

Don't dither - divest!

A divestment campaign guide for students

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"We cannot necessarily bankrupt the fossil fuel industry. But we can take steps to reduce its political clout, and hold those who rake in the profits accountable for cleaning up the mess.

And the good news is that we don't have to start from scratch. Young people across the world have already begun to do something about it. The fossil fuel divestment campaign is the fastest growing corporate campaign of its kind in history."

Archbishop Desmond Tutu (Guardian, 10 April 2014)

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Introduction

NUS Scotland believes that our colleges and universities should be forces for good in society; they should educate citizens, produce research that benefits the public and never fund or support activities that are detrimental to human welfare or to the environment.

At the moment, some Scottish universities are pouring millions of pounds through their investments into industries whose actions lead to human rights abuses and environmental degradation.

Fossil fuel companies and arms manufacturers have cultivated intimate ties with universities sustained through large donations, participation in recruitment fairs and funding for joint-research projects. Scottish universities often return the favour by investing money into these companies. However, by investing in and collaborating with industries whose operations are detrimental to human well-being and the environment, universities are giving legitimacy to these corporations actions. That's why we want universities in Scotland to divest from corporations that do harm, and move this money into investments that will support clean, socially beneficial companies and industries.

The divestment movement is growing. Students associations at Oxford, Cambridge, UCL, Birmingham, University of East Anglia, Glasgow, Edinburgh, SOAS, Anglia Ruskin, Hull, Warwick and King's College London have all passed policy in favour of campaigning for divestment. We want more associations in Scotland to follow suit.

This pack is a guide to setting up and running a divestment campaign on your campus. In putting the pack together, we have been fortunate to be able to draw on the experience and expertise of partner organisations People & Planet and Campaign Against Arms Trade (CAAT), as well as student officers and activists at the University of Edinburgh and the University of Aberdeen. The guide will provide you with an introduction to institutional investments, as well as the basic asks and aims of the divestment campaign. It will also provide some ideas, strategies and resources you can draw on.

Each institution will invest in slightly different ways, so it's important for you to tailor the campaign asks and tactic to your campus. For example, your institution might not currently hold any direct investments in fossil fuels or arms, in which case divestment is not a relevant ask to them. However, to ensure that no unethical investments will be made in the future, it's important that your institution has socially responsible investment policy and processes for student and staff engagement. Feel free to adapt all the resources and ideas in this pack as you wish.

This campaign pack focuses on universities, because currently, colleges in Scotland don't hold significant endowment funds. However, the campaign focus may broaden to colleges in the future, especially with regards to pension investments and investments made through personal banking.

Scottish education institutions should be leading the way in ethical investment, but the only way this will be accomplished is if the student movement in Scotland forces them to divest. This guide is designed to help you make that happen.

Kirsty Haigh
Vice President Communities
NUS Scotland

Understanding investments

How do our institutions invest?

Investing through endowments

Most universities hold donated funds in an endowment fund. This is an investments fund from which the institution can withdraw money at regular periods to use for its own operations. Usually, a large proportion of the endowment fund will be invested in shares or financial products, which then yield returns that grow the pot of funding available.

Institutions may have several different endowment funds, and each fund might have varying policy on how the fund can be invested or spent. These policies may be dictated by the person or organisation who donated the basic fund that forms the endowment to the institution, or by the finance committee or court of the institution.

Endowment funds are the primary focus of this campaign pack.

In-house or outsourced?

Often, universities use external fund managers to look after their endowment funds. That is, they outsource their investment activities to a company that will manage the university's investment portfolio on their behalf. While universities that have outsourced their investments in this way do not decide directly where their money is invested, they can engage with their fund manager to exclude certain investments from their portfolio, or they may consider moving their money to a more ethical fund.

Direct or indirect?

Figuring out just how much money your institutions has in fossil fuels or arms can be complicated. Sometimes your institution or their external fund manager will invest directly into companies involved in fossil fuel extraction or arms manufacturing. If this is the case, it will be the easiest place for you to start. However, investments aren't always as simple to track. Often your institutions' money is invested into financial products, through which further investments are made, which means that the institution may be making indirect investments into arms and fossil fuels. These indirect investments can be hard to trace, because investments made by an external company (even when using your institutions' money), are not classified as public information. Therefore the only way you can access them is by getting your university to ask for this information from the external company.

