



University Divestment: Reflecting on the Edinburgh Experience

30 September 2015, 12:00-13:00

Speakers:

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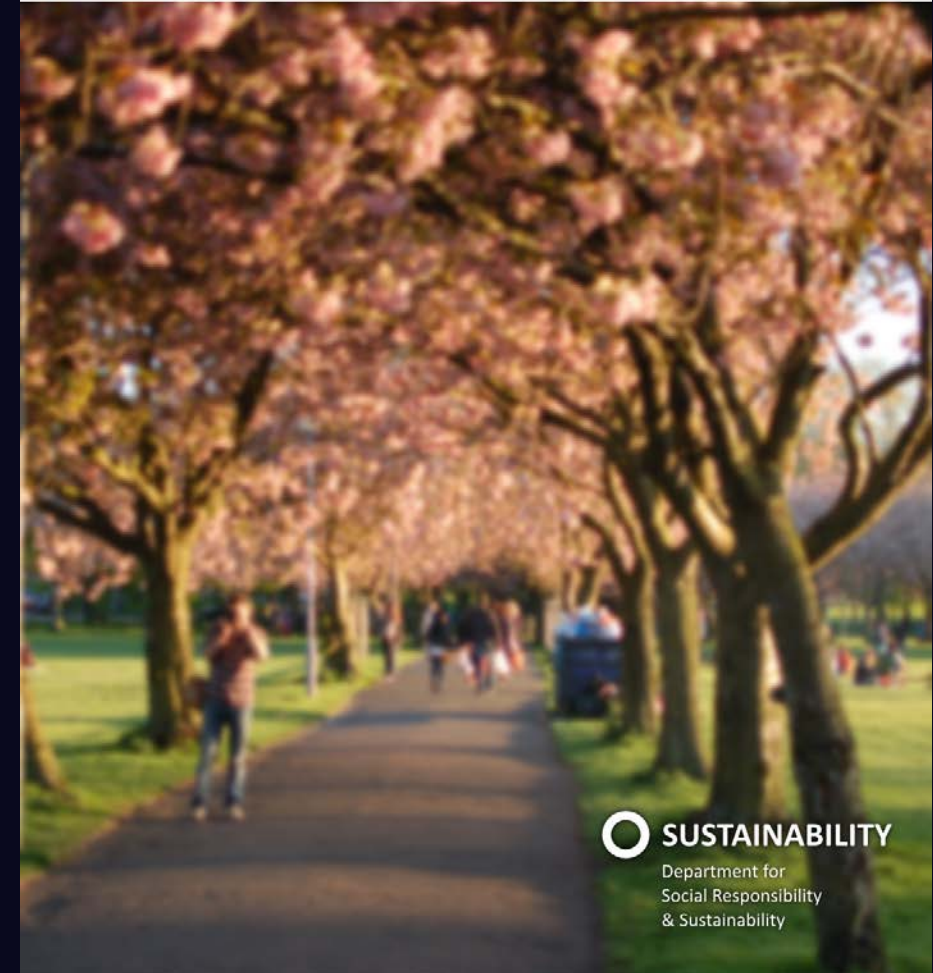
Responsible investment at University of Edinburgh

- Meeting our UNPRI commitments

Dave Gorman, Director



THE UNIVERSITY of EDINBURGH
Taking forward the United Nations
Principles for Responsible Investment
A consultation paper



 **SUSTAINABILITY**
Department for
Social Responsibility
& Sustainability



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 **Social Responsibility
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What we do

Providing high quality advice, support and action on social responsibility and sustainability

