



Dear Members of the Harvard Community,

Climate change is the most consequential threat facing humanity. The last several months have laid at our feet undeniable evidence of the world to come—massive fires that consume entire towns, unprecedented flooding that inundates major urban areas, record heat waves and drought that devastate food supplies and increase water scarcity. Few, if any, parts of the globe are being spared as livelihoods are dashed, lives are lost, and regions are rendered unlivable. Moreover, as the latest [report of the UN Intergovernmental Panel on Climate Change](#) suggests, without concerted action, this dire situation is only going to get worse.

We must act now as citizens, as scholars, and as an institution to address this crisis on as many fronts as we have at our disposal. I write today to describe what Harvard has done—and will do—to ensure that our community is fully engaged in the critical work ahead.

### **Investment Strategy**

For some time now, Harvard Management Company (HMC) has been reducing its exposure to fossil fuels. As we reported last June, HMC has no direct investments in companies that explore for or develop further reserves of fossil fuels. Moreover, HMC does not intend to make such investments in the future. Given the need to decarbonize the economy and our responsibility as fiduciaries to make long-term investment decisions that support our teaching and research mission, we do not believe such investments are prudent.

HMC has legacy investments as a limited partner in a number of private equity funds with holdings in the fossil fuel industry. These indirect investments constitute less than two percent of the endowment, a number that continues to decline. HMC has not made any new commitments to these limited partnerships since 2019 and has no intention to do so going forward.<sup>i</sup> These legacy investments are in runoff mode and will end as these partnerships are liquidated.

HMC is building a portfolio of investments in funds that support the transition to a green economy. In addition, the University has made investments alongside MIT in The Engine, a fund that, among other things, seeks to accelerate the development of technologies that promise to address the challenges posed by climate change.

HMC was the first endowment in the country to commit to achieving net-zero greenhouse gas emissions across the entire investment portfolio by 2050. Since we announced this commitment, a number of other endowments have followed our lead. We will work with them and others to achieve greater transparency in the greenhouse gas footprint of all of our investment managers, along with the development of protocols for assessing and reducing the footprint for entire investment portfolios. We must continue to work with our investment managers and with industry if we are to bring about the transformation of our economy that climate change demands.

Finally, HMC has pledged to render its own operations greenhouse gas neutral by June 30, 2022. It will also continue its work with organizations like Climate Action 100+, Principles for Responsible Investment, and CDP (formerly the Carbon Disclosure Project), all of which seek to engage other institutional investors in helping to speed change towards a decarbonized economy.

## **Research and Teaching**

The principal way we influence the world is through our research and teaching. We are fortunate to have enormous strength in environmental science, medicine, public health, engineering, policy, ethics, business, and law at Harvard. Through efforts such as the [Harvard University Center for the Environment](#) and the [Climate Change Solutions Fund](#), we have made important progress toward connecting and amplifying distributed efforts, but we must do more if we hope to move with the speed and focus that the moment demands.

Earlier this week, we announced the appointment of [our first-ever Vice Provost for Climate and Sustainability](#). Professor James Stock will work across University boundaries to accelerate and coordinate research and education, and to accelerate our University-wide strategy with the potential to transform Harvard's capacity to produce crucial new knowledge on climate and sustainability. I have provided significant resources to seed this effort and have pledged to work with Jim and our faculty to raise substantial incremental resources to support our work on climate change. Harvard must stand among world leaders in addressing this challenge.

## **On-Campus Sustainability Efforts**

We must look not only to our work but also to every aspect of our lives as we chart a path forward, and we will continue to scrutinize our own campus activities. Harvard was also one of the first organizations to announce in 2018 a goal to eliminate the use of all fossil fuels to heat, cool, and power buildings and vehicles on our campus by 2050 along with a short-term goal to be fossil fuel-neutral by 2026. This [unique approach](#), informed by input from faculty, students, and staff, aims to reduce emissions and address health impacts. In 2019, I created a Presidential Committee on Sustainability—currently co-chaired by Professors Jody Freeman and Mike Toffel with Executive Vice President Katie Lapp and managed by the Office for Sustainability—to inform our sustainability priorities and advise how the University achieves our goals and generates transformational solutions.

To that end, Harvard's campus serves as a testbed for experimentation that evolves with our knowledge of climate change and sustainable development. From the construction and maintenance of our buildings; to the design of our transportation systems, including new EV buses; to the sourcing and preparation of our food; and more, Harvard uses our strengths to translate research and teaching into practice to pilot, prove, and implement solutions that can be replicated and scaled locally and globally. The University is also leveraging our faculty and research to translate public health and building materials research to help drive market transformation through the Harvard Healthier Building Academy (HHBA). The HHBA has collaborated on more than 40 capital projects representing three million square feet to generate transparency for building material ingredients and worked with hundreds of manufacturers to optimize products for health. The University has more than 140 LEED-certified buildings, including the new [Harvard Science and Engineering Complex](#) (SEC). LEED Platinum certified, it is the largest building—and the first research building—in the world to achieve Living Building Challenge Materials Petal Certification.

None of us will be spared the realities of climate change, which means we are all in this together. Global progress will depend on a collective effort to see one another not as adversaries but as partners, not as caricatures but as people. It used to be that this was easier said than done—now it seems easier thought than said—but we must find a way to work side by side to have any hope of changing behaviors, adopting policies, and decarbonizing the economy. After a career among some of the most creative and talented individuals in the world, I believe that any problem caused by people can be solved by people too. If that seems overly optimistic, so be it. We are going to need a little optimism to preserve life on Earth as we know and cherish it today.

All the best,  
Larry

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i Under the terms of some of these partnerships, HMC is legally obligated to fund capital calls if requested by the general partner up to the maximum capital committed at the time of the investment.

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