Investing in pensions

Universities also invest money through staff pension contributions. As employers, they allocate funds to cover a part of their workers' pensions into various pension funds, ranging from university managed funds, to private pensions funds and local authority pension funds. Here, the responsibility to choose the investment portfolio will not lie with the university. However, as a customer, the university and the staff whose pensions it is allocating should have a say over how the pension fund the institution uses is investing their money.

Why divest?

Why should institutions divest?

"I'm glad that young people and colleges and others are seeing the need to bring home: We can no longer invest in companies that are part of the problem of the climate shocks that we're suffering from. And so, I speak openly and encourage students and colleges to be part of that. It's, to me, a little bit like the energy that was behind the anti-apartheid movement when I was a student. We were all involved because we saw the injustice of it. There's an injustice in continuing to invest in fossil fuel companies that are part of the problem."

Mary Robinson, former Irish President

Divestment is the act of removing money from a particularly fund or asset; in essence, it is the opposite of investment.

The divestment movement is gaining momentum around the world. Here are some reason for why our education institutions should join.

A principled choice

It is against the ethos and purpose of our education institutions to contribute to the destruction of human beings and of the environment. Divestment from arms and fossil fuels is a moral statement our institutions should be able and willing to make.

Action for change

Divesting from arms and fossil fuel companies is a tool in highlighting their unsustainable and harmful activities and to discredit the harmful industries they are a part of.

And even though a successful divestment campaign may not immediately result in corporations changing their ways, it is a symbolic act that publicly discredits fossil fuel and arms companies. Think of your university divesting as a means of changing the discourse and political clout around fossil fuel and arms industries.

There have been a number of successful divestment campaigns in the past. Perhaps the most famous one was the divestment campaign instrumental in ending Apartheid in South Africa in the 1980s. Investors in the United States in particular sold off their stocks of companies that did business in South Africa. Arguably, public pressure to divest lowered targeted companies' stock prices and forced them to comply with activists' demands.

There is no reason why the same tactics couldn't work for fossil fuels and arms too. In fact, the growing fossil fuel divestment movement has already achieved numerous wins around the world. Universities, local authorities and religious institutions in the United States, New Zealand, UK and Sweden have taken the commitment to move their money from fossil fuel investments.

¹ <http://gofossilfree.org/endorsements/>

Stanford University in the United States committed to divestment from 100 coal companies in May 2014. The decision was the result of a year-long student campaign for divestment.

The Stanford statement read: "Acting on a recommendation of Stanford's Advisory Panel on Investment Responsibility and Licensing, the Board of Trustees announced that Stanford will not make direct investments in coal mining companies... Stanford also will recommend to its external investment managers, who invest in wide ranges of securities on behalf of the university, that they avoid investments in these public companies as well."

This was a major victory, as coal carries the more severe environmental impact out of the fossil fuel energy sources. However, the Stanford student group are continuing their campaign to ensure that their institution will also divest from other fossil fuel companies.

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Financial responsibility

"Do our financial regulators need to start thinking about protecting them [investments] and us from the 'too big to fail syndrome'? The accountants, we heard, won't address this issue as climate is not a balance sheet issue. So track the carbon exposure of your investment and don't be misled by audited accounts which may be in the black when in reality your company or investment, five to 10 years down the line, may be sitting on 'stranded assets.'"

Achim Steiner, Executive Director of UNEP Finance Initiative

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There is growing recognition of the insecure nature of investments in fossil fuel companies in particular. Fluctuating oil prices and the fast-approaching end to fossil fuel reserves mean that investing in oil, gas and coal is no-longer a financially sensible decision.⁴

In order to secure long-term returns to their investment, our universities should be putting their money into growing industries that contribute to sustainable development. Crucially, withdrawing investments from fossil fuel and arms companies will free funds that the university can invest into long-term industries such as renewable technologies.

Why divest from arms?

Many UK universities invest in arms companies, often without the knowledge or approval of their students, staff and beneficiaries. This provides some financial support for the arms trade and sends

² <http://gofossilfree.org/commitments/>

³ <http://gofossilfree.org/endorsements/>

⁴ See "Unburnable Carbon" (2012), Carbon Tracker.

Available at <http://www.carbontracker.org/report/carbon-bubble/>

a message that arms companies are legitimate companies with which to do business, despite the devastation caused by the arms trade.

While relatively few countries sell large volumes of weaponry, the buyers are spread across the world. Some of the largest purchasers are in the Middle East and South and East Asia. The arms themselves range from fighter aircraft, helicopters and warships with guided missiles, radar and electronic warfare systems, to tanks, armoured vehicles, machine guns and rifles.

