

UGM Motion: Should LSESU lobby LSE to commit to full divestment from all fossil fuel companies, including the oil and gas industry?

Motion passed

Final Results:

- Yes- 379
- No- 68
- Undecided- 22

Proposer: Elena Bignami

Secunder: Anna Koolstra

Opposition: Bjoern Christian Wolf

This Union Notes:

- That the London School of Economics and Political Science (LSE) has public commitments to tackling climate change and has taken steps to reduce its exposure to fossil fuel investments.
- That a considerable amount of LSE's endowment fund remains invested among the world's 200 largest fossil fuel companies - both coal, tar sands, coal and gas
- That the carbon reserves of these companies and other of similar size are well in excess of the amount of carbon that can be safely burned to have a chance of staying below the internationally agreed 2°C increase in temperature.[1]
- That Carbon Tracker's Unburnable Carbon 2013 report[2] (from LSE's Grantham Research Institute on Climate Change and the Environment) illustrates the overvaluation of fossil fuel reserves and the huge financial risks of investing in fossil fuel companies, including oil and gas companies.
- That on February 13, 2015, the LSESU passed a motion titled "LSESU should lobby the School to divest from fossil fuels" that mandated the relevant SU officers to campaign for LSE to divest from the top 200 oil, gas and coal companies.
- That in the summer of 2015, in response to a successful fossil fuel divestment campaign by the LSE community and the LSESU motion, the School commissioned a Socially Responsible Investment Review (SRIR) Group to look into all of LSE's fossil fuel

investments

- That on November 26th 2015, the School issued a statement based on the SRIR's groups findings and in said statement LSE pledged to continue to ensure that no direct investments are made in fossil fuels (including oil, coal and gas).

(<http://www.lse.ac.uk/newsAndMedia/aroundLSE/archives/2015/SRIRReview.aspx>)

- That on the same date, the School issued a new Socially Responsible investment policy, point 1.7 of which states that "the School will seek to progressively reduce its investments in funds which indirectly place its endowment in companies significantly engaged in the extraction of thermal coal and tar sands" (SRI, 1.7)

- That point 1.6 of that same updated SRI policy states "the School will attempt, where possible, to switch its passively managed equity investments into funds which more closely meet its SRI objectives, including the FTSE4Good UK index (SRI, 1.6)

- That point 1.8 of that same SRI policy states "the School will take a pro - active approach in collaborating with other like - minded investors to encourage asset managers to develop new socially responsible investment products."

- That LSE is part of a global Fossil Free movement calling for institutions to divest from fossil fuels and reinvest in a 'just transition' to a low-carbon economy. So far, \$3.4 trillion worth of investments have already been divested from fossil fuels; this includes many universities, the world's biggest sovereign wealth fund (in Norway), and two of the world's biggest pension funds (in California).

- That LSE is already bound by a Socially Responsible Investment policy ensuring that the LSE will conduct itself ethically and fairly, and in an environmentally sustainable manner, locally, nationally and globally.

- That the LSE has an Investment Review Committee, an Ethics Committee, and an Investment Policy that largely focuses on ethical considerations.

This Union Believes:

- That LSE's commitment to partial divestment from coal and tar sands is not enough and that the School should pledge to fully divestment from coal, oil and natural gas.

- That anthropogenic climate change is already responsible for loss of life and livelihood across the planet and that it has the potential to have a devastating impact on human society and our natural environment.

- That we are running out of time to keep global warming below 2°C above pre-industrial levels- the limit for ensuring a safe and stable future for the economy, the planet and all people on it, as recently outlined in the IPCC's 5th Assessment Report.

- That the coal, oil and gas industry by extracting, processing, promoting and facilitating the use of fossil fuels, as well as by having a major influence on government policy, is complicit in causing climate change and its catastrophic impacts.

- That we must do everything in our power to rapidly reduce the global use of all fossil fuels

and expand clean energy alternatives.

- That the 2015 Paris climate agreement has resolved that countries necessarily need to stay below 2 degrees to offset anthropogenic climate change, as well as attempt to reduce temperatures to 1.5°C
- That as a global university and a world-leading institution, the LSE should be taking the lead in ensuring it does not contribute to causing climate change and thus that its investment portfolio does not support the fossil fuel industry, specifically the top 200 oil, gas and coal companies
- That the LSE has the potential to be one of the first higher education institutions in Europe to commit to going completely, and not partially, fossil free.
- That the LSE's investments in the oil and gas industry continue undermine its commitment to tackling climate change and are in violation of principle six of the LSE Ethics Code, which states:

“sustainability: we will manage our resources in ways that meet the needs of the present without compromising the options of future generations.”

- That the LSE's commitment to tackling climate change should extend to oil and gas companies within its investment portfolio, as well as its own operations and research priorities.
- That the LSE should pool funds with other UK universities to create a national fossil-free fund that excludes all fossil fuel companies, including the oil, coal and gas industry

This Union Resolves:

- To mandate the General Secretary, the Activities and Development Offices and the Environment and Ethics Office to lobby the School to fully divest from the top 200 coal, oil and natural gas companies.
- To mandate the General Secretary and the Activities and Development Officer, who sit on relevant LSE committees, including the Investment Sub-Committee and the Finance Committee, to hold LSE accountable for their pledge released on November 26th 2015, and to push for the release of a timeline that will clarify the steps taken to progressively reduce LSE's investments in companies engaged in the extraction of thermal coal and tar sands
- To mandate the General Secretary to lobby the School to invest resources and work with other UK universities on a national fossil-free fund that excludes the top 200 coal, oil and natural gas companies
- To mandate the General Secretary to request quarterly updates of the University's investment portfolio, and make the information on investment expenditures (figures and percentages) transparent and accessible on the LSE website
- To mandate the Environment and Ethics Officer to promote a high-profile Fossil Free campaign around complete fossil fuel divestment on campus, including the regular dissemination of information about the LSE's investments and the companies it invests in.

- To mandate the General Secretary to lobby for increased student representation on all university investment committees
- To mandate the Environment and Ethics Officer, the Activities and Development Offices and the General Secretary to establish an affiliation and collaborate with People & Planet, 350.org and other external organisations involved in fossil fuel divestment and related campaigns.

Notes:

- 1) <http://www.carbontracker.org/wp-content/uploads/downloads/2012/08/Unburnable-Carbon-Full-1.pdf> , p.13-14.
- 2) <http://gofossilfree.org/campaigns/>
- 3) <http://gofossilfree.org/victory/>
- 4) LSE SRI policy
- 5) <http://disarmucl.blogspot.co.uk/>
- 6) <http://www.ucl.ac.uk/white-paper/mission>
- 7) <http://peopleandplanet.org/fossil-fuels>
- 8) <http://daraint.org/climate-vulnerability-monitor/climate-vulnerability-monitor-2012/report/>
- 10) LSE - Divest petition