

UNIVERSITY OF EDINBURGH

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

Present: 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
Jane Rooney	Minute Secretary

1 Minute

The minute of the meeting held on 11 February 2015 was approved as a correct record.

Post-meeting note: minutes to be corrected to update Andrew Curtis' job title and references.

2 Matters Arising

People and Planet

The Convenor met with students from People and Planet prior to the meeting and received a letter calling for divestment from fossil fuels and a divestment brief. These would be circulated and considered as appropriate.

Law RAE & REF submissions

The RAE 2001, RAE 2008 and REF 2014 environment returns from the Law School underlined the general message in showing a significant increase in the weight of research on environmental issues over the period.

Members agreed that the RAE/REF documents and analysis would be published as part of the background to the report.

Action – CJ to circulate the updated analysis to the Group.

Energy and Alleviation of Poverty

Action – CJ to meet with Vice-Principal International James Smith to obtain specialist input on the role of energy in alleviating poverty globally.

3 Fossil Fuels Review Group Draft Report

A

B

The Group agreed the correct approach was production of the full report, plus a short covering note for CMG and a one-page public statement. The option to take advice from Communications and Marketing on messaging for different audiences would be addressed during the supplementary meeting on 2 April.

Members agreed to revisit drafting of the prefatory paragraph once agreement on the recommended options had been secured.

The content of section 1 and sections 2a, 2b, 2c and 2d were agreed.

Section 2e - University Learning and Teaching and Research

FFRG noted that within the School of GeoSciences over the last 8-10 years income for research into climate change was four times the combined figure for fossil fuel related research (including CCS) and alternative energy research (including Biochar). This rose to five to six times the figure if ECCI funding was included.

Action – AC to draft a brief example of the interface between research on fossil fuel exploration and mitigation, to illustrate that the research and technology that flow from exploration and exploitation also allow for developments such as CCS (previous action).

Action – AC to circulate a paper summarising the quantum of research and teaching in GeoSciences, including relative proportions and definitions to frame engagement with Engineering for inclusion.

Action – AC to engage with the Head of the School of Engineering to initiate a similar exercise.

Section 2f - Investment, Financial and Behavioural Issues

Members agreed that the engagement report from Black Rock, already in the public domain, could be included with the background papers.

The total valuation of the fund at the latest update was £312.4 million. Detailed disclosure from Royal London Asset Management was still to follow, once the NDA had been signed by the Director of Finance.

Action – DG & PM to work on the presentation of the data in Figure 1. Moving to a breakdown by investment category rather than individual companies should give this data a longer life cycle.

Action – MC to clarify for FoI purposes the basis on which Investment Managers' engagement reports had been shared with the Group (previous action).

Section 3 - Conclusions from Evidence Reviewed

Action – DG to reword this section to reflect the interdependency of research on fossil fuel exploration and carbon mitigation and, in the paragraph beginning 'the group concluded...' to include reference to the negative impact on carbon mitigation strategies such as CCS.

Action – DG & PM to rephrase 'not at the expense of the broader financial health of the endowment funds' to indicate willingness to bear some additional cost in order to take an 'in principle' stance.

Action – DG to change the title of this section from ‘Conclusions From Evidence Received’ to ‘Assessment of Evidence Received’, reorder the paragraphs to improve flow, and redraft for balance taking account of both outliers - full divestment and taking no action.

Section 4 – Initial Development of Options

FFRG agreed the prefatory text to section 4. While the products of the matrix had been useful, members agreed not to include Figure 2 in the final report.

Action – DG to replace Figure 2 with a paragraph outlining the key points taken into account when developing these options.

Action – DG when introducing the six initial options to clarify that a number of them were complementary and that more than one option could be chosen.

Action – DG to change the order of the options, linking 2 and 4 as relating to investment decisions, and 3 and 5 as reflecting engagement and different logics of selecting targets.

Action – DG to reword Option 3

Section 5 – Describing and Evaluating the Options

Action – DG to replace the individual tables under each option with explanatory text and add a single table bringing together findings against all six options.

Action – DG to remove the ‘timescale for action’ sub-heading.

Action – DG to check the wording of the procurement section with the Director of Procurement, taking care to avoid the use of acronyms.

Action – DG to revise the text of option 3 to clarify that the Group went beyond the Carbon Underground 200 to explore other industrial uses beyond fossil fuel extraction companies and to indicate the expectation on all companies to match the best in class.

Action – DG to signal at the start of the report that it would engage with the full complexity of the issue, going beyond the original request.

Action – DG to further unpack the actions that follow from option 3, track back to AK & AC’s original paper, and reflect on the feasibility of these actions.

Action – DG to remove any judgements from the description of options and add these to the final conclusion, currently signalled by the text ‘Xxxx= more text to come following discussion’.

Meeting Dates: 11.30 – 13.30 Thursday 2 April 2015 Elder Room, Old College