There is often confusion about the legality of the arms trade, with the impression given that it is the illegal trade of weapons that is truly damaging while the legal trade in arms is tightly controlled and acceptable. However, the vast majority of arms sold around the world, including those to human rights abusing governments or into conflict areas, are legal and actively supported by governments.

For more information on the arms industry, visit the Campaign Against Arms Trade (CAAT) at <https://www.caat.org.uk/>

Why divest from fossil fuels?

The fossil fuel industry is driving us towards a global climate crisis. We will not keep climate change at bay without halting our extraction of fossil fuels. Scientists have calculated that we can burn around 565 gigatons carbon to stay below the internationally agreed goal of 2°C rise in temperature. This sounds like a lot, but at current rates of consumption we're going to hit that in the next 16 years.

The worrying news is how much carbon the fossil fuel industry has to burn. Their reserves currently hold 2795 gigatons. That's five times more than is safe to burn, and they're constantly looking for more.

If we are to prevent catastrophic climate change we need to make sure 80% of known fossil fuels stay in the ground. That's why our universities should be working to transfer our energy production to renewables, not to bolster up the old, disastrous sources of energy.

To find out more about the fossil fuel industry and the global Fossil Free campaign, visit People and Planet at <http://peopleandplanet.org/fossil-free> and Fossil Free at <http://gofossilfree.org/>

Campaign aims

1. Universities divest from fossil fuels and arms

- Institutions should immediately freeze any new investment in fossil fuel companies and arms companies
- Institutions should divest from the fossil fuel industry and the arms industry, and shift funds to lower risk, ethical investments within five years

2. Make university investments transparent and ethical

- Institutions should pass and implement meaningful ethical investment policies
- Those institutions that have outsourced their investments to external companies should draw up an exclusion list which ensure their funds aren't invested in fossil fuels or arms
- Students and staff should have a formal way of taking part in investment decisions, and should have access to information regarding university investments. This includes the ability to take part in finance committee meetings
- Institution should sign up to the United Nations Principles on Responsible Investment (UNPRI) or/and the United National Global Compact
- Institution should makes the list of companies and products it invests in publicly available

3. Expose links between universities and harmful industries

- Educate your institutions' board members, finance committee members and senior management about socially responsible investment and the financial risks associated with the carbon bubble
- Let your institutions' fund manager know that there is demand for an ethical investment portfolio
- Educate your fellow students about climate change and the arms trade, and empower them to act for change

Socially Responsible Investment policy checklist

As part of the aims of the divestment campaign, institutions should implement formal investment policy that incorporates the following key points:

- No investments into companies that derive more than 5% of their income from fossil fuel (oil, gas, coal, unconventional gas) exploration
- No investments into companies that derive more than 5% of their income from arms manufacturing
- The publication of a list of companies it invests its endowment funds in biannually
- If contracting an external company to manage its endowment funds, the institution applies an exclusion list that includes such companies that derive more than 5% of their income from fossil fuel exploration or arms manufacturing
- One student and one elected staff representative, such as a trade union representative, will be eligible to sit on the institution's body that takes decisions on investments
- Students and staff can require the body that takes decisions on investments to consider divestment, if an investment is deemed contradictory to the values of a publicly funded institution. Such investments could include investments in companies that are complicit in human rights abuses or environmental degradation

Running a campaign

Research your institution

To start off, you should have some basic information about how your university invests its endowment fund. You should identify the following information:

- How much money is held in fossil fuels and arms companies?
- Which fund managers is the university using? Does the manager have ethical investment policy or exclusion lists?
- Do you need more information on some areas? If so, identify how you can get hold of this information.
- What are the key issues your campaign could focus on? Agree on a focus for the campaign.

There are a few different ways to get this information.

Get your foot in the door

Before you consider making an information request, you should contact your finance manager and finance committee directly. They may be happy to share the information that you need with you directly. Their contact information will be available through the students' association or the university website.

Make a Freedom of Information request

The most straight-forward way to find out how your institutions invests its endowment is by making a Freedom of Information Request. The Scottish Freedom of Information Act gives everyone the right to ask for any information held by a Scottish public authority. With some exceptions, your institution is required by law to respond to you within 20 working days of receiving your request.

There are several ways of making a request. You can simply call the organisation you want the information from and ask for the name of the official responsible for freedom of information (known in government parlance as the FOI official).

Alternatively, go to the website of the organisation and search for something called the "publication scheme", the university's own guide to information which the department produces and discloses. Usually, the easiest way to request information is by emailing the FOI contact at your institution.

