Working group strongly recommends annual reporting and transparent decision-making processes (which are incorporated into the model SRI policy in Appendix B).

A. A Summary of Appendix A - SRI/ESG Criteria

While the University of Pittsburgh makes minimal direct investments in individual companies in comparison to institutional funds, there are a variety of organizations that have created well-respected SRI/ ESG criteria, which the University could use in assessing institutional funds. SASB, GRI, and PRI are just a few of the metrics that could be used to guide University SRI decisions.

Appendix A provides a very brief summary of these standards. The ISHR Working Group would be happy to provide the Committee with additional details.

B. SRI/ESG Considerations and the University's Current Policies

The University's management of endowment investments is guided by three policies which influence to what extent SRI considerations can be considered – (1) the Statement of Governance, Investment Objectives and Policies, (2) the Consolidated Endowment Fund Environmental, Social, Governance, Policy Statement (hereafter referred to as the "ESG Policy Statement") and (3) the SRI Screening Policy.

The current language in the Statement of Governance permits – but does not require – non-financial considerations like SRI/ESG criteria in investment decisions, and only in the context of direction from the Board. The ESG Policy Statement articulates some commitment to socially responsible investing, but pragmatically stands to have little effect given the flaws listed below:

-The ESG Policy does not direct or require the investment officer(s) to take meaningful steps to incorporate SRI/ESG criteria into his or her decision making – including but not limited to fossil fuel divestment. It leaves the consideration of SRI/ESG criteria at his or her prerogative.

-The investment officer(s) is still confined to “ensure that the policy does not apply any non-financial constraints to investment decision making.”

-It is not clear whether the annual reporting (starting in June 2021) to the Investment Committee will be made public, what criteria will be used, or if any goals will be set.

-It states ESG factors are more appropriately considered at the level of specific business, but does nothing to acknowledge how this core principle aligns with the University’s predominantly institutional fund based investment strategy.

-It states “the OFF team/CIO will consider material ESG-related risk for each investment and inquire of its external investment managers how they identify and, of possible, mitigate such risks” but gives no specification for how this is to be monitored, measured, reported, etc., nor how this applies to institutional funds as opposed to individual investments.

The SRI Screening Process also presents several barriers to meaningful incorporation of SRI/ESG consideration in investment decision making – including but not limited to fossil fuel divestment: First and foremost, the SRI Screen Process seems reliant on the function of members of the University community raising concerns on particular investments to the Chancellor (who then may elevate concerns to the Board). However, the policy gives no explanation of how this aligns with the OFF/CIO’s largely non-public decision-making process. Similarly, it fails to acknowledge that most of the University’s investment decisions are via institutional funds.

C. Policy Priorities

As stated above, the ISHR Working group finds that publicly available progress tracking, opportunities for engagement, and transparency are among the most important aspects of meaningful socially responsible management of the University’s endowment. Many major SRI/ESG measurements used to steer socially responsible investing consistently rank fossil fuel companies poorly. However, each company varies in terms of its socially responsible business practices. To accurately reflect the myriad of SRI/ESG considerations and investment opportunities available and in the context of the policy priorities described here, this Working Group drafted the attached SRI Policy – see Appendix B.

This Working Group also recommends fossil fuel divestment be seriously considered in the context of a meaningful, measured, transparent commitment to SRI/ESG goals in choosing not only individual investments but also institutional funds. Section V of the draft SRI Policy provides recommended language to include should the Committee consider this goal seriously.

An analysis of the priorities described above and how they are addressed by existing and proposed University Policies is show below:

Table I: Analysis of Existing and Proposed University Investment Policies					
	Institutional funds are assessed via clear SRI/ESG criteria	SRI/ESG criteria assessment on institutional funds are publicly available and updated regularly	Investment strategy lends itself to public engagement	University investment strategy serves as a model for other institutions to follow	Investment strategy pushes the University closer to its 2037 commitment to be "fossil free"
Current SRI Screening Policy	no	no	no	no	no
Current ESG Governance Statement	no	maybe, unclear	no	no	no
Proposed SRI Policy (Appendix B)	yes	yes	yes	yes	yes

Appendix A: Summary of Major SRI/ESG Standards

By: Investor Strategies and Human Rights Working Group

Summary: The following resource summarizes major international standards or benchmarks that have been developed for investment decision-makers to measure, assess, and report on social responsibility when making investment decisions. While the University of Pittsburgh does not make direct investments in individual companies, there are many reputable resources used to inform investment decision-makers on SRI/ESG criteria for major investment funds.

1. Sustainability Accounting Standards Board (SASB) (www.sasb.org)

BACKGROUND:

- SASB was founded in 2011 to develop private benchmarking standards that would identify ESG risks as material issues by sector.
- Identifies sustainability issues by sector that are financially “material” to each sector on a “Materiality Map” (<https://www.sasb.org/standards-overview/materiality-map/>)

GENERAL COMMENTS:

- There is considerable debate over this approach. Pro: There are benefits to working within the current system. Also, by demonstrating that human rights are a material risk, companies are required to disclose information without needing further regulation. Con: The PRI may be too narrow. By identifying material risks by sector, some human rights issues may be seen as non-material to some sectors and therefore ignored. Alternative is to identify human rights risks as “salient” or important, without using the more limited definition of “material.”

2. Global Reporting Initiative (GRI) (www.globalreporting.org):

BACKGROUND:

- The GRI, the Global Reporting Initiative, is one of the oldest and most commonly used set of standards produced to help businesses and governments worldwide understand and communicate their impact on critical sustainability issues. (Note – GRI defines this term to mean human rights, as well as climate change, government, and social well-being, all under the umbrella of "sustainability")
- The GRI has topic specific standards (broken down into economic, environmental, and social – each with roughly a dozen criteria) and universal standards to assess the legitimacy/accuracy of company reporting like general disclosures and management approach. Info on the criteria found here: <https://www.globalreporting.org/standards/gri-standards-download-center/?g=8ddf9cdc-1d97-4618-b2b2-208797caee82>
- The producers of the GRI standards put emphasis on due process, consensus seeking, stakeholder engagement, and public comment periods in the fair, reliable, and transparent production of data. This methodology seems like effective means of assessing this and other standards.

GENERAL COMMENTS:

- As the GRI standards website and procedures make evident, defining human rights/sustainability/social impact requires the consideration of many different factors, as well as careful contemplation in the process around which those factors are assessed. The complexity with which these standards of economic/environmental/social standards are defined suggests that a university investment strategy should not independently assess SRI/ESG standards for individual investment decisions or institutional funds (or at least do so very carefully, and limited to situations where the investment officer has a particular interest in a small investment opportunity which might not be equipped to produce the data for these kind of standards). But rather, it seems prudent to create language that requires the university investment officer to utilize one or more of the existing standards, which have already been endorsed by the SRI community. . If anything, language requiring criteria on which of the available standards are permissible could be helpful (i.e. first, requiring the investment officer to limit investments to companies or portfolios with minimal standards, and second, laying out a minimal list of criteria that the standard must contain, for instance transparency efforts, substantive considerations like economic/environmental/social, and stakeholder engagement).

3. Principles for Responsible Investment (www.unpri.org)

BACKGROUND:

- Principles for Responsible Investment (PRI) was developed by an international group of investors—partnered with the United Nations—that aimed to address environmental, social, and governance issues (ESG) in the global marketplace while coordinating with investors on addressing them. PRI currently has more than 2,000 signatories from over 60 countries and represents over US\$80 trillion in assets.
- Responsible investing can lead to greater returns. While SRI can be attributed to more ethical or moral considerations in financial decision-making, responsible investing can support a greater return on investment (ROI) even if an investor’s prime motivator is financial gain. PRI argues that ignoring ESG factors generates greater risk, which can inhibit opportunities, impose social costs, and cause negative externalities that could impact financial returns delivered to clients and beneficiaries.
- Achieving ESG-related objectives is associated with superior investment performance, including greater ROI for signatories and a stronger public image. Public firms are more inclined to support ESG goals if there are reputational factors at risk, while beneficiaries have become increasingly active in demanding greater transparency in how their money is being invested. Additionally, pressure from investors and competitors to seek out responsible investment as a competitive advantage is being utilized; as more investors engage with companies on ESG issues, there is greater capacity to create shareholder value and positive financial returns.

