

Imperial College Union (ICU) opposes Imperial's continued investment in the fossil fuel industry

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Union Notes

1. In order to limit global warming to less than 1.5°C, short term (<10 years) greenhouse gas emissions reductions are essential.
2. Imperial [published](#) its first Socially Responsible Investment (SRI) Policy in March 2020, which states that Imperial 'will continue to invest in fossil fuels companies that demonstrate they are actively moving towards meeting Paris Agreement targets. The College will influence the behaviour of these companies by the following means: our educational programmes; our research and collaborations; our influence as active shareholders; our influence as a world-leading university'. While 92 out of 164 of UK universities (including Cambridge, Oxford, Kings College London) have made divestment pledges at the time of writing, Imperial is in the minority which has not.
3. Imperial's insistence that shareholder engagement can significantly alter the behaviour of fossil fuel companies (FFCs) contradicts the stance of [hundreds of institutions worldwide](#), many of which possess more financial clout than Imperial (e.g. [Harvard University](#)), who have made divestment pledges.
4. The report of the Engagement & Monitoring (E&M) Working Group's recommendations to the President's Board for the E&M Policy was [published](#) on 12 November 2021. It explains how Imperial plans to influence the decarbonisation of FFCs' business plans, how it will measure the effectiveness of this engagement, and how it will decide whether to alter or end its various relationships with these companies.
5. According to the E&M Policy, Imperial possessed £2 517 780 of direct and indirect investments in fossil fuel companies as of July 2021.
6. The SRI and E&M Policies recognise that ICU's influence as an investor is minimal, but also acknowledge that its 'public statements and announcements [such as divestment] influence society at large and the political environment, which in turn can have an indirect but powerful effect on FFCs'.
7. The E&M Policy leads to divestment from a FFC only after two annual non-green ratings, from a choice of red, amber or green (RAG). Therefore the earliest that divestment could be used to influence the behaviour of a FFC

investee involved in the initial pilot of the engagement process is 2024, according to the timeline in the E&M Policy.

Union Believes

1. Imperial need not remain an investor in a FFC to engage with a FFC using its non-investor relationships with them. This is demonstrated by the University of Manchester which is cited in the E&M Policy as 'favouring proactive engagement' and which, according to its [SRI Policy](#), has committed to divestment from FFCs by 2022; full decarbonisation of its portfolio by 2038; and engagement with the companies in the remainder of its portfolio via its investment managers.
2. Divestment would have a greater social impact than Imperial's engagement with an FFC as a shareholder.
3. Due to the urgency of the climate crisis, Imperial should immediately divest from all FFCs:
 - a. To express its disapproval of the environmentally unsustainable business plans of these companies to internal stakeholders and the general public;
 - b. To emphasise the seriousness of its intent to alter FFCs' behaviour.
 - c. To be consistent with its stated mission of achieving 'excellence...for the benefit of society'.
 - d. To honour its adopted values of integrity and courage.
4. Following divestment, Imperial should leverage its non-investor relationships with FFCs (e.g. as a research collaborator) to influence their behaviour; the E&M Policy (paragraph 8.1) and [external consultant's report](#) (page 34) implicitly agree that these relationships are more influential than Imperial's shareholder relationship. Further sanctions apart from divestment, which could be imposed on FFCs after non-green annual ratings, are suggested in paragraph 9.7 of the E&M Policy.

Union Resolves

1. The relevant Officer Trustees of ICU (e.g. the Union President, Deputy President (Finance) etc.) should argue for the 'divest today, engage tomorrow' policy to be included in the E&M Policy during relevant meetings of the SRI Policy Working Group etc.
2. ICU's disapproval of the SRI Policy and E&M Policy, and its adoption of the 'divest today, engage tomorrow' policy should be publicised (e.g. in an email/newsletter sent to all Imperial students) within a month of the E&M Policy's official publication.