Press Release
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Title: NM Attorney General Responds to UNM LEAF's complaint against the UNM Foundation, inadequately addresses its concerns

Sub-Description: In the UNM Foundation fossil fuel Divestment Campaign, UNM Students and community successfully pushed the UNM Foundation to adopt Environmental, Social and Governance policy, but saw NO action taken by the Attorney General on climate change as a result of the formal complaint.

After 8 years of protests, public comment, and the filing of a Complaint with the New Mexico Attorney General's office, the University of New Mexico Board of Regents approved a new UNM Foundation investment policy on Feb. 14, 2023. It reverses the previous 2015 prohibition on considering so-called "Environmental Social Governance" factors in its investment decisions.

UNM LEAF is relieved that the Foundation is fulfilling its fiduciary duty by acknowledging the importance of selecting companies that adhere to environmental guidelines. However, we think the endowment would be better served by a policy that specifically mentions climate risk, physical risk and transition risk, which this policy does not. New Mexicans are increasingly burdened with the impacts of climate change, which an improved ESG investment policy would take into account. For example, the Hermit's Peak/Calf Canyon fire this summer destroyed people's homes, water systems, ranching fences, and hundreds of thousands of acres of forests. The next logical step is for the UNM Foundation to analyze its portfolio under a climate and transition risk lens and begin to question the viability of its fossil fuel holdings.

While UNM LEAF and its partners applaud the ESG policy as a first step, they also note that a Complaint it filed on Oct. 26, 2021 was not acted on by the outgoing New Mexico Attorney General Hector Baladeras. The Complaint alleged that the Foundation is violating New Mexico's Uniform Prudent Management of Institutional Funds Act (NMUPMIFA) by failing to align its investments with the University's charitable missions. It argued that the Foundation's fossil fuel investments, especially in companies operating in New Mexico, harm UNM students, New Mexico residents, and future generations, the beneficiaries of the University education and health care system. We contend that UNMF has only focused on its investment return as clearly stated in its previous Investment Policy and has never to our knowledge directed its managers to make

investments in accordance with the University's missions. A more thorough investigation would have tasked the Foundation to provide evidence of how it gives its mission equal weight in its investment decisions.

The complaint further contended that several members of the Foundation's Board of Trustees had close ties to the fossil fuel industry, creating a conflict of interest. In a November 22, 2022 letter, the AG's office says it was "told that the Foundation was unaware of any such ties," yet in direct contradiction to what it was told, the AG's office found that some Trustees of the Foundation *are* closely tied to the fossil fuel industry. The AG needs to properly address why they do not consider it to be problematic for members of the UNM Foundation to have leadership roles in organizations promoting the fossil fuel industry and financial interest in the oil and gas companies.

The AG's office did "question the extent to which the Foundation investigated the potential conflicts of its members, and remind[s] the Foundation that such investigations are crucial to its mission and must not be taken lightly." One of the Foundation Trustees at the time of the complaint filing included Tommy Roberts, active member and past President of the Board of Directors of the Independent Petroleum Producers of New Mexico (IPAPM) whose website, "advances and preserves the interests of independent oil and gas producers while educating the public to the importance of oil and gas to the state and all our lives [...] IPANM continues to grow and provide the services that protect, defend, and promote the industry that is the very foundation of our way of life." Another, Randy Velarde, served on the National Petroleum Council and is on the board of the Consumer Energy Alliance (CEA), a fossil fuel and related industry front group funded by corporations such as BP, ExxonMobil, Shell, and Chevron.

Yet in spite of these apparent conflicts of interest, the AG's office did not consider the Foundation's failure to disclose actionable violations of the NMUPMIFA. While the AG's response did refer to the language in our original complaint in relation to the UNMF's obligations on ethical investment, it failed to grasp that the *intention* of UNM students in filing this complaint was to bring to the AG's attention that the UNMF is not making responsible investments in relation to the impacts of climate change on the UNM community. Also, in a recent retreat from transparency, the UNM Foundation removed the list of funds in which it invests from its website, making it impossible for donors and the public to assess where donor and university monies are being allocated.

UNM LEAF and community members are not satisfied with the response that we received from the NM Attorney General's Office, and will continue to push for strong, equitable solutions to climate change from the University of New Mexico.