GENERAL COMMENTS:

- Multiple universities, including Harvard, Northwestern University, University of California, Loyola Marymount University, and the University of New Hampshire have become signatories to PRI. While universities seek to improve their financial returns,

there is broad acknowledgement that negative spillovers—including decline in alumni donations and greater support of ESG-related goals from prospective students—may affect the bottom line for investment funds.

4. Corporate Human Rights Benchmark (www.corporatebenchmark.org)

BACKGROUND:

- The Corporate Human Rights Benchmark (CHRB) publishes an annual benchmark assessing and ranking the top 200 publicly-traded companies in high-human-rights-risk-sectors, including companies in the following sectors: agricultural products, apparel products, extractive industries, information and communications technology (ICT) manufacturing, and soon will include automobile manufacturing. The CHRB excludes climate change and environmental-related issues (except for those that explicitly endanger workers) and has deliberately defined their scope focusing on operational and supply chain issues that more clearly affect human rights for workers.
- Although the United Nations Guiding Principles on Business and Human Rights (UNGPs) were approved unanimously by the UN Human Rights Council in 2011, there has been limited information available to support governments, the civil sector, and private investors in making informed-decisions regarding potential investments. The scope of the CHRB has been tailored to evaluate high-risk sectors that may adversely impact workers, communities, and consumers in the global marketplace. By developing an open-source benchmark, the CHRB hopes to provide information to consumers and investors on incorporating social costs in financial decisions while equipping civil society (including governments, the media, and advocates) with information to better inform their decision-making.

GENERAL COMMENTS:

- The latest 2019 benchmark has shown poor results, as a majority of the 200 publicly-traded firms scored low and failed to demonstrate respect for human rights across all evaluated sectors. The average score for all companies in each sector is 24.3% while the average score for each sector is respectively: Extractive Industries (29%); Apparel Products (25%); Agricultural Products (24%); ICT manufacturing (18%). These low scores suggest improvement is needed for the top 200 firms in these sectors. And in terms of United States representation, US-based companies are comprised of 23% of total assessed companies. Unfortunately, half of all US-ranked companies scored zero points on all CHRB human rights indicators.
- However, there is a noticeable effect that scrutiny of these companies can create positive results. Companies that have been previously evaluated have improved their score from 18% in 2017 to almost 32% in 2019. And while new companies saw an average score of only 17%, these average scores may increase as companies are further evaluated each year and compared to their competitors. Overall, there is evidence that public benchmarking can be an effective tool in promoting SRI and human rights.

Appendix B: Draft SRI Policy

By: Investor Strategies and Human Rights Working Group

I. Statement of Purpose

The University of Pittsburgh (the “University”) is committed to exercising ethical management of the University’s endowment while generating the highest level of returns proportionate with the goal of ensuring intergenerational equity. The University shall integrate its commitment to social justice and equality, protection of human life, human rights, identity, autonomy and dignity, stewardship for the planet, and promotion of the common good into its investment management practices. This policy seeks to increase stakeholder engagement, responsibility, and overall transparency, while retaining flexibility for effective investment.

II. Definitions

“Human rights” refers to those rights outlined in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights.

III. Policy Standards

The University is committed to investing its funds on a socially responsible basis. The University believes that regard must be made to Environmental, Social and Governance (ESG) issues when investing funds. The University agrees with the United Nations Global Compact that sustainability starts with a company’s value system and a principles-based approach to doing business. The University must operate in ways that, at a minimum, meet fundamental responsibilities in the areas of human rights, labor, environment and anti-corruption. Therefore, the **United Nations Principles for Responsible Investment** and the **Ten Principles of the United Nations Global** shall set the standard for all University of Pittsburgh investment.

United Nations Principles for Responsible Investment:

- Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
- Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
- Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
- Principle 6: We will each report on our activities and progress towards implementing the Principles.

The Ten Principles of the United Nations Global Compact:

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

IV. Use of Standards, Annual Reporting and Goalsetting

In accordance with the principles listed in Section III, the University shall annually review its investments in both individual companies and institutional funds, in collaboration with representatives of the University's key stakeholders, report on the review results in a transparent manner. The University shall set clear and publicly available annual goals on how to adhere to these standards, include in its annual reporting a review of its success or failure to meet these goals, and provide opportunity for stakeholder engagement in the annual review process.

While maximum return on investment is integral to maintaining the University of Pittsburgh's standing as a global institution, the University is committed to working with its community of stakeholders to actively identify investments that also benefit our global community through environmental, social, and governance factors.

The University of Pittsburgh shall (1) actively and transparently seek out investment opportunities that maximize environmental, social, and governance benefits as well as return on investment, (2) actively and transparently seek to exclude investment opportunities that fail to meet these standards, and (3) allow for reasonable non-financial constraints in its investment strategy in efforts to meet these goals.

V. Specific exclusions

The University is committed to a fossil fuel free future. To that end, and in addition to the standards outlined in Section III, the University will also actively and transparently engage with the financial managers of the institutional funds in which it invests to exclude investments in industries involved in fossil fuel extraction, refinement, or transportation. The University shall review these efforts in its annual reporting as well.



University of Pittsburgh

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October 26, 2020

Dear Members of the Board of Trustees:

I am writing to urge the University of Pittsburgh to divest from all fossil fuel investments.

The committee's charge is based on four contextual items. The first two of these are (i) the university's mission, value, and reputation and (ii) existing University policies. As far as these factors are concerned, there is no question that divestment is the right thing to do. Divestment would send a powerful signal to the region and establish Pitt as a forward-thinking institution concerned about its impact on the world.

Skipping ahead to the fourth contextual factor - "such other considerations as the committee may deem appropriate." As this "get-out-of-jail-free" card is sufficiently vague to allow for a post-hoc justification of almost any decision imaginable, it cannot be seriously rebutted. I presume that the committee is working in good faith, and will therefore not invoke this option.

This leaves "the need to maintain sound financial investment policies" as the only remaining contextual factor. This factor provides the only plausible scenario in which the University's values, mission, reputation, or policies would support continued investment in fossil fuel companies.

However, the argument that fossil fuel investment is required for sound investment is flawed. Numerous pension funds (including New York City's), several prominent universities (including Cambridge, the University of California System), Georgetown, George Washington University, and Cornell), and corporations including Goldman Sachs have committed to divest. A 2020 study published in the NYU Journal of Law and Business found that divestment did not yield consequences for endowment values, and, in fact, led to modest increases at three of four universities examined (<https://dx.doi.org/10.2139/ssrn.3501231>). With solar power and other alternatives becoming cheaper, there is every reason to believe that the benefits from fossil fuel investment will continue to shrink.

The time has come for Pitt join other peer institutions in committing to divestment from fossil fuel investments.

Sincerely,

Harry Hochheiser, PhD

Associate Professor

Department of Biomedical Informatics

Director Biomedical Informatics Training Program



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October 30, 2020

Board of Trustees
University of Pittsburgh

Dear Board Members,

I recently gave public comment about fossil fuel divestment at Pitt. This letter is similar to what I said publicly, but with more added perspective, given the limited time I had to speak. I am going to express my views from two different perspectives.

First from my perspective as a researcher, there seems to be a significant disconnect between research conducted at Pitt and how the endowment is being invested. I am talking specifically about climate change and the fossil fuel industry. Pitt has invested millions of dollars in research on climate change and is one of the leading institutions studying the economic, social and environmental impacts through the Climate and Global Change Center. Those researchers conclude that there will be dire consequences for the state, the country and the world if we continue business as usual. This has been confirmed by the most recent IPCC report stating that we have less than 12 years to act before it becomes too late to avert global catastrophe.

Given the research that University has invested in, it seems totally incongruent for the University to support the fossil fuel industry either directly or indirectly through our endowment. Either the University believes the research that it produces, and acts accordingly, or they should ask themselves, why did they invest millions of dollars in research, just to ignore it.

I contend that to continue to invest the endowment in the fossil fuel industry is a slap in the face to all of us researchers at Pitt. We do research in attempt to make the world a better place, but we need people in the position of power to act appropriately on our research. Please divest from the fossil fuel industry immediately.

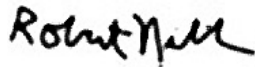
Second, as a father of two, my daughter just graduating from Pitt and my son just entering college, I have read that universities, and Pitt is no exception, have the goal of educating students so that they can have an impact and make the world a better place. This is a worthy goal. Again, I find it completely incongruent that the University is training students to make our future brighter while at the same time contributing financially to the destruction of the planet through the investments of the endowment.