Remember, that even if your institution refuses to give information in the first instance, you have a right to appeal their decision. Be persistent!

You can find a template FOI letter in the resource section of this pack.

Get your fellow students on board

To run a successful divestment campaign, it is crucial that you have good links to the decision-makers at your institution. However, you need to make sure you have public and behind-the-scenes support from students at your institution too. The most successful campaigns have been run on two fronts – in the governance structures of the institution, and out on the campus.

Engage your students' association

Divestment campaigns often take a long time. You might achieve small wins during your term in office, but it is likely that to achieve divestment, your work needs to be taken over by next years' sabbatical officers. This is why it's important to make sure that your association and students buy into the divestment campaign.

To achieve this, you could consider the following actions:

Get buy-in

Start off by holding a meeting to discuss your university's investments and the divestment campaign with student officers and your student council.. It's useful if student officers and your students' association support your campaign, as they have access to the university board, where final decisions on investments are made.

Formalise support

After you've gathered initial support for your campaign, you could consider formalising support for divestment at your association. The best way to do this is by passing policy on divestment at your student council. You can find a template motion in the resource section of this pack.

Campus Activism

Campaigns often falter because they turn into backroom negotiations with an investment committee, rather than a public-facing effort that galvanises campus and community support. As you plan your campaign, make sure to identify ways that you and your group can build campus support among students and staff. Demonstrating that there is support for divestment among the university community is a crucial part of the arguments to your institution.

Here are some ideas on how to build this support:

Create a divestment petition

A petition can be a good way to talk to people about your campaign, as well as to demonstrate to your institution that students, staff and the local community support divestment. You can easily create your own online petition using existing software at the following sites:

<http://peopleandplanet.org/fossil-free/petition>

<https://you.38degrees.org.uk/>

Creative stunts and direct action

Use creative stunts to draw the attention of local and student media, and the university community. You could do a banner drop or a human ring around the finance committee meeting, or organise a fossil fuel or arms trade-themed march around campus.

Die-in to highlight arms investments

Numerous student groups around the UK have stages “die-ins” in attention grabbing locations and events to highlight the deaths that result from the operations of arms manufacturers. The idea is simple: organise a group of students to be in a busy place at the same time, and collapse as if dead at an agreed moment. You can bring along a banner that explains what the protest is for. Consider organising a “die-in” outside finance committee meetings to highlight the issue to committee members, or in the middle of your campus to inform students about the arms trade.

Play catch with the Earth

Edinburgh University student activists organised a game of Earth-ball on Global Divestment Day in 2015. Some students were playing catch with a giant ball that was decorated to look like the Earth, while others were dressed as “oil monsters” and were trying to catch the ball. The stunt took place in a central location on the university campus, with the aim of drawing the attention of passers-by and local press, as well as enlisting students to the campaign.

Organise an occupation

Occupations have been very effective in student-led campaigns in the past, as they force your university’s management to respond and listen to you. To organise an occupation, you should choose a strategic location, (such as the principal or finance director office), and enlist a group of students to do a sit-in. These can last anything from a day to a few nights or a few weeks. In 2010 there was even an occupation that lasted a whole year! NUS has guidance on holding an occupation, which you can [find here](#).

Letter to the principal

Write a letter to your university principal to introduce the argument for divestment. You could publish this as an open letter, or send it privately and follow up with a meeting. It may be useful to back up your argument by collecting signatures to the letter from students as well as university staff. You can find an example letter in the resource section of this pack.

Hold a public meeting or a film screening

Events are a good way to educate other students about the issues you are working on, and to get new activists involved in your campaign. You could get a speaker from your institutions’ natural sciences department or politics department, or show a film about the arms industry or the fossil fuel industry.

For example, you could show “Do the Math”, a 42-minute documentary film about the rising movement to change the terrifying math of the climate crisis and challenge the fossil fuel industry. You can get a copy at

<http://act.350.org/signup/math-movie/>

Get your university some bad press

Media attention can be an effective tool in getting your argument across. Institutions care about their reputation, as they want to attract new students and funding. If you have some interesting data or a campaign stunt planned, get in touch with local journalists and enquire if they'd be interested in covering your story.

Think about a good, punchy angle for your data, or a high-profile event you could time your stunt for. For example, highlight investments your university might have in companies involved in fracking, or organise a protest during open days.

