

UNIVERSITY OF EDINBURGH

MINUTE OF A MEETING of the *Fossil Fuels Review Group* held in the Elder Room, Old College on Thursday 2 April 2015.

Members:	Prof Charlie Jeffery	Senior Vice Principal (Convenor)
	Dave Gorman	Director of Social Responsibility & Sustainability
	Tasha Boardman	EUSA Vice President Services
	Mark Connolly	CIO, Fixed Income, Aviva Investors (Member of Investment Committee)
	Prof Andrew Curtis	Professor of Mathematical Geoscience
	Dr Andy Kerr	Executive Director, Edinburgh Centre on Carbon Innovation
	Prof Lesley McAra	Chair of Penology, School of Law
	Phil McNaul	Director of Finance
	Tracey Slaven	Deputy Secretary, Strategic Planning
	In attendance	Joe Farthing
	Rob Tomlinson	Head of Media and Communications
	Jane Rooney	Minute Secretary
Apologies:	Tracey Slaven	Deputy Secretary, Strategic Planning

1 Minute

The minute of the meeting held on 2 March 2015 was approved as a correct record.

A

2 Matters Arising

Public Statement

Production by the Group of a one-page public statement (referred to in the first paragraph of item three of the previous minute) would not be required, as public dissemination of the report would be handled by Central Management Group (CMG).

The Convenor introduced Robert Tomlinson and Joe Farthing, in attendance to get a sense of the Group's reasoning as context for media and communications activity once the CMG adaptation of the report was made public.

This final session would seek to resolve contention and reveal any undiscussed issues. Subsequently, DG would redraft the report and CJ would review and circulate it for comment by the end of Tuesday 7th April.

3 Fossil Fuels Review Group Report

B

I. Prefatory issues

Members noted documents presented to the Group including the People & Planet report, letter from academics to the Principal, and note from the School of Engineering Management Committee, all representing a particular view on the issue.

The Convenor had spoken with the Head of the School of Engineering to discuss the concerns raised.

The Engineering paper brought to prominence the possible impact on academic freedom, which had been one of the central issues for the Group. The People & Planet report made a direct appeal to the University's values, also a central consideration.

These documents spoke to different aspects of the five criteria given to the Group by CMG, which stood in tension with one another.

As this material was unsolicited, it did not in that sense form part of the Group's evidence gathering, but the final report should reflect that the Group had received, read and used them to inform its recommendations. The Group agreed to note and reflect on the documents, but come to its own view.

II. How to reference these pieces of information

Having received various documents including AC's GeoSciences survey, the letter from Engineering and the letter to the Principal, it was clear that there was diversity of views within the University community, ranging from supporting no action to immediate divestment. The final report should state that this diversity exists (even within a single school), that the University recognises and embraces diversity of opinion, and that the Group had taken this into account, reflecting it in discussion and evaluation of options.

Action – DG to expand the final paragraph in Section 2d: University Learning and Teaching and Research (p5) on the Schools of Engineering and GeoSciences to capture a sense of the diversity of views within the University community.

Action – DG to do the initial redraft, and CJ to focus on the paragraph covering the diversity of opinion, making clear the tension between different values.

III. Additional Benchmark (p9)

Members found the inclusion of an additional criterion problematic and agreed instead to articulate this point in discussion of the options.

Action – DG to reflect on where best to capture this point and remove references to an additional benchmark.

Action – DG to redraft this section to make clear that the transition from high to low carbon was reflected in the changing portfolio of the University's teaching and research, and that investment strategy should reflect the University's wider direction of travel, also indicating that exploration and exploitation of carbon would continue for some time to come.

Action – DG to rephrase the first bullet point to clarify 'activity', making clear that this refers to investment activity and not research, teaching and knowledge exchange, and express this as a criterion.

IV. Option 4

Members discussed the description of the option (p10/11) and the courses of action that could flow from it (p13).

The Group noted increasing investor interest in companies measuring the carbon output of their activities. A range of trackers and assets were being brought forward, so that in the longer term there would be products available and no need for Investment Committee to do this themselves. While acknowledging that the option had merit as a direction of travel, concerns remained about short-term practicality as these products were still in the early stages of development. The evidence base that would enable this option was not yet systematic, but may become so. It was suggested that this be framed as a statement of aspiration rather than a statement of intent, predicated on investable alternatives. Investment Managers could also be asked to raise the stranded assets issue as part of their engagement lists.