I have lived long enough to have witnessed boycotts of products from South Africa and calls for divestment because of apartheid. Apartheid, as heinous as it was, was not in direct conflict with the mission of the University. Investing in the fossil fuel industry does directly conflict with the goals of the University. It ignores the research from Pitt scientists calling for immediate action to avert a climate catastrophe, and it imperils the future of all students that we are training with the hope that they will make a positive difference in the world in that future. So, while Pitt may have been indifferent to apartheid divestment, it has a principled imperative to divest from fossil fuels.

The argument I have heard is that Pitt investments are to maximize returns for the endowment. That financial argument does not trump the moral imperative of climate change, nor are traditional energy stocks a good investment. According to a recent study by the Imperial College London and the International Energy Agency, renewables yielded 200% returns versus 97% for fossil fuels in the U.S. stock market over the last 5-10 years.

I see no reason to keep investing the endowment in the fossil fuel industry and many arguments for divestment. I urge you to divest immediately and completely.

Sincerely,



Robert Nishikawa, Ph.D., FAPPM, FSBI, FAIMBE, FSPIE
Professor

Marianne Novy

The arguments against Pitt's divestment from fossil fuels generally assume that fossil fuels are a good financial bet, whatever their hazards are to the climate. This assumption is increasingly losing its basis in reality. Even before Covid-19 hit, oil was becoming less profitable. In the 5 years before, there were 215 bankruptcies for oil and gas companies, and in the third quarter of 2019, 91 percent of defaulted corporate debt in the US came from such companies. The Shell plant being built near Pittsburgh is making plastics in spite of the world's oversupply, because the company hopes plastics will be more profitable than gas and oil. Solar and wind energy, not oil and gas, are the cheapest sources of energy in two-thirds of the world and they will probably be so almost everywhere in ten years. Thus, when the University of California system divested in August 2019, it made good sense, according to their financial advisors. At least 50 global financial institutions have also cut many of their projects, first in coal and then in gas and oil, and are committing to net zero, as in the Paris Agreement, by 2050.

If the Paris Agreement is not followed, and gas and oil keep making money, much of the earth will no longer be livable by 2050. The climate problems we are seeing today--drought, wildfires and smoky cities in the West, crop failures in the Midwest, hurricane and flood damage in the South and East, melting of ice in polar regions, migrants fleeing three-digit temperatures—will be dwarfed. The oil and gas millionaires may live in climate-controlled towers or bunkers, but most people will have to deal with at least a month of lethal heat every year.

Pitt has been recognized as a leader in sustainability in many dimensions and has invested millions in research on climate change, mostly through the Climate and Global Change Center. Its Board of Trustees should pay attention to this research and that of many other scientists, and stop betting on investment policies that will doom our grandchildren to a world of unlivable suffering and chaos.

References:

Coral Davenport and Kendra Pierre-Louis, "U.S. Climate Study has Grim Warning of Economic Risks," *New York Times*, November 24, 2018.

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Bethany McLean, “The Coronavirus May Kill Oil Fracking,” *New York Times*, Sunday, April 12, 2020.

Emily Williams and Theo LeQuesne, “The University of California Finally Has Divested from Fossil Fuels,” *The Nation*, October 8, 2019.

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The arguments against Pitt’s divestment from fossil fuels generally assume that fossil fuels are a good financial bet, whatever their hazards are to the climate. This assumption is increasingly losing its basis in reality. Even before Covid-19 hit, oil was becoming less profitable. In the 5 years before, there were 215 bankruptcies for oil and gas companies, and in the third quarter of 2019, 91 percent of defaulted corporate debt in the US came from such companies. The Shell plant being built near Pittsburgh is making plastics in spite of the world’s oversupply, because the company hopes plastics will be more profitable than gas and oil. Solar and wind energy, not oil and gas, are the cheapest sources of energy in two-thirds of the world and they will probably be so almost everywhere in ten years. Thus, when the University of California system divested in August 2019, it made good sense, according to their financial advisors. At least 50 global financial institutions have also cut many of their projects, first in coal and then in gas and oil, and are committing to net zero, as in the Paris Agreement, by 2050. This May, Sarah Bloom Raskin, the former Deputy Treasury Secretary, wrote, “Even in the short term, fossil fuels are a terrible investment.”

If the Paris Agreement is not followed, and gas and oil keep making money, much of the earth will no longer be livable by 2050. The climate problems we are seeing today--drought, wildfires and smoky cities in the West, crop failures in the Midwest, hurricane and flood damage in the South and East, melting of ice in polar regions, migrants fleeing three-digit temperatures—will be dwarfed. The oil and gas millionaires may live in climate-controlled towers or bunkers, but most people will have to deal with at least a month of lethal heat every year.

Pitt has been recognized as a leader in sustainability in many dimensions and has invested millions in research on climate change, mostly through the Climate and Global Change Center. Its Board of Trustees should pay attention to this research and that of many other scientists, and stop betting on investment policies that will doom our grandchildren to a world of unlivable suffering and chaos.

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Sarah Bloom Raskin, “Why is the Fed Spending So Much Money on a Dying Industry?” *New York Times*, May 28, 2020.

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Does the left hand know what the right hand is doing?

(Left hand: student body).

I've been following the efforts of Pitt's student body over the past few years calling for a fossil-free Pitt, demanding divestment from fossil fuels. Heroic efforts, with Fossil Free Pitt members sleeping in the foyer of the Cathedral in February this year, and eliciting the right noises from Chancellor Gallagher about Pitt becoming carbon neutral by 2037: "Addressing climate change is a vital issue for our University, society and future," he said; "Pledging to go carbon neutral is a critical next step". But fossil fuel divestment is an absolutely pivotal part of this strategy. You don't need me to tell you how the US economy has long been addicted to petrochemicals, accelerating under Trump. The Pennsylvania Shell ethylene cracker plant to open in Potter Township (30 mi from CoL) by itself is bad enough, will affect air quality and produce millions of tons of plastic, but it is only the open sore which shows to what extent the whole body is riddled with disease. The veins of this body are pumping oil out east, it's a node along the Mariner East 2 (ME2) pipeline across Eastern OH, western PA, and Delaware to eventually fill container ships for even more factories in Europe to produce plastics. The parts of the pipeline that have been built are already contaminating groundwater and making the water undrinkable ([Toxic America](#), *Guardian*). This toxicity must stop, and the only way it will do so is if investments in renewable energies are made on a massive scale. There *are* more ethical investment alternatives.

It will not be easy. With 17 years of experience as faculty in HE in the UK and US, I know that universities are under immense financial pressure, and giving students from less privileged backgrounds an opportunity that others have assumed and enjoyed for so long is one of the reasons why I became a professor. With Pitt's pledge to offer financial aid (Cudd, Pell Match program) to such students, it doesn't level the playing field or alter the economically rigged system, but it does give students a chance. With constant state funding cuts, and regular standoffs in Harrisburg, The money must come from somewhere, however. *There has to be a bottom line.*

(Right hand: graduate student body, faculty).

Last year a very large donation (\$4.2m, 5yrs) to the Graduate School for Public and International Affairs (GSPIA) came from the Charles Koch Foundation, a [massively influential network](#) of conservative thinktanks and lobbyists permeating American politics, include funding and fostering [climate change denialism](#), lack of [confidence in government](#), and skepticism of [environmental regulations](#). Their money comes from oil. The new [Center for Governance and Markets](#) at Pitt is one of a number of centers, institutes dotted around the US which advances fossil fuel ideology, justifying this with reference to the supposedly value-neutral and most American of concepts, The Market. As various members of the graduate student body and fellow faculty realized, to our horror, this donation was accepted, and the Center established, very rapidly and without adequate opportunity for comment or due process by the mechanism of shared governance of the university, the Faculty Assembly (I am a member). Stories of interventions by Koch-funded centers in hiring, firing, and tenure decisions at George Mason and Florida State for example have alarmed faculty nationally and internationally because it

gets to the thorny issue of what academic freedom really is, apart from a catchphrase. In the University Charters for policy developments the mantra of transparency, accountability, and that they reflect 'industry best practices' is justifiably repeated again and again. Yet the composition of the Committee responsible for producing the Policy on Donors and Sponsored Research for the University includes Jennifer Maturzashvili, who is the faculty member responsible for the Koch donation and is the Director for the Center on Governance and Markets, who will now help decide how future donations will be accepted or approved, and from whom.

