

SOCIALLY RESPONSIBLE INVESTMENT REVIEW COMMITTEE

Minutes of a meeting held on 28 November 2019

Ref. FIN/114/SRI

Present: Dr Easton (in the chair), Mr Mason, Professor Bhaskaran¹, Mr Morse, Ms Mair, Kaya Axelsson (Oxford SU).

Apologies: Professor MacFarlane, Dr Caldecott, Pro-Vice-Chancellor (Research).

In attendance: Sarah Cowburn (Secretary), Alex Cheetham (Executive Research Officer to the PVC for Development & External Affairs).

1. Minutes of the meeting held on 13 June 2019 (SRIRC(19)04)

The minutes were **approved** and would be published on the Committee's website.

2. Notes of the calls held on 17 July 2019 and 1 October 2019 (SRIRC(19)05 and SRIRC(19)06)

The notes of the meetings were **approved**. As these were not minutes of official meetings, they would not be published on the Committee's website.

3. Matters arising not covered elsewhere

The Chair updated the Committee on The [TruePlanet](#) campaign. This was building up some real momentum and was likely to run for longer than originally planned. