



Q&A

Is the University going to divest from fossil fuels?

The University has committed to a change of fossil fuel investment policy. In reaching a decision, the University does not see choices as limited to ‘no change’ or ‘pull out of all investments’. It has been agreed that the University will use responsible investment to work with companies to reduce their emissions.

The University will seek to change the behaviour of the companies in which it invests – in the fossil fuels sector and in all other sectors – by requiring them to report on their emissions and by benchmarking them according to best performance in their sector.

In addition, the University will focus specifically on companies involved in the extraction of the highest carbon-emitting fossil fuels: coal and tar sands. The University will withdraw from investment in these companies if two conditions are met.

Firstly, it will do so where realistic alternative sources of energy are available. While this is the case in the developed world, it is not in much of the developing world.

And, secondly, it will do so if the companies involved are not investing in technologies that help address the effects of carbon emissions and climate change, including carbon capture and storage. In all cases the University will discuss its concerns with these companies prior to change in investment policy.

The meaning of both “highest carbon emitting” and “alternatives” will change and over time – meaning that the decision, and any divestment decision, will adapt as the situation changes. This means that the adoption of technologies such as carbon capture and storage might reduce the emissions of some fuels, while the wider availability of alternatives currently in development may lead to further changes in investment policy in the future.

As part of a continuous process – with reviews every three years – the University will engage with all of the companies it invests in. Focusing on those with the highest emissions, the University will work to encourage transparent reporting on carbon, and will prioritise lower carbon activities – by selecting investment packages with lower carbon emissions, by working directly with companies to cut their emissions, and in the future by prioritising ‘best in class’ companies with lower emissions than their peers.

What about stranded assets?

The Fossil Fuels Review Group agreed that the stranded assets argument needs further and more detailed review, and have requested that the University's Investment Committee investigate this as soon as possible. If the argument is found to be valid, then the Investment committee might be expected to take further action to mitigate unacceptable risks to the University.

What about armaments?

An Armaments Review Group will be established to review questions around investments in armaments companies. Just like the Fossil Fuels Review Group, this group will include representation from academic schools, support groups and the students' association.



What about divesting from another area?

While only one more review is currently planned, the updated University's Responsible Investment Policy will lay out a process and the circumstances under which further reviews can be called.

When will the updated Responsible Investment Policy be published?

The University's Responsible Investment Policy is designed to facilitate future decision making around topics such as this. In updating the policy, the decision was taken to use the fossil fuels and armaments decisions as a pilot for the new policy. Once these reviews have completed, feedback from both groups will be used to create the final version of the updated Responsible Investment Policy.

Why was the decision not taken by the Central Management Group?

Following careful consideration of evidence, the Fossil Fuels Review Group provided a number of recommendations in a substantial report on the issue. The Central Management Group received and considered the report of the Group and forwarded the recommendations to the University's governing body, the University Court, for decision at its meeting on 11 May."

Does this decision reflect the University's values?

Edinburgh's Fossil Fuel Review Group found that there are currently no suitable alternatives to the global use of fossil fuels for certain activities in certain countries, especially developing countries. Fossil fuel-related knowledge and developments also directly enable potentially-transformative carbon technologies such as carbon capture and storage. While it is clear that Edinburgh's activities related to fossil fuels are greatly outweighed by activities outside of the fossil fuels sector including activities related to climate change and its mitigation, it does not make sense to create a black-and-white distinction between the two areas. Many of the technologies developed to secure the extraction of fossil fuels are also fundamental to important technologies for the combatting of climate change, notably carbon capture and storage.

Climate Justice

The University recognises that fossil fuels not only used for energy but also in the production of products like plastics and fertilisers which are important for human well-being. It recognises too that there are currently few viable alternatives to the use of fossil fuels to provide energy for basic human needs of heating, refrigeration and clean water in large parts of the developing world. Our research and teaching will continue to contribute to the global search for lower carbon alternatives and for emissions reduction technology like carbon capture and storage, but we must also recognise the threat posed by climate change and the importance of urgent action to reduce carbon emissions.

An abrupt shift away from fossil fuel use would seriously impact the well-being of some of the world's poorest communities. The Fossil Fuel Review Group recognised important concerns around the concept of climate justice. The case is that having historically burned fossil fuels in order to facilitate its own development, the developed world cannot then call for restrictions on fossil fuel use, without giving further consideration to the need for development in less developed parts of the world.

REF/RAE

A review of the evidence from the Research Excellence Framework (REF) and Research Assessment Exercise (RAE) submissions over the period 2001-2014 suggested the increasing presence of research designed to better understand the earth and its climate and of development research into climate change mitigation strategies including renewables development and carbon capture and storage.