Toxic fossil fuel ideology, pumped through financial institutions and industries around the US, leaking through the pipelines that cross this state, is circulating in this University at the highest levels. I am glad to call this University my academic home. But it is time to really do some joined-up thinking, and to purge the larger body of this toxicity we have to take the bold step of divesting completely and trusting in a newer, greener economy.

October 28, 2020

To the Members of the Ad-Hoc Committee on Fossil Fuels at the University of Pittsburgh

Thank you for holding open forums which give more community members the opportunity to express their opinions on to what extent and by what methods the University of Pittsburgh, in its Endowment, should divest from fossil fuels. I attended the forum this evening and spoke briefly. I was glad to hear the many coherent, well-considered comments of the other speakers. Few of these speakers addressed the important details of to what extent and by what methods divestment should occur. Therefore, I submit this written comment for your further consideration.

I agree with the young people, and the parents of young children, that their lives are at serious risk from continued global warming. Pennsylvania is guilty of major contributions to this problem because of the uncontrolled petrochemical industry that has motivated our politicians far too long. The trend of increased global temperature follows the rise of fracking. Now that fewer wells are being drilled, because the price of gas is so low, methane (Which is, as you know, a green-house gas greater than 80 times more potent in trapping heat than is carbon dioxide.), still leaks from the many abandoned wells in the Allegheny Basin. Methane also leaks from gas pipelines and every compressor station, as well as from liquid natural gas facilities. As discussed by Susan Peterson, petrochemical companies are losing value. Clearly the Endowment of the University of Pittsburgh should not invest in any gas or oil industries in the future. This sanction should extend to other fossil fuel burning industries such as coal and wood pellets and mutual funds that invest in these industries. There are 'green' investment options, such as the Dutch fund manager Robeco Institutional Asset Management.

Each such 'green' investment fund must be examined in detail for adequate commitment to and compliance with the goals of 'decarbonization' and sustainability. For example, there are now 232 fossil fuel producing companies on the 'exclusion' list of Robeco. Robeco states that it will not invest in mutual funds that derive more than 25% of their revenue from thermal coal or oil sands industries or more than 10% from Arctic drilling. It is written that Robeco prefers engaging with companies rather than just selling off their shares, because

engagement can lead to a change in action. So, although my personal preference would be for complete divestiture from all businesses that extract fossil fuels and the related manufacturing processes (i.e. manufacturing plastics), the Endowment of the University of Pittsburgh might decide to engage with some destructive industries in attempts to both increase the earnings of the Endowment and decrease the damage being produced by those industries.

Of interest is the Oil and Gas Climate Index (OCI+) recently discussed in a webinar by Deborah Gordon, a senior fellow at the Watson Institute in Brown University. Open source materials were used to develop the OCI+ model to describe the life-cycle contributions of oil and gas to green-house gas (GHG) emissions on a global scale. This estimated that supply side GHGs from production, processing, refining and shipping vary by a factor of at least 7 between the lowest and highest GHG polluters. Clearly OCI+ should be used by the Endowment of the University of Pittsburgh to direct socially responsible investments, if these must be in the petrochemical sector.

Many institutions in Pennsylvania love extractive industries. An old newspaper drawing recently shown by a Professor at Penn State giving a Penn State Extension webinar on the subject showed whales dancing because the discovery of oil in the ground in Pennsylvania meant that native oil would replace oil extracted from whales for lighting, etc. in the continental US and then the entire world.

of related to its Charge, which includes providing the Board of Trustees with “options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments.” Read the full Ad Hoc

committee-fossil-fuels/committee-charge The complete 2020-21 process of the Ad-Hoc Committee on Fossil Fuels is detailed on their website at <https://www.trustees.pitt.edu/fossil-fuels>

I should write a page and send it to the web site.

What are objections to divesting?

Conventional gas 40% efficient

Co-generation takes few people.

2nd forum on Friday. AM

Dear sir:

This is an important subject to me because even though I worked in nuclear power for over 40 years I do not rely on it as a major power contributor for the future. Personally, I advocate co-generation and finding ways to make natural gas cleaner. I have registered for one of these online sessions.

I am a semi-retired Westinghouse mechanical engineer and have over 40 years of experience in the power field. I have a BSME and MSIE from the University of Pittsburgh. I have served on the MEMS Dept. Visiting Committee for over 25 years.

I have some experience with wind power and more with fossil power. Wind power reliability is questionable and maintenance costs high. Supercritical fossil plants (natural gas) are close to 40% efficient, reliable, and inexpensive to operate. These problems are with emissions. Cogeneration gas plants are 60% efficient, with low operating and maintenance costs and require less than twenty people to operate. There is research underway sponsored by DOE that includes natural gas suppliers, gas turbine manufacturers and universities to significantly reduce emissions. Our tri state area has an abundance of inexpensive natural gas.

Nuclear power plants require close to 1000 people to operate and maintain. Spent fuel storage is an ongoing problem and when the plants are decommissioned they leave a radioactive foot print. Uranium and plutonium are a concern with terrorists using these to threaten the public. I do not advocate shutting any more operating plants down but the general public seems unconvinced that nuclear is a panacea.

I can accept nuclear power technology but am concerned with the ability of US companies to manage nuclear power projects

effectively due to regulations, politics and funding. I am sympathetic with Southern Company. I've worked with many of their people and consider Southern to be the most capable nuclear utility in the US and look at what is happening at Southern Company's Vogtle 3 and 4. These plants are 20 years over schedule and \$22B over budget. Cancellation of the VC Summer 2 and 3 plants almost bankrupted SCE&G. What power generation utility would take on this kind of risk in the future?

Regards,

David M. Kitch LLC

Tel 724-433-4151

November 12, 2020

University of Pittsburgh Board of Trustees
Ad-Hoc Committee on Fossil Fuels
159 Cathedral of Learning
4200 Fifth Avenue
Pittsburgh, PA 15260

Dear Members of the Ad-Hoc Committee on Fossil Fuels:

As a University of Pittsburgh '13 and University of Pittsburgh School of Law '17 alumna, a citizen of Pennsylvania and an employee of the shale gas industry, I respectfully urge you to not divest any of the University of Pittsburgh's current or future investments from fossil fuels.

The emergence of abundant, affordable, clean, and domestically produced oil and natural gas has had and continues to have many positive impacts on our region, our country and the world.

- The United States has achieved energy independence. In 2019, we produced more energy than it consumed, and we are set to become the world's largest exporter of oil and natural gas. This has shifted global geopolitical balances and drastically improved our and our allies' energy and national security. Our national interests and interactions abroad are not dependent on securing foreign sources of energy. Furthermore, exporting affordable energy helps reduce energy poverty across the world.
- Energy prices have fallen. Wholesale electric prices in Pennsylvania have decreased 40% since 2008 and commodity natural gas prices among local distribution companies have fallen 56% to 76%. Affordable energy helps reduce domestic energy poverty. Affordable energy also is an incentive for increasing jobs in domestic manufacturing.
- Air quality is improving dramatically. Federal data shows nationwide levels of criteria air pollutants are at their lowest in decades. Since 1990, Volatile Organic Compounds are down 47%, Sulfur Dioxide are down 91% and Nitrogen Oxides are down 65%.
- Carbon emissions are falling. According to the U.S. Energy information Administration, electric power sector emissions have fallen 33% from their peak in 2007. Methane emission intensity from the natural gas industry in the Appalachian region has plummeted 82% from 2011 through 2017. Natural gas is critical in continuing to reduce greenhouse gas emissions. Exporting natural gas also helps other nations improve air quality and decrease greenhouse gas emissions.
- Natural gas makes modern life possible. Lightweight components made from natural gas are found in our phones, cars, homes, businesses and much more. Many of the medical devices and equipment utilized at the University's affiliated medical centers are manufactured from natural gas. Products made from natural gas are providing personal protection and helping treat the sick during the current COVID-19 pandemic.

I ask that you please consider these and many other benefits when weighing your charge from the chairperson of the Board of Trustees.

Sincerely,
Katelyn Morris

To the Office of Finance, cc: Ad-Hoc Committee on Fossil Fuels

I received my PhD from Pitt's School of Medicine in 2018. I currently live and work in Pittsburgh, and my presence and participation in the scientific community reflects upon the reputation of the University of Pittsburgh as one of its many alumni.

I understand and recognize the goal of the University of Pittsburgh to maximize their endowment for the betterment of the University - to generate funds that can be used to hire top notch faculty and staff, build and improve newer/better facilities, and provide financial aid to their students, whilst being financially solvent. In your words, the University's endowment is used "to carry out its education and research mission now, and into the future." This mission seeks to train Pitt's alumni to be more educated, well-rounded, and equipped to build a better future.

