

Motion to the Annual Meeting of University of Bristol Court, 27 November 2015:

Fossil fuel divestment

Freedom of Information requests on the investment activities of the University of Bristol's endowment fund show that it invests in a range of fossil fuel extraction companies.¹ While these requests offer only a snapshot of ongoing investment activity it can be estimated that investments in fossil fuel extraction companies usually equate to ~5% of the total, which would constitute £2.6 million of the £56 million fund.² This might sound like a safe investment, but leading experts, including Nicholas Stern, have warned that if we are to stay below a 2°C increase in global temperatures, approximately 75% of the current fossil fuel reserves have to stay in the ground. This means that the University of Bristol is invested in companies whose assets cannot actually be used. As world leaders begin to commit to binding reductions in CO₂ emissions, the long term viability of fossil fuel investments is called into question.

At the same time reports from UBS and CitiBank last year highlight that the price of producing renewable energy is falling so fast, that it is set to compete at market rates with energy produced from fossil fuels by 2020.³ In fact onshore wind energy has become cheaper than energy from any other source in the UK.⁴ Within the next 5 years therefore, prudent investors need to consider both the stability of investments in fossil fuels, and the opportunities offered by the rapid growth in renewable energy.

Reflecting on the investments of an institution such as the University of Bristol should not, however, rest purely on financial benefits. We need to recognise the moral imperative to support more sustainable forms of energy production to avoid catastrophic climate change for generations to come. Whilst we commend the University for its Green Capital pledge to become a net carbon neutral campus by 2030, its investment activities are continuing to support the use of carbon-based energy sources.

To demonstrate our leading position, the managers of the University's funds should consider their fiduciary duty to the institution and its stakeholders. We believe that continued investment in fossil fuel extraction companies which risk becoming stranded assets is imprudent financially. Moreover managers need to consider their fiduciary duty in terms of the environmental and social impacts of their investments on the institution and on stakeholders. We believe that investing in companies who continue to explore for fossil fuels when we need to leave the vast majority of known reserves unburnt to prevent catastrophic climate change shows serious dereliction of fiduciary duty. Divestment is the clearest message to send that we need effective action on climate change.

In recognition of the economic and moral arguments the student-led University of Bristol Fossil Free campaign has already collected 1929 signatures from people calling on the University to establish a prudent plan for divestment, presented to the Vice Chancellor on Monday 9th November. In parallel to this Prof Chris McMahon from the Department of Mechanical Engineering has also organised an open letter from over 50 members of staff supporting the call for the University to divest.

¹ Sarasin & Partners Consolidated Portfolio Valuation at 30 Sept 2014 2014; March 2015 Freedom of Information Request by the Bristol Cable [available online at: <http://thebristolcable.org/2015/06/exclusive-interactive-bristol-unis-not-so-ethical-investments/>]

² University of Bristol Annual Report and Financial Statement 2013/14 (p26) [available online at: <http://www.bristol.ac.uk/media-library/sites/finance/documents/fs1314.pdf>]

³ <http://www.energypost.eu/ubs-citigroup-warn-investors-massive-revolution-energy-industry/>

⁴ <http://www.independent.co.uk/environment/wind-power-now-the-cheapest-source-of-electricity-but-the-government-continues-to-resist-onshore-a6685326.html>

If Bristol University were to establish a plan to set out a responsible phased divestment from fossil fuels it would be joining Universities from across the world, from Stanford in the US, to Edinburgh, Glasgow and Oxford in the UK. Indeed the world wide divestment campaign has already seen leading institutions pledge to phase out fossil fuels from portfolios totalling \$2.6 trillion.⁵ This includes divestment commitments from faith-based groups, pension funds, and the city of Oslo, which became the first capital city to divest from fossil fuels. Universities however have a special role to play in setting an example in acting on the knowledge that our research has provided.

As a local councillor sitting on this Court, I have been elected to represent people in Bristol who are concerned about the sustainability of our current economic direction of travel, and who have entrusted me to work towards solutions. I have received correspondence from local residents as well as students and academic staff who would like to see our great Bristol institutions, including this University, setting a lead in tackling climate change. Bristol City Council has already agreed not to invest funds in the fossil fuel industry⁶.

The undersigned recognise that if global warming is to remain below 2°C, then 75% of known fossil fuel reserves need to remain in the ground. If this limit is to be respected then the University's investments in fossil fuels are both potentially unsecure, and present a moral threat to future generations.

This motion therefore proposes that:

Court advises Council to develop a plan for the university to gradually phase out its investments in fossil fuels over a five year period.

Proposer:

Cllr Carla Denyer

Supporters:

Cllr Rob Telford

Ms Zoe Backhouse

Cllr Gus Hoyt

Ms Laura Ho

Mr R G Willis

Ms Thangam Debbonaire MP

Dr Laura Dickinson

Ms Molly Scott Cato MEP

Cllr Glenise Morgan

Mr Graham Mullan

Prof A J Morgan

Revd Ed Davis

Dr Robert Rawlinson-Smith

Delroy Hibbert

Mr Tom Phipps

Mr John E Barnbrook

Ms Gill Nowland MBE

Mr Gilles Couzin

Ms Stephanie Harris

Cllr Joe Rayment

Mr Thomas Flynn

Mr Alexander Bradbrook

⁵ <http://gofossilfree.org/commitments/>

⁶ <http://gofossilfree.org/uk/press-release/bristol-mayor-commits-to-keeping-city-money-out-of-deadly-fossil-fuels/>