Set up a social media feed

Social media is a good way to spread your campaign message around campus and to the general public. Set up a Facebook page and a Twitter account, which you can use to keep your activists up-to-date or spread public information about your campaign. Remember that social media attention is media attention too. If you're great on Twitter, use it to get your campaign message around.

Take your argument to the top

Once you have gathered support among your students and colleagues, you need to start engaging with the people who decide what your institution invests in.

Identify points of influence

The path to getting your institution to consider divestment depends on the investment policy and decision-making structures at your university.

Some institutions already have policy that provides a formal process for students and staff to challenge investments that are not in line with the ethos of the institution, in which case you might choose to follow this formal track. Others won't have any kind of ethical investment policy, which means that the first formal step in your campaign might be to get your court to formalise student and staff participation in investment decisions.

You also need to identify which bodies and individuals have the most influence over investment decisions. At most institutions, this will either be the finance committee and the court. It is also worth figuring out which external companies (if any), your institution uses for the management of its investments.

Get lobbying

The following tools and actions might help you to make your argument:

Pick your battle

You should demand for full divestment from fossil fuels and arms throughout your campaign. However, it can be useful to concentrate on one part of the campaign at a time, and to choose short-term goals while keeping your eye on the full win. For example, if your institution has a particularly large amount of money invested in a high-profile company with a particularly bad reputation, you might want to focus the first stage of your campaigning on getting your institution to divest from them. Winning one part of the argument will open up space for further campaigning.

"In 2013, a group of us started a divestment campaign at the University of Edinburgh. We focused first of all on the University's shares in the arms manufacturer Ultra Electronics. Concentrating on the particularly horrendous impact of the military drones, which the company manufactured components for, helped us get across why divestment was so important. Although we knew that the Uni had money in other arms companies too, the focus on drones gave the campaign a higher profile."

"The University agreed to divest, as the tight focus of the campaign allowed us to highlight all the negative practices of this company. Reprieve, a high-profile human rights organisation, picked up our campaign, which presented a huge threat to the reputation of the University. The full campaign hasn't been won yet, but the decision on Ultra Electronic was a crucial step that opened the door to getting the University to review their whole investment portfolio. It also energised our campaign, showing us that we could win full divestment from arms and fossil fuels."

Nick Dowson, former student activist at the University of Edinburgh

Get a seat on the finance committee

The best way to influence your institution's investment decisions is to be directly involved with the finance committee. This may be a challenging position to take, if you haven't dealt with financial management before. Remember, that not all committee members are experts in finance either – all you need to do is to take the time to read the committee's papers and ask the right questions. A seat on the committee will also provide you the most detailed and up-to-date information on your institution's investments.

"Getting on the finance committee required a fair bit of lobbying, but it's allowed me to be directly involved in decision-making on investments. Aberdeen has outsourced its portfolio to an external company, and claims that it can't do anything to divest from fossil fuels entirely – so it was important for me to know exactly what goes on at the finance committee."

"I started out by chatting to different members of senior management about divestment at various meetings and informal catch-ups. This helped to get the issue on people's radar, and let management know that I was interested in investments."

"Aberdeen prides itself on having strong student representation on its governing bodies, and the management were under the impression that they already did a lot around ethical investments. I eventually went to the Principal and the Finance Director and argued that student representation was the best way to show that the university is transparent. After all, most of the information would be available through an FOI anyway – it would make more sense to have a student rep on the committee rather than waste everyone's time with processing requests. I think they agreed to take me on because I formed personal relationships with management figures, played to the to the university's ego a bit, and wasn't shy about putting my demands across."

Dominic O'Hagan, Environment and Ethics President at Aberdeen University Students' Association

Introduce the issue to your university court or college governing body

Work with your students, sympathetic academics and partner organisations to produce a paper that lays out the ethical and financial argument for divestment. It will be useful to refer to facts about your institution's current investments, and highlight good practice from other institutions.

Working with fund managers

If your institution uses an external fund manager, a simple divestment ask may not be suitable. Consider proposing alternative actions – for example, you might want to suggest that the institution introduces an exclusion list to its fund manager, or moves its endowment investments to a more ethical fund. Institutions who have outsourced investments often claim to be addressing socially responsible investment concerns by engaging their fund managers in discussion on the issues. However, information on what this engagement involved or what its impact will be can be hard to track, unless you are involved in the conversations. Getting a seat in your institutions finance committee (above), should help you stay in the loop.

Positive investment alternatives

If your institution manages its investment in-house, you may want to suggest industries or companies that the institution could move its arms and fossil fuel investments to. This could mean reinvesting in sustainable technologies, renewable energy companies, social enterprise, or the institutions' own projects (such as housing, disability services or research).