For Options 4 and 5, in either case divestment would not happen immediately, but would depend on ongoing engagement with individual companies.

Action – DG to establish if this constitutes a novel contribution to the fossil fuel debate, and if so, to indicate and reflect on this.

Action – AK to produce a redraft of the description of option 4 (p10/11) and the enactment of the option (p13), share this with MC, and pass to DG.

V. Option 5 (p14)

Additional clarification of what was meant by academic freedom was required, as well as further thought on how to put this option into practice. Broadly, there was an ethical issue for the University that would fall under the remit of Research Policy Committee to take forward.

Action – DG to remove the example relating to brown coal (p14) which was unnecessary as the description of option 5 had already made clear what was meant by high carbon emitting fuels. The reference to coal mining required further clarification.

Action – DG to include direct reference at this point to the letter received from Engineering.

Action – DG to amend references to divestment from fuels to ‘divestment from companies substantially engaged in producing and using highest intensity fuels such as...’

Members agreed that it was not for this Group to quantify substantial engagement in percentage terms, as there were emerging benchmarks for this.

VI. Option 6

This option needed to be expanded, including greater stress on the impact on teaching and research. Full divestment, in its extreme form, was felt to raise human rights issues around access to water and power in the developing world. Evaluation should also take into account the other uses to which fossil fuels are put, including the manufacture of plastics.

Action – DG to define the option, then in the evaluation section outline why the Group felt the issue was not limited to that definition, explaining why it not a viable option. Throughout, DG to focus in section 3 on outlining what the options are and why they might appeal, looking at investment activities alone, and using section 4 to go into what these options mean, bringing in impact on learning and teaching and so on.

Action – DG to further flesh out option 1 and why it might be dismissed, making reference to the letter from Engineering. DG to expand on what ‘no additional action’ means in section 3 (reflecting that 80% of our energy is from fossil fuels, we are passive players and changes will happen anyway etc.) and in section 4 evaluate and justify dismissing the option in a more thorough way.

Action – DG to swap the order in the first paragraph of p17; ‘the group concluded that to take no action...’ to come before ‘but full divestment...’

VII. Recommendations 2 & 8

This would be a new instruction to Investment Committee, and one that it was not resourced at present to discharge. A distinction needed to be made between use of the endowment fund and the commercialisation activities of the University. Members felt that this did not need to be a recommendation but was covered in other University activities.

Action – DG to rename section 5 ‘Additional Recommendations to the University’.

Action – DG to take out recommendations 2 & 8 and preface this section with an overarching statement noting the University was taking a particular direction of travel and should pursue and support this through its teaching, research, and commercialisation activities.

VIII. Recommendation 5

Action – DG to refer to direct instruction from CMG to consider the issue in terms of the University's values, indicate that no single set of values existed, and suggest that the University may wish to reflect on this.

IX. Recommendation 6

Action – DG to draft a crisp statement drawing together recommendations and conclusions as well as the Group's working method to act as a cover paper and for more public presentation to inform communications activity which followed CMG's decision. Section 6, revised in the light of edits agreed at this meeting, could form the basis of that document.

Action – DG to include with the additional documents the text from Geosciences, the People & Planet report and letter, and the Engineering letter.

X. Recommendation 7

Action – DG to replace recommendation 7 with general encouragement to the University to continue with this direction of travel, noting that issues of climate justice had come up in the Group's deliberations, though given the Group's remit these issues were not central to them, and suggest that it was an area the University might like to reflect on.

4 Context for Report Launch and Communication Issues

C

Members would encourage CMG to have a statement ready and to publish its decision quickly as there was expected to be considerable interest.

The representative from Communications and Marketing advised members to reflect on the tone, timing and channel of communications, for both internal and external audiences, and draw up a simple communications plan. If possible, announcement should be delayed until the University community was back together after the Easter break. Thought should be given to balancing informing internal audiences before social and news media. Spokespeople should be nominated to front the decision. As it was not strictly black and white, the potential level of interest from news media would be difficult to gauge. Discussions would continue offline.

Action – CJ to ensure that members were made aware of CMG's decision.

The Convener thanked members for their involvement and dissolved the Group.