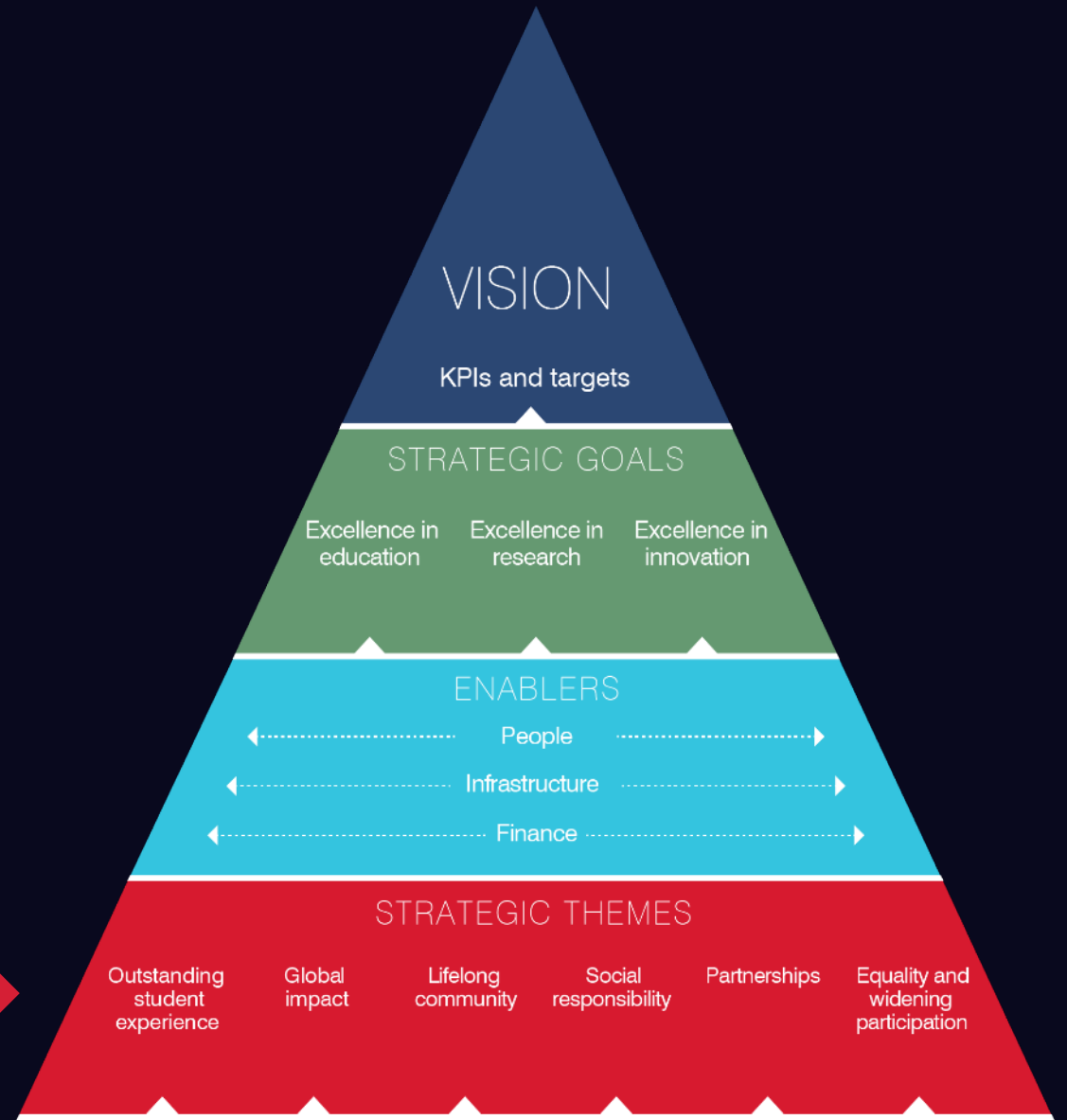
- We **understand and explain** what the important risks and opportunities are
- We **develop** the University's response to these challenges and opportunities
- We **deliver** and facilitate programmes to catalyse action and collaboration across campus



