



STATEMENT

The University of Edinburgh was the first university in Europe to commit to the United Nations Principles of Responsible Investment. Since then, we have carried out a consultation process involving students, staff and alumni to help determine how we should best take forward our commitment to responsible investment.

Subsequently, following a request from our Students' Association, the University set up a Fossil Fuels Review Group to consider the case for divestment of University assets from fossil fuel companies.

The Fossil Fuels Review Group included a Vice President of the Students Association, academic experts from the School of GeoSciences, the School of Law and the Edinburgh Centre for Carbon Innovation, a member of the University's Investment Committee and senior University managers.

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 which was forwarded to the University's governing body, the University Court, for decision at its meeting yesterday, Monday 11 May.

In line with those recommendations, the University believes that we should seek means through our investments to support the transition from a high carbon to a low carbon society, as long as actions taken are consistent with other University objectives and values.

Subsequently, the University of Edinburgh has committed to a change of fossil fuel investment policy.

In reaching its 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. It will continue through its research and teaching to help develop alternative energy sources and technologies that reduce the carbon emissions to the atmosphere in deriving energy from fossil fuels.

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.

In all cases the University will discuss its concerns with these companies prior to change in investment policy.



The University will also prioritise low or zero-carbon investments by identifying and replacing investments with lower carbon alternatives where available. The University will use its leverage to press for the growth of the market for such low carbon investment products.

At the same time the University will continue in its research and teaching to develop its commitment to finding alternative sources of renewable energy and developing low-carbon technologies. Edinburgh will also continue its commitment to carbon capture and storage research, focusing on new ways of securing energy from fossil fuels without the harmful emissions to the atmosphere that cause climate change.

The Fossil Fuels Review Group recognised and endorsed scientific research about the role of fossil fuels in climate change. It also recognised that we use fossil fuels for a range of purposes – not just energy, but also, for example, in agricultural fertilisers, the manufacture of plastics and the production of steel – and that feasible alternatives for many of these purposes do not currently exist.

The group noted in particular that many developing countries are still dependent on fossil fuels for the provision of heating, clean water and refrigeration. An abrupt shift away from fossil fuel use would impact on the well-being of some of the world's poorest communities.

Our policy underlines our commitment to use the leverage of our investments to bring about change that reduces carbon emissions in the fossil fuels and other sectors, and to press further with our world-leading research activities that actively contribute to the solution of problems arising from fossil fuel emissions and the identification of alternative technologies.

As a global civic institution, the University of Edinburgh will continue to take its lead through our research, teaching and knowledge exchange and helping society understand, manage and reduce climate risks.

The University will review these matters every three years to ensure investment policy reflects the current state of technology and economic developments.

In sum, the University's new approach signals action on climate change by targeting high carbon-emitting fuels, pressing the companies it invests in to report and reduce their carbon emissions, and building demand for new and alternative low-carbon investment products.

The University will continue to develop world-leading research and teaching on fossil fuels, renewable energy technologies, climate science, and the behavioural and technological changes that can help mitigate climate change.

Professor Charlie Jeffery
Senior Vice Principal