However, maximizing the endowment cannot be the only factor. It must be balanced with controls for ethical navigation of the investment landscape, the goal of investing in our future as a planet, and reducing any other negative externalities that could be brought about by the endowment's investment strategy. We must hold ourselves to a higher standard to see the change we hope for in the world.

Climate and environmental scientists are telling us that our time is running out - we must act now to prevent irreversible damage to our planet. I will not belabor upon the science of global warming as this ground has already been well-trodden with decades of research. Instead I will get to the point: **to invest in industries, such as the fossil-fuel industry, that destroy our planet and will make it uninhabitable to future generations, is deeply unethical and morally reprehensible.**

In my personal financial plans, I include a budget for giving. This includes money for direct distribution of funds to the community, GoFundMe fundraisers, mutual aid projects and organizations, non-profits donations, etc. While I am waiting until after my student loans are paid in full, this budget would also include donations to the universities that have educated and trained me in my career path. But again I will be frank here: **I will not donate to the endowment of the University of Pittsburgh unless it is divested from fossil fuel assets.** I cannot justify contributing to the wealth of the fossil fuel industry, while they destroy our planet with impunity. For the sake of my niece and nephews, I cannot pass onto them a planet that is doomed to be uninhabitable in the foreseeable future. The stakes are extremely high, literally life and death.

Aside from the moral implications, fossil fuel investment can also be a bad financial decision for the University of Pittsburgh. Many others like myself who would otherwise donate to the endowment may withhold these donations according to their personal moral compass. Additionally, fossil fuels are not a stable long term investment as they once have been; the future is in green power - wind, solar, hydro, nuclear, etc. - while fossil fuel is a stubborn holdover from a time with different needs. With the growing number of fossil-free mutual funds that are financially sustainable, there is literally no reason to not divest. I urge the University to consider fossil fuel divestment.

Regards,

Daniel Spagnolo

.My husband and I have had a strong bond with Pitt for many years. We are both distinguished graduates of the law school. I am a former trustee and in 2014 I was honored to be named a distinguished graduate of the University I worked for nineteen years as an executive and in house environmental counsel for an energy company whose primary product was lubricants, but that also produced and marketed fuels, principally in North America. I served as a volunteer on many statewide task forces including solid waste regulations, well site reclamation standards and recycling, and chaired the American Petroleum Institute used oil working group.

When my company moved to Texas we decided not to relocate and instead, with no political experience, I ran for the Pennsylvania Senate where I served for sixteen years-fourteen of those as majority chair of the Environmental Resources and Energy Committee. I was Pennsylvania's representative to the Great lakes Legislative Council and to the Interstate Oil and Gas Compact Commission My committee was responsible for enacting, with bi-partisan support, many significant initiatives, including the first statewide water inventory and "Growing Greener" the largest environmental fiscal commitment in Pennsylvania history

I tell you this to establish my long commitment to Pennsylvania and its environmental future. Energy is the lifeblood of our economy, Thanks to investments in technology and exploration, such as horizontal drilling, which allows multiple wells to be serviced from a single pad, and deep natural gas discoveries. the US no longer has to acquire ours from regimes often hostile to us. Future investment in renewable technologies in techniques such as storage batteries and hydrogen will enable us to sustain our economy as we transition into a new energy future. Most energy companies currently diversify their mix of products, and work hard to improve conservation and energy efficiency.

Why would one want to penalize them by reducing available capital?

I question whether non -financial sanctions should be imposed on educational institution foundations whose resources come from varied sources and whose contributors include energy intensive industries, investors, taxpayers, and consumers, many of whom might disagree with the underlying premise. You define your constituency rather narrowly as the "university community" to the exclusion of other viewpoints Much of Pennsylvania's history culture and economy are rooted in energy production Were the regional campuses involved in this? I only heard about this by chance a couple of weeks ago. The resurgence of natural gas has resulted in the re-vitalization of rural communities and the economic rescue of many family farms.

Investment decisions should be made on sound financial and market considerations and not political ones. (Exception could be argued for egregious situations, such as genocide or human trafficking where there is universal condemnation, but that is far from the case here) The long -term health and sustainability of an endowment fund should be managed by competent financial advisors, overseen by a board of trustees.

The US is the world leader in natural gas production at reasonable prices, and in protecting the environment.. This has global implications, challenging Russian domination of international gas markets Renewables cannot meet the burgeoning needs of the world any time soon. Greater use of natural gas has to be part of any climate-friendly policy. Oil and nuclear will have to pick up the slack until we have stable and affordable alternatives, including renewables.

November 9, 2020

University of Pittsburgh Board of Trustees
Ad-Hoc Committee on Fossil Fuels
159 Cathedral of Learning
4200 Fifth Avenue
Pittsburgh, PA 15260

Dear Members of the Ad-Hoc Committee on Fossil Fuels:

I am writing as both a concerned citizen of the Commonwealth of Pennsylvania and an employee of the shale gas industry to respectfully urge you to not divest any of the University of Pittsburgh's current or future investments from fossil fuels.

The emergence of plentiful, affordable, clean, domestic natural gas resources is having many positive impacts on our region, our country and the world. Please consider the following:

- *The United States has achieved energy independence.* In 2019, our country produced more energy than it consumed. We have produced more natural gas than we have consumed dating back to 2017. Energy independence brings with it an altered world view. Our national interests and interactions abroad are not dependent on securing foreign sources of energy. Furthermore, exporting affordable energy helps reduce energy poverty across the world.
- *Energy prices have fallen.* Wholesale electric prices in Pennsylvania have decreased by 40% since 2008 and commodity natural gas prices among local distribution companies have fallen 56% to 76%. Affordable energy helps reduce domestic energy poverty. Affordable energy also is an impetus for increasing jobs in domestic manufacturing.
- *Air quality is improving dramatically.* Federal data shows nationwide levels of criteria air pollutants are at their lowest in decades. Since 1990, Volatile Organic Compound emissions are down 47%, Sulfur Dioxide emissions are down 91% and Nitrogen Oxide emissions are down 65%.
- *Carbon Dioxide emissions are falling.* According to the U.S. Energy Information Administration, electric power sector emissions have fallen 33% from their peak in 2007. In addition, methane emission intensity from the oil and natural gas industry (measured as emissions per unit of oil or natural gas produced) in the Appalachian region has plummeted 82% from 2011-2017. Natural gas is the key to reducing greenhouse gas emissions. Exporting natural gas helps other nations improve air quality and decrease greenhouse gas emissions.
- *Natural gas makes modern life possible.* Lightweight components made from natural gas are found in our phones, cars, homes, businesses and much more. Furthermore, many of the medical devices and equipment utilized at the University's affiliated medical centers are manufactured from natural gas. Products made from natural gas are providing personal protection and helping treat the sick during the current COVID-19 pandemic.

I ask that you take into consideration these and other benefits when weighing your charge from the chairperson of the board of trustees.

Sincerely,



David E. Callahan



To the Ad-Hoc Committee on Fossil Fuels of the Board of Trustees of the University of Pittsburgh

The University of Pittsburgh is a world-class education institution that holds a special place in American science and engineering developments. From Pitt's achievements in STEM, to developing the first vaccine to fight Polio and pioneering modern day organ transplants, the University of Pittsburgh is acknowledged globally for developing innovative and technology-driven solutions to society's most pressing issues, including energy accessibility and climate change. And the role Pitt's alumni, faculty and the overall institution have played in contributing to the states' energy development is undeniable.

In this regard, fossil fuels -natural gas in particular- have significantly contributed to Pennsylvania's energy profile, benefitting the lives of millions by providing reliable, affordable supply of energy and heat, predominantly from the Appalachian Basin where Pennsylvania is located. For instance, Pennsylvania is the second-largest natural gas producer, just after Texas. Likewise, most of the electricity in the state is natural gas-generated and considering the region's cold weather, about half of Pennsylvania's households rely on natural gas for heating. And from a climate perspective, Pennsylvania's natural gas driven contributions to decreasing greenhouse gases (GHG) emissions in the United States have been acknowledge by the International Energy Agency and other relevant energy and climate forums.

