University response to the motion that: Court advises the Board of Trustees to develop a plan for the University to gradually phase out its investments in companies which derive the majority of their revenue from fossil fuel extraction, and further advises the Board to commit to completing this by the end of 2021.

The Board of Trustees has given its support for change in approach to deployment of its endowment investments, to reflect better the values of the institution in relation to sustainability. Any change in our approach must continue to ensure the policy performs well and provides a good return on investment.

The University communicated in January 2016 that we would be pursuing the creation of a new fund with investment policies that respond to the issue of climate change with its existing Endowment Fund managers Sarasin & Partners. Regrettably, the speed of progress to date has been slow, despite our clear support. The delays have been almost entirely due to legal and regulatory changes associated with establishing a new Sarasin Climate Active Fund.

We wish to make progress and we are therefore seeking interim measures while Sarasin continues its efforts to create a new fund. We are considering moving some of our endowment monies into an existing alternative fund that select companies in which to invest on the basis that those companies enhance the environment and life of the communities in which they operate. This is a preliminary step to deliver an early change in investment strategy for the Endowment Funds.

In addition, the Board of Trustees has instigated a review of the Endowment Fund Investment Policy which is in progress. The University’s future Investment Policy in relation to fossil fuel companies will be set out in this document. The Endowment Fund Investment Policy review is due to complete by the end of January 2017 and is an important step in appropriately responding to the challenge of fossil fuel divestment along with considering the other aims and objectives for the Endowment Funds.

We have already been engaging with student representatives from the Fossil Free Bristol movement in the development of the revised Endowment Fund Investment Policy. We plan to continue this engagement as we seek to answer the following questions, which are key to developing an appropriate approach to fossil fuel divestment within the Endowment Fund Investment Policy:

- What is a reasonable period for divestment from fossil fuel extraction companies, if a decision is taken to divest?
- Where is the line drawn in determining whether companies derive a significant proportion of their profits directly from fossil fuel extraction? There are numerous multi-national companies directly involved in fossil fuel extraction who derive their profits from a large range of activities that are not connected with this industry.
- Where does the reasonable balance sit between divesting from companies who profit from fossil fuels, either directly from their extraction, involvement in the extraction supply chain and/or investment in fossil fuel reserves and maintaining a balanced portfolio of investments? A balanced portfolio of investments is required in order to help protect the Endowment Funds against market risk and ensure their long term sustainability to assist the academic endeavour and support students in the future.

We will be meeting representatives from Fossil Free Bristol to discuss their views in relation to these questions, to inform the development of the revised Endowment Funds Investment Policy. The new policy will then be considered by the Board of Trustees.