Strategic context

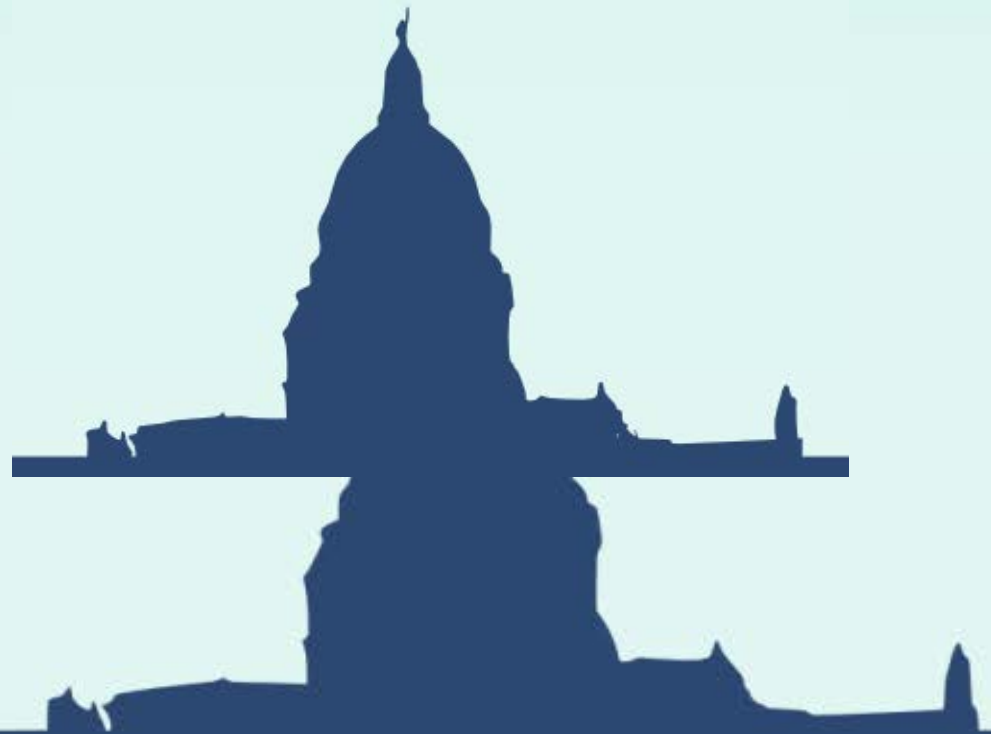
We exist to enable the University to understand, explain and deliver on its ambition to be a leading socially responsible and sustainable University.

We are here →



University of Edinburgh endowment funds (2013)

£280_m



Endowment Fund Management

- Managed via investment committee- committee of court but with investment professionals as members
- Set overall investment strategy, asset allocation, monitors progress
- Investment Committee appoints and oversees external managers