In recent years, there has been a growing movement that develops and encourages investment in community energy. Community energy refers to energy production systems that are developed, sustained and owned by communities in their locality. These sources of energy are typically renewable – for example, solar, wind, hydro or biomass energy.

Read more about community energy projects at:

<http://www.communityenergyscotland.org.uk/index.asp>

Socially Responsible Investment policy

To make sure your institution not only divests any funds its currently holding in unethical industries, but continues to invest in a positive and transparent way, you could get your university court to pass ethical investment policy or amend its current investment policy. See the socially responsible policy investment checklist of this pack for what the policy should include.

Resources

Below, you can find the following campaign resources:

1. Useful terminology
2. FOI template
3. Socially Responsible Investment Students' Association motion
4. Draft letter to the Principal
5. Draft petition text

Adding numbers, research and anecdotes specific to your institution will make letter and petitions more powerful. If you are able to, personalise these resources to fit your campaign.

Useful terminology

Fund manager

The person or company responsible for managing a fund. Fund managers are paid a fee for their work, which is a percentage of the fund's average assets under management. Fund managers can offer a variety of management strategies and portfolio options.

Stewardship

The assumption of responsibility over the financial well-being of another group or fund.

Passive management

A style of management where funds are invested in a way that aims to mimic a market index. That is, the fund manager will invest funds according to a mathematically calculated valuation of the market, rather than by actively seeking out speculative investments.

Active management

A style of investment where the fund manager actively seeks out investment opportunities which would outperform the market. This means that rather than letting the market index dictate what investments are made, the fund manager takes active decisions to make investments that they think may yield a higher return than investments made according to the market index.

Endowment fund

Investment funds that are usually funded by donations and often used by third sector and public sector organisations. Funds can be withdrawn by the organisation on a regular basis to fund ongoing operations.

Pension fund

A fund that organises the investments made by an employee for their future pension. Essentially, a pension fund acts as the steward of an employee's pension. Pension funds can be private or public, and they usually aim to make investments that bring stable returns in the long-term.

Securities

Refers to any types of financial instruments that can be traded. They can range from banknotes to shares in a company. Broadly speaking, there are two types of securities: debt securities and equity securities.

Shares

A unit of ownership interests in a corporation or a financial asset. Essentially, holding a share means that an investor owns a part of the company or asset.

Bonds

Bonds are financial instruments that act like an "I owe you" from the issuer to the bond holder. They are essentially a note that specifies how much the bond issuer is indebted to the bond holder. Like other securities, they too can be bought and sold.

Gilts

Gilts refer to bonds issued by the UK Government.

Investor engagement

Refers to a growing trend in the engagement of investors in decision taken by the company that issues shares or other securities. Think of it almost like a democratic structure within a corporation, where those who put money into a company also get to decide on how the company is run or how it invests the funds it received from investors.

Benchmark

Refers to a standard, against which an investment manager's performance can be measured. For example, various indices (below) act as benchmarks.

Index

Refers to a tool which is used to estimate the changes in a financial market. Each index is calculated with a different methodology, and can be used to assess investments according to different criteria. For example, ESG rating indices (below) can be used to measure evaluate the environmental, social and governance aspects on securities, not just their financial performance.

FTSE 100

Is the main index for the 100 most highly valued companies listed on the London Stock Exchange. It is one of the most frequently used market indices. As other market indices, FTSE calculates the estimated value of markets.

ESG rating

Refers to a tool with which the Socially Responsible Investment credentials of an investments can be rated. There is no single ESG rating, but it is a catch-all term for rating systems that cover environmental, social and governance factors.

Equity

The value of ownership interest in a company. Equity refers to the amount of funds contributed by an investor, as well as any interest or losses those funds have gathered.

Socially Responsible Investment

Refers to an investment strategy, which takes into consideration the social good as well as financial return.

Carbon bubble⁵

A bubble in the valuation of companies engaged in fossil fuel exploration. The carbon bubble refers to the notion that the current value placed fossil fuels does not take into account the cost of carbon dioxide to the environment, and is in fact too high. This high evaluation poses future risks to financial stability.

Exclusion list

A list provided to a fund manager that states which companies or assets given funds should not be invested in. For example, exclusion lists can be used to forbid fund managers from investing into companies involved in the production of tobacco, arms or fossil fuels.

