January 13, 2021

Dear President & CEO Rocziak and the University of Arizona Foundation Board of Trustees:

The climate crisis is upon us. We are standing on the precipice of irreversible climate change that has and will continue to affect our planet for decades [Appendix A]. As UArizona students and alumni, we look to this institution to ensure its students have an inhabitable planet and the opportunity to realize their full potential. As UArizona rebrands as an environmental leader, divestment and a rapid transition to renewable energy investments must be a university priority.

Climate change presents a systemic financial risk to capital markets under business as usual. Devastating natural disasters, including more frequent and intense droughts, wildfires, and rising sea levels, will depress real estate values and damage local economies. Scientists have warned that without action, climate-induced habitat loss will drastically increase zoonotic disease transmission and thus the risk of future pandemics. Climate impacts such as these aren’t priced into the market due to a lack of public company disclosures, representing a “systemic financial crisis in slow motion.” Continued fossil fuel use drives these processes, cementing the events of 2020 as a new normal.

There is strong financial impetus to divest. Fossil fuel investments do not generate the same financial returns as they once did and come with growing risks [Appendix B]. According to the Institute for Energy Economics and Financial Analysis, stability for oil and gas companies is declining due to volatility in revenue from political interference and price swings. Research from the Association of American Law Schools also shows that divestment has no near term impact on fund performance and does not violate fiduciary duty.

Financial investment plays a major role in climate change, yet UArizona continues to invest in companies which are engaging in business as usual. We must shift our mindset about economic policies if we are to have a liveable future. As such, we the undersigned UArizona students and alumni have the following requests:

1) **The University of Arizona Foundation pursues a path of complete divestment by 2025 and commits to no further investments from the fossil fuel industry from this point on.**

2) **The University of Arizona and the University of Arizona Foundation strengthen sustainable and socially conscious (ESG) investment strategies and partnerships. Examples include the creation of a separate socially responsible investment fund [Appendix C], development of a concrete ESG evaluation process, and the inclusion of student voices within the Foundation.**

As the University of Arizona community, we can work together to mitigate the impacts of climate change and build a better future. We would like to have an open discussion with the University of Arizona Foundation Board of Trustees about these requests to create an actionable plan for progress. We look forward to an invitation for dialogue with the Board of Trustees by February 15th, 2021.

Sincerely,

UArizona Divest
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Daniel Casanova        Stella Heflin        Kyle Kline        Marissa Lee
Nicholas Matthews     Aaron Nach            Frances Slater    Burke Wood
Appendix A:

The Intergovernmental Panel on Climate Change's (IPCC) *Special Report: Global Warming of 1.5°C* predicts with high confidence that “global warming is likely to reach 1.5 degrees Celsius between 2030 and 2052.” Due to the lack of progress in reducing carbon emissions, a warming of approximately 3°C is now a more likely scenario. We are currently experiencing impacts of warming including significant sea level rise, infrastructure damage, stronger and more frequent hurricanes, drought, species loss and extinction, increased acreage burned by forest fires, additional food insecurity, and reduced economic growth. According to the World Health Organization, “climatic changes are already estimated to cause over 150,000 deaths annually,” approximately the same number of lives lost to COVID-19 in the United States as of July 2020.

Furthermore, UArizona is located in Tucson, the third fastest warming city in America. Under a 1.5°C of warming scenario, extreme temperatures in the mid-latitudes, including Arizona, will increase by approximately 3°C. This increase will adversely affect public health and infrastructure across the board. Wildfires like the Bighorn Fire will burn more often and with greater intensity, roads will suffer damage to long term viability, Tucson's air quality will deteriorate, and higher temperatures will increase heat-related deaths. These impacts will disproportionately endanger the elderly and children as well as low income and Black, Brown, and Indigenous communities.

Appendix B:

Appendix C:

A socially responsible fund allows donors to maximize their social return as well as contribute financially to the University by promoting active environmental, economic, and cultural health of our communities. This type of fund is also a sound financial investment. For example, Arizona State University Foundation's socially responsible fund has outperformed its conventional funds since its inception. Overall, this fund class invests in stronger communities without sacrificing financial returns and must be taken into consideration. The Foundation should align their capital with the mission of UArizona. As future alumni and potential donors, we will remember how the University and administration acted in this moment.