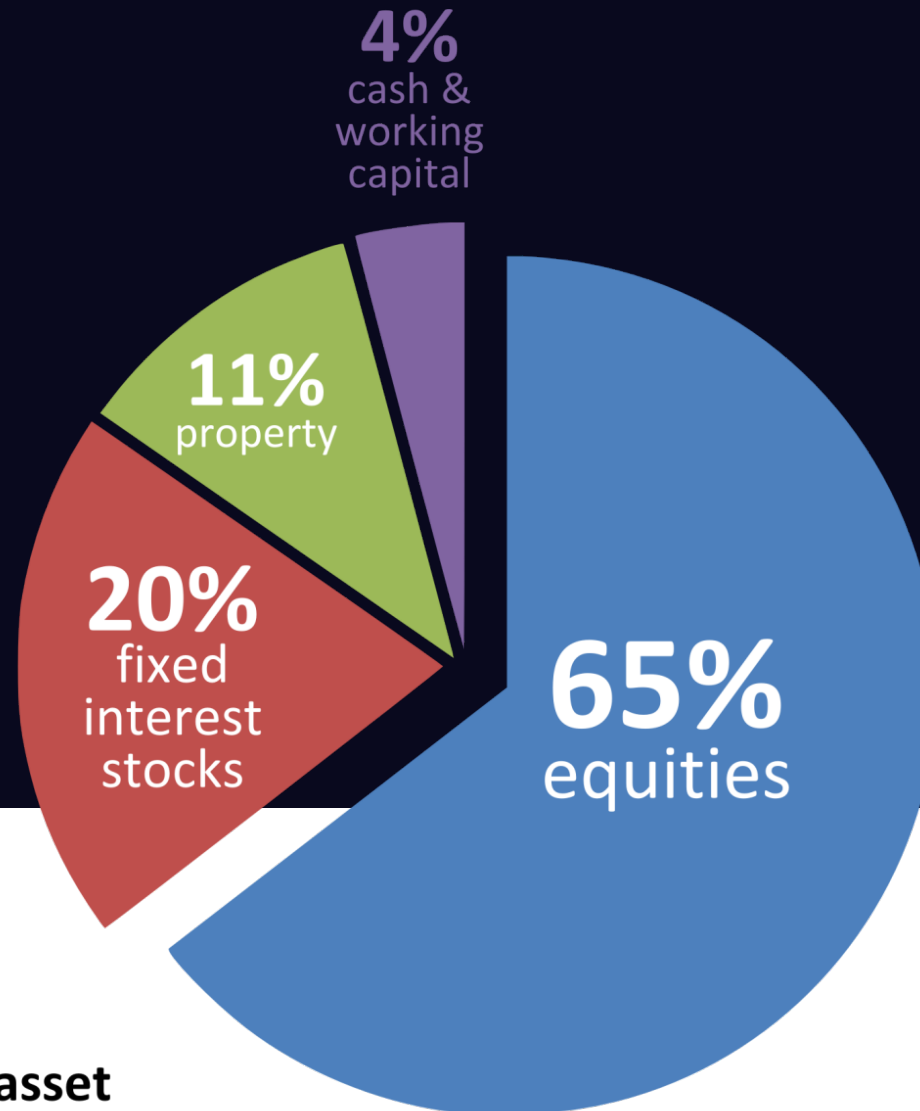


What is responsible investment at UoE

- Socially Responsible Investment Policy at the University since 2003 (tobacco exclusion)
- The University would respond if an activity "was wholly contrary to the University's value systems", based on:
 - Mission Statement and Goals
 - Corporate Plan
 - Wider issues of social, environmental and humanitarian concern



Where the endowment is invested



**Endowment fund asset
allocation as at 31 July 2013**

Any Questions So Far...?