UN Global Compact⁶

The Global Compact is an initiative that encourages businesses to adopt socially responsible policies and to report on their implementation. The Compact consist of ten principles, which are sometimes used to assess investments' ESG credentials.

⁵ See "Unburnable Carbon" (2012), Carbon Tracker.

Available at <http://www.carbontracker.org/report/carbon-bubble/>

⁶ <https://www.unglobalcompact.org/>

UN Principles for Social Responsible Investment (UNPRI)⁷

The UNPRI is a set of six investment principles which seek to make investors implement ESG. The principles are voluntary, and can be tailored to fit an investor's individual approach. They are a tool to get investors thinking about and implementing ESG issues in their practices.

⁷ <http://www.unpri.org/>

FOI template

(Insert date)

Dear (Enter name),

I am writing to make an open government request for all the information to which I am entitled under the Freedom of Information Act. In order to assist you with this request, I am outlining my query as specifically as possible. If however this request is too wide or too unclear, I would be grateful if you could contact me as I understand that under the act, you are required to advise and assist requesters.

Could you please provide me the following information in electronic format?

1. What size was the university's financial endowment in (insert year)?
2. A list of companies or financial products the University currently invests in through its endowment funds, along with the amount invested in each company or financial product. Could you please provide me with this information for (insert year)?
3. Does the university have policy on responsible investment? If yes, please could you provide me a copy of the policy in question?

I understand that under the Act, I should be entitled to a response within 20 working days. I would be grateful if you could confirm in writing that you have received this request. I look forward to hearing from you in the near future.

Yours,

(Your name)

(Contact Details)

Socially Responsible Investment students' association motion

This Union Notes:

1. That the University has public commitments to tackling climate change/ human rights abuses linked to the arms trade
2. Proven carbon reserves are well in excess of the amount of carbon that can be safely burned to have a chance of staying below 2C of global warming
3. Carbon Tracker's "Unburnable Carbon" 2013 report which highlights the overvaluation of fossil fuel reserves and the huge financial risks of investing in fossil fuels.
4. That the arms industry fuels deadly conflict and human rights abuses around the world.
5. That NUS Scotland, People & Planet and others, are running a campaign calling on universities to divest from fossil fuels and sever their links with these companies.

This Union Believes:

1. That the fossil fuel industry, by extracting, processing, promoting and facilitating the use of, selling and profiting from fossil fuels, as well as by having a major influence on government policy, is complicit in causing climate change and its catastrophic impacts.
2. Armaments produced by manufacturers who receive funds from the University may be used to commit human rights violations and to fuel violent conflict.
3. That we must do everything in our power to rapidly reduce the global use of fossil fuels and expand clean energy alternatives.
4. That we must not be complicit in the production and trade of arms for use in human rights violations and violent conflicts.
5. That our university should be a role model in society, acting responsibly and helping create a safe future for everyone.
6. The university's current investments suggest that there are not sufficient structures in place to ensure the University invests in a socially responsible manner are insufficient and not in line with the University being a public body which is meant to contribute to the public good.
7. That the University's investments in the fossil fuel and armaments industries undermine its commitment to bettering society.
8. That our University's commitment to tackling climate change and human rights abuses should extend to its investment portfolio.

This Union Resolves:

1. To mandate the Students' Association to coordinate and put resources towards a high-profile Socially Responsible Investment campaign to secure the following from the University:
2. An immediate ban on new investment in the armaments industry and companies engaged in the extraction of fossil fuels.
3. Complete divestment from the armaments industry and companies engaged in the extraction of fossil fuels.
4. Positive investment in the University's own activities, particularly renewable energy, disability services and accommodation.
5. Formalised student and trade union representation on the University body which takes decisions on investments.

6. Commitment to publish a complete list of investments made through the University's endowment fund biannually
7. Consultation with students and staff on the university's investment policy at least once every three years
8. To mandate the relevant Students' Association officer to actively work with NUS Scotland, People & Planet and other organisations involved in fossil fuel divestment and related campaigns.

Draft letter to the principal⁸

(Insert principal name)

(Insert principal address)

(Insert date)

Dear (insert name),

We are proud of being part of an institution that aspires to make world-leading contributions to understanding and addressing global challenges. We are calling on the (insert institution) to take action to fulfil these objectives by divesting from fossil fuels and the arms trade. While our university uses our endowment fund to support the fossil fuel industry, we bear responsibility for the environmental damage and social injustice that result from it. Similarly, by investing in arms companies our institution is fuelling conflict, poverty and human rights abuses.