Thus, as the Board's Ad-Hoc Committee on Fossil Fuels continues to seek outside expertise on the matter of fossil fuel divestment, we appreciate the opportunity to share with you important resources to guide the Trustees' conversations. While there are many avenues to achieve reductions in carbon emissions, Trustees should prioritize a strategy that speaks to the University's apolitical, science-driven integrity and puts forth realistic, meaningful solutions to climate change while supporting reliable and affordable energy. Institutions of higher education in the U.S., in tandem with industry, are at the forefront of developing carbon reduction technologies. Pittsburgh, home to one of the country's largest natural gas basins, knows this.

Simply put, divestment is an arbitrary and empty gesture with no measurable impact on carbon emissions. Instead of making real strides to address climate change, it has the potential to stifle the University's financial performance. This means vital resources that support faculty salaries and student scholarships could be in question at a time where the pandemic has already put universities in a precarious financial position. Meaningful solutions exist, and it is the Board's responsibility to act and choose a path forward with quantifiable impact.

With this letter I have expanded on some arguments and resources that expose the realities of divestment from a financial and managerial standpoint. I compel you to consider the role of fossil fuels in your investment policy. This includes information on the cost and impacts associated with fossil fuel divestment, key messages surrounding divestment, including costs and opinions from universities, and a compilation of academic reports on the economic impacts of divestment.

Sincerely,

Jeff Eshelman

Senior Vice President, Operations & Public Affairs, Independent Petroleum Association of America

Washington, DC

Background on Divestment

1) DIVESTMENT ENTAILS SIGNIFICANT FINANCIAL LOSS FOR THE INSTITUTIONS INVOLVED, DUE TO SHORTFALLS IN DIVERSIFICATION

- There are four types of financial harm from divestment - lower returns, higher risk, higher fees and administration costs and loss of access to the best managers. A [study](#) by Daniel Fischel, of the University of Chicago Law School, finds that portfolios divested of energy equities produced returns 0.7 percentage points lower than ones that invested in energy on an absolute basis.
- Over a 50-year timespan, the report finds a divested portfolio would be 23 percent lower than one that included fossil fuels.
- Divested funds will also experience increased risk resulting from a loss of investment diversification. Of the 10 major industry sectors in the U.S. equity markets, energy has the lowest correlation with all others—which means it has the largest potential diversification benefit.
- A [study](#) by Prof. Bradford Cornell of CalTech found that Harvard (\$107m) Yale (\$51m), MIT (\$17.75m), Columbia (\$14.43m), and NYU (\$4.16m) would collectively lose more than \$195 million per year by divesting from fossil-fuel related equities.
- A [report](#) by Prof. Hendrik Bessembinder, Professor of Finance at the W.P. Carey School of Business at the University of Arizona, found the transaction and management costs related to divestment – what he refers to as “frictional costs” – have the potential to rob endowment funds of as much as 12 percent of their total value over a 20-year timeframe.
- A follow up [report](#) by Prof. Bessembinder found that losses associated with divestment would impact students directly in the form of reduced endowment spending. This could result in increased tuition for students or cuts to faculty support.

2) DIVESTMENT HAS LITTLE TO NO FINANCIAL IMPACT ON TARGETED COMPANIES

- Individual divestment efforts rarely work – divested shares are simply acquired by others in the market.
- Divestment can only affect share prices if stock is not bought by others. Even if it is, it has no impact on the profitability of energy operations because selling stock does not equate to removing funds from these companies.
- In its most recent Investors Service report, global credit rating agency Moody’s [called](#) divestment “not a significant factor” for oil and gas companies and noted that, while public pledges were growing, it would not have an impact on oil and gas financing.

3) DIVESTMENT IMPINGES ON A SCHOOL’S ABILITY TO DELIVER ITS ACADEMIC MANDATE. SIMILARLY, DIVESTMENT RUNS CONTRARY TO THE FIDUCIARY RESPONSIBILITY OF INVESTMENT PROFESSIONALS

- [Haverford](#) President Weiss said in a letter rejecting divestment that “the College relies on endowment to cover approximately 27% of the annual budget. If endowment growth does not keep pace with the expense of running a world-class educational institution, the difference must be offset by expense reduction and/or revenue from other sources (e.g. tuition increases).”
- In another example, [Wellesley calculated](#) that if it fully divested from all fossil fuels, 58 percent of the endowment would be affected.

4) DIVESTMENT HAS NO PRACTICAL IMPACT ON THE ENVIRONMENT.

- Energy companies are among the biggest investors in renewable energy. For example, the [top five](#) energy companies have more than \$20 billion committed to alternative energy research and development.
- Divestment only affects share prices and has no impact on the profitability of energy operations because selling stock does not equate to removing funds from these companies.

5) IN CONTRAST TO TOBACCO AND APARTHEID, FOSSIL FUELS PLAY AN IMPORTANT PART IN MODERN DAY LIFE

- It is unlikely that divestment from fossil fuels would ‘revoke a social license’ while they are still integral in today’s modern economy and relied upon globally to supply the world’s energy needs.
- [EIA](#) predicts that even in 2035 fossil fuels will compose almost [80 percent of the world’s consumption](#).
- Divestment draws no distinctions based on the activities of the firms in question, even where differences in conduct materially affect their carbon burden and commitment to renewable or low emissions technologies.
- There are countless other industries who rely heavily on fossil fuel use—transportation, construction, manufacturing etc. Divestment does not account for their reliance upon fossil fuels.

6) IN PRACTICAL TERMS DIVESTMENT IS CHALLENGING TO ACTUALLY DELIVER

- Pro-divestment groups say that [\\$14 trillion](#) has been divested; in reality a [fractional percent](#) of that total actually represents holdings that have been sold.
- Funds typically invest in a wide range of products, including index funds, private equity, comingled funds and hedge funds. Each of these is exposed in different ways, but many of them are linked or do not provide clarity over individual investments.
- Eliminating all fossil fuel exposure would mean reinvesting a sizable portion of the entire portfolio. For example, in order to eliminate the \$139 million in fossil fuel investments, NYU would have to liquidate relationships with 39 funds that together account for 38% of the endowment, or \$1.3 billion.
- By [NAS](#) calculations, only 34% of divesting American colleges actually follow 350.org’s model by divesting all fossil fuels from all types of investments.
- To date, no major pension fund in the U.S. has pledged divestment. Prestigious universities like [Harvard](#), [Stanford](#) and [NYU](#) have repeatedly rejected divestment despite student pressure and maintained the independence of their respective financial managers. Like UPitt, these schools have opted for far more effective policies like carbon neutrality, increased emphasis on sustainability programs and emissions cuts on campus.

Pittsburgh Perspectives on Divestment

Economists, students, and local industry voices have compelling viewpoints on the path forward to address climate change. Here are a few:

*“Universities are meant to be a place where a host of ideas can all coexist and students can pursue their passions. By divesting, Pitt would be alienating a large amount of students who want to work or intern in the fossil fuel industry, which is very important in Pennsylvania’s economy, especially here in western Pennsylvania. It is estimated that 332,600 jobs are supported by fossil fuels in Pennsylvania and that the industry contributes tens of billions of dollars to our state’s economy.” – [Josh Beylinson](#),
University of Pittsburgh Student*

“Resources like cleaner-burning natural gas are must-haves for heating our homes, keeping the lights on in hospital operating rooms and powering the boilers in our factories. Regardless, New York City Mayor Bill de Blasio, a presidential candidate, predictably backed Mr. Peduto via Twitter, failing as usual to give natural gas credit for fueling an unprecedented rise in American living standards and helping the country lead the world in emission reductions. Both mayors are not really calling for divestment. The more accurate word is disinvestment — disinvestment in workers, communities and businesses in Pittsburgh and America. Officials like these turn words into policies that trigger higher energy prices for families and small businesses and often harm the environment... A better way to sustain a clean environment, produce more affordable energy and grow the economy is to rally around efforts like the Pennsylvania Energy

Horizons project spearheaded by the Team Pennsylvania Foundation. This is an example of implementing real solutions and leadership without the talking points that satisfy narrow interests at the expense of families, small businesses and industry.” – [Mike Butler](#), Mid-Atlantic director at Consumer Energy Alliance

*“Researchers say that Pittsburgh’s pension funds could lose nearly \$500,000 a year if the city stops investing in fossil fuel-related companies — as Pittsburgh Mayor Bill Peduto has said he is committed to doing. While that loss would be damaging for Pittsburgh’s underfunded pension funds, it wouldn’t do much to change the behavior of fossil fuel companies, the researchers suggest. ‘It’s purely a symbolic move that has no impact on the climate,’ said Chris Fiore of the Chicago-based economic consulting firm Compass Lexecon. Fiore co-authored a report released this month that says the nation’s top 11 public pension funds could lose trillions of dollars if they divested from fossil fuel-related investments. ‘The percentage sounds small, but when you realize these pension funds are quite large, that can be quite substantial,’ Fiore said.” – [Chris Fiore](#), Chicago-based economic consultant in the *Pittsburgh Tribune**

*“With the pension fund chronically underfunded, the board should have other matters to address rather than this proposal. The pension board has a duty greater than supporting the mayor’s political agenda. The board has a fiduciary duty to protect pensions funds for retirees from city employment and future retirees.” *Pittsburgh Post-Gazette* [Editorial](#)*

October 26, 2020

University of Pittsburgh Board of Trustees

Ad Hoc Committee on Fossil Fuels

159 Cathedral of Learning

4200 Fifth Avenue

Pittsburgh, PA 15260

To the Ad-Hoc Committee on Fossil Fuels of the Board of Trustees of the University of Pittsburgh:

Please accept this response to the invitation to provide public comment on “options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments.”