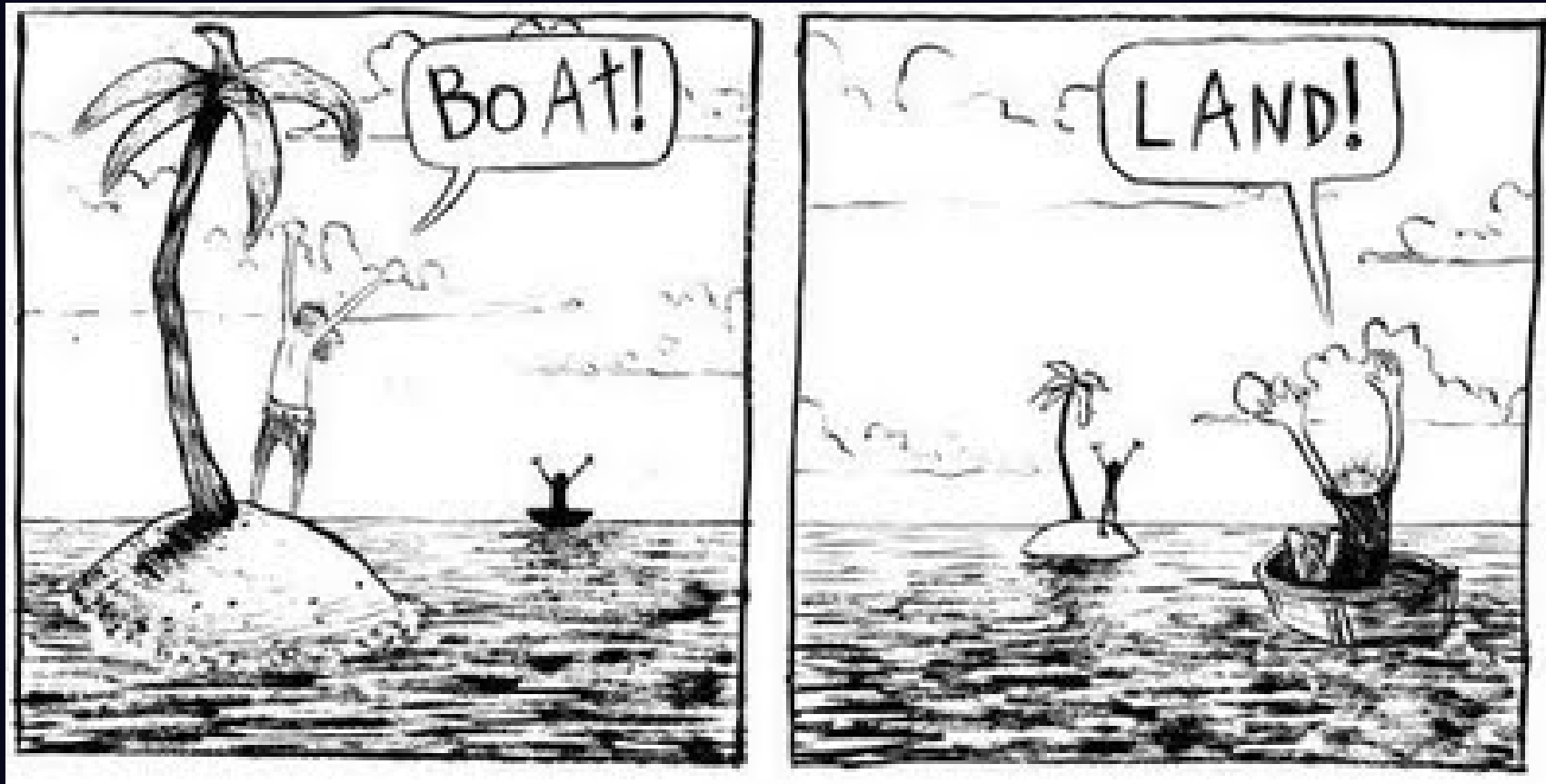


What we committed to do in 2014...

1. Undertake a Peer Review
2. Develop a statement of Investment Beliefs
3. Create a plan to amend and review the responsible investment policy



Contrasting views



Fossil Fuels Review...

- Guided by evidence, review group established and met Later 2014 to spring 2015
- Set it 5 criteria to report against
- When launched, all evidence placed online at:
<http://www.fossilfuelsreview.ed.ac.uk/>




Key Recommendations



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- Option 1 – No Additional Action. No action taken on investment but the University continues to make a significant contribution to solving the climate problem through its research, teaching and operations..
- Option 2 – Assess Stranded Assets Argument The Investment Committee should keep the ‘stranded assets’ argument under active review, identify indicators that would suggest University capital or returns were at risk from stranded assets, and take action as appropriate
- Option 3 – Identify and Replace
- Commit to low or zero carbon investment products that deliver the same level of return and risk as existing investments
- Option 4 – Report, Benchmark and Improve Press companies to measure and monitor their carbon emissions and to effect more efficient uses of energy across the chain of fossil fuel production, refining and use
- Option 5 – Divest From Highest Carbon-Emitting Fuels Where Alternatives Exist Divest from companies that are substantially engaged in the production or refining of high carbon-intensity fuels (such as coal or tar sands), where alternatives exist and where they do not also invest sufficiently in carbon emissions reduction technology
- Option 6 – Full Divestment from All Energy Related Fossil Fuel Companies Full divestment from all energy-related fossil fuel production and exploration companies over, say, a period of 5 years.



Questions?



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Lessons Learned...

- Strong and polarised views but worth engaging with
- Institution specific decisions required (we think)
- Headlines and reality not always the same
- Review group was a useful if time intensive process that we feel discovered new ways to look at the issue
- Review group also unearthed linkages between investments and procurement, research, teaching and learning, sponsorship and grants
- Importance of clarity in communications



It's a journey...

- Review completed for fossil fuels, now considering armaments
- This process part of a longer-term journey
- Looking for best practice and evidence

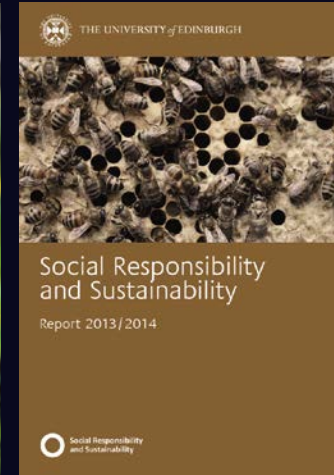


Questions?

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