An increasing number of investors are choosing to invest their money in a socially responsible manner. As a publicly funded institution, it is the duty of (insert institution) to ensure that its financial contributions go towards industries and companies that will benefit our society, not be detrimental to it.

The most recent IPCC report has clearly stated that anthropogenic global warming is “unequivocal”. If we continue on the current trajectory to a 4°C rise in global temperature we will face rising sea levels, reduced capacity of food production, and immanent resource wars. Whilst there is near-consensus concerning the causes and potential consequences of climate change, the global community has faltered in articulating the actions that must be taken to combat it.

We now have a global movement that has identified a simple and necessary action: divestment from fossil fuels. From the University of Glasgow, to the British Medical Association, The World Council of Churches, Mary Robinson, Desmond Tutu, UN Climate Chief Christiana Figueres, the Rockefeller Foundation and the National Union of Students - the support for divestment is widespread. Collectively over \$50 billion of investment in fossil fuels has been withdrawn.

In order to stay below a two degree rise of global temperature, 80% of known fossil fuel reserves must stay underground. This is possible. A whole-scale shift to renewable energy production, coupled with increased efforts to reduce consumption would enable us to mitigate the effects of climate change. The fossil fuel industry poses a formidable barrier through funding climate change denial and lobbying politicians, thus distorting public debate and preventing action on climate change.

Business as usual is not an option. Divestment from the fossil fuel industry means that our money will not further worsen the problem but also send a strong statement that the (insert institution name) is making a ‘significant, sustainable and socially responsible contribution to Scotland, the UK and the world’.

We further believe that divestment from the arms trade is crucial. By investing in companies that are involved in the arms trade, we are fuelling an industry that provides armaments to causes that are wholly contrary to our institutions’ ethos. The arms trade exists to provide weapons to those who can pay for them. What the buyers do with the arms, what political approval the sales signify, and how the money could have been better spent appear irrelevant to the arms companies and their governments.

⁸ Original draft by University of Edinburgh Fossil Free student campaign

If the university funds companies that produce armaments to the global arms trade, it may be supporting illegal conflict, human rights abuses and brutal dictatorial regimes.

The continued investment in fossil fuels and arms, combined with the futility of shareholder engagement, constitutes inaction on climate change and human conflict across the globe. It is time that the university stops thinking in terms of the risk of divestment and leads the way in creating a sustainable and secure future. By positively investing in renewable energy, local innovations and the university's own initiatives (insert institution) will be fulfilling its mission and attempting to meet targets to reduce carbon emissions.

We are calling on (insert institution name) to divest from fossil fuels and the arms trade.

Yours sincerely,

(Insert signature)

Draft petition text⁹

We, the undersigned, call on the (insert institution) to divest from the fossil fuel industry and the arms industry, and choose a safer future for its students and our society.

Specifically, we call on the (insert institution) to:

- immediately freeze any new investment in fossil fuel companies and arms companies
- divest from the fossil fuel industry and the arms industry, and shift funds to lower risk, ethical investments within five years
- pass and implement meaningful ethical investment policy that is updated every
- publish its investment portfolio
- sign up to UNPIR/UN Global Compact

**Add description below for online petition, but keep it short for paper petitioning.*

Why is this important?

The future of (insert institution) graduates is currently threatened by climate change. We are already suffering the effects of a 1°C rise in global average temperatures, and world leaders agree that the warming must be contained at a 2°C increase in order to avoid catastrophic global effects.

In order to avoid global temperatures rising further than a 2°C increase, as much as 80% of currently known fossil fuel reserves will have to be left in the ground - yet the value of fossil fuel assets is based on the extraction of all those reserves. When the world gets serious about climate change, these "carbon bubbles" will burst and the value of fossil fuel shares will plummet. This is why the university not only has a moral, but also a financial duty to withdraw its investments from the fossil fuel industry.

The arms business has a devastating impact on human rights and security, and damages economic development. Large scale military procurement and arms exports only reinforce a militaristic approach to international problems.

Many universities in Scotland invest money into arms companies. This provides some financial support for the arms trade and sends a message that arms companies are legitimate companies with which to do business, despite the devastation caused by the arms trade. We do not believe there to be any justification for a publicly funded education institution to be complicit in fuelling conflict, bolstering dictatorial regimes and abusing human rights.

We call on the (insert institution) to join other universities leading the way and divesting from the arms industry and the fossil fuel industry immediately.

⁹ Original draft by the University of Aberdeen Fossil Free student campaign

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