

Boston University Office of the President

Dr. Robert A. Brown, President

One Silber Way

Boston, Massachusetts 02215

September 23, 2021

Dear Members of the Boston University Community:

I am writing to let you know of an important decision by the Boston University Board of Trustees. At their meeting this week, our Trustees voted to end the investment of our endowment in fossil fuels. I will discuss the details of their decision below but before I do, I would like to give some context for the Board's decision.

In 2016, as a result of a two-year University-wide consultative process, the Advisory Committee on Socially Responsible Investing (ACSRI) recommended to the Trustees that the University:

- Prohibit new and divest from direct investments in companies that (a) explore for new fossil fuel of any kind, or (b) extract coal and tar sands, the most carbon-intensive fuels;
- Seek to utilize investment managers specializing in renewable energy sources and technologies for the reduction of greenhouse gas (GHG) emissions; and
- Implement a Climate Action Plan that would move our campuses to be carbon neutral and prepare us for the impacts of global warming.

The Board voted on September 15, 2016, to commit, on a best effort basis, to forgo investing in coal and tar sands extractors, to invest with managers focused on technologies to develop renewable energy and reduce GHGs, and for the University to move forward with an aggressive Climate Action Plan. The Board also directed that we revisit the fossil fuel divestment decision within five years.

In the intervening years, the impact of climate change has become more apparent—with increasing temperatures around the globe, more extreme weather events, growing water shortages, and wildfires that are destroying entire communities. The Intergovernmental Panel on Climate Change (IPCC) issued its [latest report](#) in August 2021, establishing more definitively the link between increased global temperatures and fossil fuel use by humans. The report emphasized the need for urgent action, estimating that we have less than a decade to make significant reductions in fossil fuel use if we are going to prevent the most devastating impacts of global warming.

In early 2021, responding to the Board of Trustees' request, the ACSRI, chaired by Trustee Richard Reidy, initiated a University-wide process to collect data and elicit input from the community in preparation for the Trustees' anticipated September 2021 reconsideration of fossil fuel divestment. Among its activities, the advisory committee conducted forums on climate science and divestment with students, faculty, and staff. ACSRI student and faculty members each sponsored a listening session for their respective constituents. The result of the

subsequent ACSRI deliberations was a recommendation that the University divest from fossil fuel producers. The Board of Trustees voted to accept the ACSRI recommendation, which is described below.

Investment Policy on Fossil Fuels, approved on September 22, 2021

The investment policy adopted by the Board of Trustees includes short-term and long-term actions. It is summarized as follows:

To continue the endowment's recent downward trend for its fossil fuel investments, the University should:

1. Immediately:
 1. commit to no new, direct investments in companies that extract fossil fuels;
 2. divest from current, direct investments in fossil fuel extractors;
 3. commit to no new investments in dedicated fossil-fuel-focused products, in any asset class.
2. Divest from all other fossil fuel investments over time while making best efforts to limit fossil fuel exposure during that divestment process, recognizing that:
 1. it is in the best interest of the University to avoid large financial losses associated with rapid sale of finite-lived private equity investments;
 2. the current private fossil fuel investments may take more than a decade to liquidate;
 3. the flexibility to remove indirect fossil fuel investment exposure from the University's endowment will increase over time as more fossil-fuel-free investment opportunities become available;
 4. the Investment Office has the discretion to determine how best to balance the University's dual objectives of (a) steadily reducing and then ultimately divesting from all fossil fuel investment exposure, and (b) supporting the critically important transition to alternative sources of energy. For example, the Investment Office should not be prohibited from investing in an alternative energy-transition-focused product which has fossil fuel exposure that is either *de minimis* or relatively small and declining. In order to ensure transparency, such decisions will be reported to and reviewed by the Board of Trustees' Investment Committee annually.
3. Prioritize investment in fossil-fuel-free products.
4. Annually report progress and extent of the endowment's fossil fuel exposure to the ACSRI, the Investment Committee, and the Board of Trustees.

The Trustees also asked the Investment Office to monitor the development of (a) tools to measure greenhouse gas emissions generated by the endowment investment managers' underlying corporate holdings, and (b) methods to offset those entities' net emissions, with the goal of considering adoption of a University GHG-Net-Zero-by-2050 policy at a point in the future when implementation is possible. The Investment Office was asked to periodically report on development progress to the ACSRI, Investment Committee, and Board of Trustees.

Looking Forward

The actions of the Board of Trustees on investment in fossil fuels are, I believe, a necessary step toward mitigating global warming and the devastating impacts of climate change. These actions will put the University on the right side of history. But I will note that the very small fraction of our endowment that is invested in fossil fuel producers and extractors makes the Board's commitment economically inconsequential. It becomes significant when added to the growing number of organizations, investment firms, pension plans, and individuals who are making the same commitment.

All of us will need to do more to prevent the global calamity caused by climate change. Through our Climate Action Plan, Boston University will continue to make major investments to lower our carbon footprint and to mitigate the effects of rising temperatures, sea levels, and increasingly frequent extreme weather events on our campuses. Environmentally conscious construction of new space and renovation of existing buildings is a priority. This summer we completed the expansion and renovation of the Goldman School of Dental Medicine, which just received LEED Gold certification. The Center for Computing & Data Sciences on the Charles River Campus will set a new and very high standard for our large construction projects—the facility will be fossil-fuel-free using 31 geothermal wells as its primary energy source to heat and cool the building.

We intend to systematically address energy use for all 345 buildings occupied by the University.

Using the Climate Action Plan as our guide, we also have made significant progress toward being carbon neutral for campus operations by 2040. A major step was the launch of the BU Wind Project in December 2020. This project is designed to match 100% of the University's energy usage for the next 15 years.

As a leading research university, Boston University is part of the ongoing search for solutions. The research of our faculty and students is contributing to new understanding of the impacts of global warming on our oceans and our cities and to the invention of new technologies that have the potential to radically reduce energy consumption and mitigate the worst effects of global warming.

Individually and collectively, we can make a difference in what will be the most important test of human will and ingenuity. As we have learned to live and work with the virus that causes COVID-19, we face another silent killer that is ultimately more dangerous than a virus. We face the challenge of changing our way of life at unprecedented speed if we are going to preserve the Earth's environment as we know it.

I want to thank all the students, faculty, and staff who contributed to the discussions across our campuses and with the ACSRI, last spring and through the years. You have helped move the University forward.

Sincerely,

Robert A. Brown
President