

March 8, 2017
Divest McGill

Sub: Grievance Letter

To the Committee to Advise on Matters of Social Responsibility (CAMSR):

One year after CAMSR's report to the Board of Governors on Divest McGill's submission from February 2015, we at Divest McGill would like to formally state our grievances regarding the ruling that fossil fuel companies do not cause grave social injury, in the hopes that these procedural errors can be rectified.

1. CAMSR's terms of reference do not state the need to consider *net* social injury

The report ruled that "The Committee is persuaded that the beneficial impact of fossil fuel companies offsets or outweighs injurious impact at this time" (p.9). However, nowhere in the CAMSR terms of reference is it stated that the Committee should account for the benefits of the industry. In the terms of reference, it only states that "Where the Committee is satisfied that social injury... ("grave injurious impact which the activities of a company is found to have on consumers, employees, or other persons, or on the natural environment")... has occurred, and is of the opinion that action is warranted, it may recommend..." a certain course of action, including divestment or shareholder sanctions.

Firstly, we find the core argument of the CAMSR report -- that action should be taken but not against fossil fuel companies because they are not net socially injurious -- fundamentally flawed. CAMSR should not be looking at the benefits of fossil fuel companies; this criterion seems not only onerous, but also inconsistent with past divestment decisions, which looked exclusively at the injury from the activities (and sometimes the products, as in the case of tobacco divestment) of companies. It is unethical to weigh the benefits humans derive from fossil fuel companies against the destruction they cause, because it prioritizes certain lives over others.

Secondly, this criterion is subjective and therefore has no place in making a decision which requires objectivity. How is it possible to "outweigh" the social injury caused by fossil fuels? For example, how can the violation of indigenous consent be outweighed by the benefits? The difficulty of determining 'net' impact draws attention to the subjective and selective reasoning.

Thirdly, the criterion of social responsibility is not only the impact upon "consumers, employees, or other persons," but also on "the natural environment." When looking at the environment, one cannot make a case for a case for "beneficial impact" outweighing "impact at this time."

2. The subjectivity of grave as a criterion

CAMSR's report acknowledges that "climate change is an injurious impact" (p. 7) resulting from the activities of fossil fuel companies, thus fulfilling two of their three criteria for action in their terms of reference. CAMSR concluded that the final category, that "such impact must be grave," was not met. However, "grave" is a highly subjective term, which the Chair of the Board, Mr. Cobbett, recognized himself during our May 16th, 2016 meeting. Similarly, no other board member has been able to clearly define "grave". The terms of reference for CAMSR exist to enable an objective and unambiguous decision-making process. Recognizably vague terms leave the process vulnerable to faulty arguments and unsupported conclusions as are evidenced by the conclusions of the CAMSR report. Given the objectivity required in making recommendations regarding investment decisions, we find it extremely problematic that these objective decisions are made upon subjective definitions, and can therefore change very easily given different members of CAMSR and socio-political context.

3. The extreme focus on the present moment does not encapsulate larger issues of the imminent future

The report references the Paris agreement extensively (p.6, p.8) with the assumption that it will most likely be followed and concludes that divestment is therefore unnecessary. If proper and transparent consultations were made with climate change researchers, CAMSR would understand that climate change is an exponential process wherein inadequate immediate action only causes its acceleration. Climate change already causes the deaths of hundreds of thousands of people annually (WHO). Simply because social injury will be exacerbated in the future does not mean there is no grave, social injury caused by fossil fuel companies *now*.

4. The flaws in structural governance and the CAMSR report release warrant a reopening of the report

CAMSR itself as a body lacks independence from the Board. For two years now, both the chair of CAMSR and the chair of the Board of Governors have been the same person. This makes it impossible for CAMSR to be an independent committee and thus, an independent voice.

Secondly, the process through which CAMSR released the report lacked transparency. Five of the six expert testimonies were eventually released, but this was only done so after Divest McGill negotiated. Additionally, of these five, none were experts on ethics, nor were any consulted on the matter of *social responsibility*, the exact issue on which CAMSR was mandated to rule.

We of Divest McGill urge CAMSR to rectify these errors in a speedy and transparent manner in order to restore community faith in McGill's governance processes.

Sincerely,
Members of Divest McGill