Pittsburgh Works, a coalition of labor unions, corporations, workforce development, business and community leaders is committed to creating an inclusive vision of economic progress that embraces and respects both traditional legacy industries and emerging ones and ensuring a sustainable environment. We seek a Pittsburgh and a region in which the lines between “old” and “new” economy are erased and respect is shown for our work ethic and dedication to community, while building a future for all.

Accordingly, we work from a foundation of both facts and reality.

When it comes to the environment, the facts are clear. From 2008-2017, Pennsylvania was 2nd in the nation in cumulative CO2 reductions (184 million tons) from electric power generation, trailing only Ohio (271 million tons). This significant reduction in carbon-dioxide emissions did not occur despite fossil fuels, it occurred because of fossil fuels. The deployment of clean burning and reliable natural gas fired generation in Pennsylvania made this possible. In fact, this occurred in tandem of Pennsylvania becoming the nation’s second largest natural gas producing state.

Likewise, from 2005-2017, SOx emissions from power generation in Pennsylvania declined 93% and NOx emissions declined 80%¹. Again, this is not despite fossil fuels, it occurred because of fossil fuels and is providing a cleaner region for all of us, especially our vulnerable population.

Fossil fuels are enabling Pennsylvania and the United States of America to reach climate goals well ahead of any schedule laid out or proposed by any other nation. Divesting from fossil fuels is divesting from climate and environmental goals.

The reality is, we all want our air and water to be protected and preserved for this and future generations. Another reality, one that often gets less attention, is that we all need reliable energy and fossil fuel derived by-

¹ Pennsylvania Department of Environmental Protection – Air Emission Report (Power BI) – December 2019

products for our health, our welfare, and our economic prosperity. These realities exist universally, including at the University of Pittsburgh. So, the key question for the University of Pittsburgh should be how to further improve and protect our environment without sacrificing the health, welfare, and economic prosperity that your customers - your students so to speak - will demand and deserve throughout their lives. Divesting your endowment from fossil fuel companies is not the answer to this question.

Even many supporters of the fossil fuel divestiture movement acknowledge that such actions are largely symbolic. It is estimated that the endowments of all U.S. universities combined are less than 1% of the global capitalization of the fossil fuel industry². At that scale, the divestiture of university endowments from fossil fuels would have little to no impact on greenhouse gas emissions. Frankly, it would likely have little to no impact on fossil fuel companies either. Endowments are economic resources to universities, not vehicles for symbolic gestures. In fact, the University of Pittsburgh's Consolidated Endowment Fund's (CEF) Statement of Governance recognizes this when it says:

“...the primary investment objective established for the CEF is to maximize the financial return on such assets, taking into account risk and other considerations as more specifically set forth in this Statement, in order to provide a reliable stream of meaningful income while preserving the CEF's real asset value.”

The Statement of Governance provides further direction when evaluating social responsibility concerns:

“In evaluating any specific social responsibility concern as directed by the Board, the Committee may consider the gravity of the social impact, the University's need to maintain a sound financial investment policy, the potential effectiveness of the Committee's investment or voting decisions to influence positive change, and such other considerations as the Committee may deem appropriate³.”

As clearly indicated above, the “potential effectiveness” of divesting the CEF of fossil fuel investments would be negligible at best and would conflict with the primary purpose of the CEF. Many of your peer universities have already arrived at a similar conclusion.

Swarthmore College has repeatedly rejected divesting its endowment of fossil fuels. In fact, in 2018, the Chair of the Swarthmore Board of Managers wrote, “Any policy change that shifts the focus from attaining the best long-term financial results would then require fundamental changes in both the asset allocation and the investment managers who serve the College, and would place that performance at risk.

² Frank Wolak, Professor of Economics – Stanford University, MIT Debate on Fossil Fuel Divestiture – April 9, 2015

³ University of Pittsburgh Statement of Governance, Investment Objectives and Policies for the Consolidated Endowment Fund, XIV, Amended & Restated June 13, 2019. ³

Likewise, Harvard has resisted calls to divest their endowment from fossil fuels with their President noting they “believe that divestment paints with too broad a brush. We cannot risk alienating and demonizing possible partners, some of which have committed to transitioning to carbon neutrality⁴...”

Instead, these institutions, like so many others, have developed sustainability plans and goals for their operations. The University of Pittsburgh is no different. By adopting goals and plans to reduce energy consumption and associated greenhouse gas emissions, the Pitt Sustainability Plan focuses the University’s efforts where they can be most effective. By investing in state-of-the-art emissions control technologies like those that exist at the Carrillo Street Steam Plant, the University is funding projects that make a meaningful difference in our shared goal for a cleaner environment.

A clean environment and a healthy economy – one that includes fossil fuel and related by-product development – are not mutually exclusive. Our members in industry and the men and women of our building trade, utility workers and manufacturing union members recognize this. Every day they are advancing environmental principles in their operations, work, and planning.

The University of Pittsburgh is recognized as a global leader and can play a true role in our quest for a robust economy and cleaner environment not just a symbolic one.

I encourage the Committee to join with us in recognizing the opportunity before us. The decision whether to divest the CEF of fossil fuel investments is a false and merely symbolic choice. While it may be of little financial consequence, it would represent the latest example of a respected institution in our region turning its back on the men and women who work in the very industries that support our environment and our economy.

The University of Pittsburgh should embrace a leadership position of action towards positive results – not hollow symbolism.

Sincerely,



Jeff Nobers
Executive Director
October 26, 2020

⁴ April 21, 2020 letter on climate change from Harvard President Bacow to the Members of the Faculty of Arts and Sciences.



November 13, 2020

University of Pittsburgh
Board of Trustees
Ad-Hoc Committee on Fossil Fuels
159 Cathedral of Learning
4200 Fifth Avenue
Pittsburgh, PA 15260

Dear Ad-Hoc Committee on Fossil Fuels:

The Marcellus Shale Coalition (MSC) was formed in 2008 and is comprised of approximately 100 producing, midstream, transmission and supply chain members who are fully committed to working with local, county, state and federal government officials and regulators to facilitate the safe development of natural gas resources in the Marcellus, Utica and related geological formations. Our members represent many of the largest and most active companies in natural gas production, gathering, processing and transmission in the country, as well as the professional services firms, suppliers and contractors who partner with the industry.

The MSC appreciates the invitation of the Ad-Hoc Committee on Fossil Fuels (Committee) to comment on *“options on whether, to what extent, and via what methods the University, in its Endowment, should consider divestment from fossil fuels in existing and/or future investments.”*

The MSC strongly encourages the Committee to recommend to the Board of Trustees (Board) that the University not divest in any investment merely because it contains fossil fuel assets, including natural gas. We offer the following facts to help inform the Committee’s deliberations and recommendation.

Natural Gas Saves Lives & Reduces Energy Poverty

Our member companies and their employees take great pride in their work. They are committed to bettering their communities, this Commonwealth and the country as a whole. After all, we live and raise our families in the same communities in which we work.

Over the past twelve years, Pennsylvania has catapulted to the second largest natural gas producing state in the nation. Whereas Pennsylvania once only produced 25% of the natural gas which it consumed, it now produces 20% of the nation’s natural gas. This historic production increase has drastically reduced our dependence on foreign energy (where fossil fuels are often developed without the environmental standards common in the United States). It also has led to massive decreases in consumer energy costs, with electricity prices down nearly 40% since 2008 and natural gas energy costs down 70% or more in some Pennsylvania public utility service

territories¹. This translates into annual savings of thousands of dollars for the average residential customer, and exponentially more for businesses, non-profits and educational facilities, including the University of Pittsburgh.

Consider that one out of every three electrons powering our grid now comes from natural gas, this base fuel becomes absolutely necessary to safely and reliably power our homes, businesses and educational institutions. Indeed, it is natural gas that helps ensure our region's power remains uninterrupted, in stark contrast to, for example, California's approach to rely on renewable power which in part led to the disastrous blackouts this past summer.

Further, many consumers do not understand the significant role that natural gas and its associated liquids play in the production of nearly all the products we use each and every day. Beyond the irreplaceable electronics that our businesses, educational institutions and society at large have come to depend upon are many other necessary products, such as clothing, hygiene items, and everyday consumer goods which are made directly from natural gas liquids.

More recently, the COVID-19 pandemic has highlighted the importance of critical health care goods and products necessary to treat those who are ill, as well as effectively safeguard citizens from becoming ill. Masks, hand sanitizer, bottle dispensaries, soap, disinfectant, gloves, diagnostic tests, plexiglass barriers, syringes, and nearly every pharmaceutical is manufactured from natural gas and oil feedstock.

Citizens are able to use savings from lower energy costs to afford other critical necessities, access health care services, and provide greater educational opportunities for their families. The National Bureau of Economic Research released a working paper which suggests that upwards of 11,000 lives² across the United States were saved annually due to lower natural gas prices.

Likewise, we are fortunate to have several world-class health centers – including UPMC – to serve the citizens of our region, particularly in the midst of the pandemic. These health care centers could not do their job, or care for their patients, without access to reliable power or all the life saving and sustaining products that are produced from oil and natural gas. In short, natural gas development elevates citizens from poverty and literally save lives.

Natural Gas: Cleaner Air, Lower Emissions

While more work remains to be done, air quality in western Pennsylvania and indeed throughout the Commonwealth is exponentially cleaner today than it was even a decade ago. Much of this progress is directly attributable to the increased use of natural gas for electric generation.

Consider, for example, that since 2005³ sulfur oxides (SOx) emissions from power generation in Pennsylvania are down 93%, while nitrogen oxide (NOx) emissions are down 81%. Meanwhile,

¹ PA Public Utility Commission – Purchased Gas Costs

² Marcellus Shale Coalition Blog: *U.S. Energy Abundance Saves Thousands of Lives Annually*
<https://marcelluscoalition.org/2019/03/energy-abundance-saves-thousands-of-lives-annually/> March 29, 2019

³ PA Department of Environmental Protection – Air Emission Report (Power BI) 2005-2018



greenhouse gas emissions from power generation in Pennsylvania are down 39% since 2005⁴, surpassing the goals of the Paris Climate Agreement. SO_x and NO_x are both precursors to particulate matter, and these historic reductions in emissions has resulted in cleaner air, fewer respiratory ailments, reduced hospitalizations and related costs, and fewer deaths attributable to air pollution.

Institute of Politics Shale Gas Roundtable

In 2011, the University’s Institute of Politics (Institute) convened a Shale Gas Roundtable comprised of 26 individuals representing academia, industry, public health, environmental advocacy, government regulators and others tasked with building consensus on a series of recommendations to ensure that shale gas is developed safely and responsibly.⁵

This roundtable met for over two years and engaged in a series of often intense yet constructive and respectful dialogue on meeting the charge set out by the University’s Institute. This group recognized that shale gas development would be occurring in the region for decades to come, and the activity had invited both opportunity and questions for local citizens. In many ways, the convening of the roundtable represented the epitome of a public university’s mission: to be responsive to the community in which it operated, and to offer constructive input based on facts and reason, divorced from emotion.

The roundtable’s recommendations have aided both consideration of state laws and regulations which have strengthened industry standards and performance as well as raised confidence among many that economic opportunities could be seized while still protecting and enhancing our shared environment.

This roundtable endeavor was a success. Pursuing divestment without any coherent rationale, on the other hand, undermines not only the efforts of those who participated in the roundtable, but the credibility of the University itself as a convenor of diverse thought, science, and fact-based work.

Adherence to the Mission of the University of Pittsburgh

Within the University of Pittsburgh’s mission is the charge to “*engage in research, artistic, and scholarly activities that advance learning through the extension of the frontiers of knowledge and creative endeavor.*” The purpose of the University’s Endowments is to further this mission of the University. If, for whatever reason, members of the University community have concern over certain activities invested in by the Endowments, they ought to be part of the search for solutions rather than simply walking away and alienating so many in the region that this University serves.

⁴ U.S. Energy Information Administration – State Carbon Dioxide Emissions Data 2005-2017

⁵ Shale Gas Roundtable Releases Final Report: <http://www.news.pitt.edu/news/shale-gas-roundtable-releases-final-report> August 15, 2013



Regardless of the University's ultimate decision in this particular matter, fossil fuels will continue to be developed and utilized. The University has the opportunity to mobilize its vast resources and expertise to ensure this activity continues to be done safely and responsibly. That – and not divestment – is the appropriate path of pursuit for a University which has cultivated such a rich and well-deserved reputation for academic, research and intellectual excellence.

Conclusion

On behalf of the members of the MSC, their employees and families, and countless alumni of the University of Pittsburgh who work within this industry, thank you for your consideration of these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Spigelmyer', is placed over a light blue rectangular background.

David J. Spigelmyer
President



To: Dawne S. Hickton, Chair, Ad-Hoc Committee on Fossil Fuels

Dear Ms. Hickton

I am writing on behalf of the Steering Committee of 350 Pittsburgh, a local affiliate of the national climate action organization 350.org.

Being familiar with the lengthy campaign of Pitt students to persuade the Board to divest the University's Endowment Fund from fossil fuels, we are pleased with the formation of the Ad-Hoc Committee on Fossil Fuels and the request for public comment.

We understand that your Committee is charged with a financial responsibility, but we hope that Committee will recognize the moral imperative to stem the deterioration of our climate. That deterioration is accelerating around the globe, from the warming of the Arctic and the Siberian tundra, drought and wildfires in the American West, flooding in the Midwest and around the world, decreased glaciers and runoff water in the world's mountain ranges, to the warming of the oceans and the increased strength and frequency of hurricanes in the Atlantic and Pacific.

For decades scientists have know that changes of our climate are caused by the increased burning of fossil fuels and the consequent emission of greenhouse gases (GHG). In 2015 the Paris Agreement set a goal of limiting the rise of the global average temperature to 1.5 dec.C. This year the World Meteorological Organization predicted a 20 pct chance that the 1.5 deg.C [limit will be exceeded in the next five years](#) unless we reduce our GHG emissions.

Attending the risk the world faces by the unrestrained production and use of fossil fuels is the risk that investors face as steps are taken to reduce GHG emissions. In July 2018 the Institute for Energy Economics and Fossil Fuel Divestment concluded the "The Fossil Fuel Sector Is Shrinking Financially, and the Rationale for Investing in It Is Untenable". The [financial risks](#) can be listed in part as follows: government commitments to reducing GHG emissions, declining demand, insurance, lack of capital, price volatility, stranded assets, and competition from renewables.

The risks of fossil fuel investment are illustrated by the current state of the fossil fuel industry. In 2019 the dominant [Murray coal mining company](#) skirted with bankruptcy. Before the COVID pandemic [Royal Dutch Shell](#) lost \$7.4B in the third quarter of 2015 and [in 2020 it plans to cut spending](#) by \$5B to a maximum of \$20B, and in the second quarter of 2020 both [Exxon](#)

[and Chevron experienced record losses](#). No doubt the current losses are due in part to the pandemic, but there is [underlying uncertainty](#) as the [shift away from traditional energy](#) supply gathers momentum.

In addition to the financial risk attached to investment in the fossil fuel and associated industries, we sincerely believe that it is the responsibility of an important university such as Pitt to take a lead in the transition that is required if we are to avert a catastrophic climate crisis.

We respectfully urge the Ad-Hoc Committee to recommend alignment with the City of Pittsburgh as they divest their pension funds, and to join the divestment surge that [totaled \\$11T mid-2019](#) and [this year reached \\$14T](#) with almost 1,200 institutions and individuals having divested.

Sincerely,
Peter J. Wray
Member, Steering Committee
350 Pittsburgh
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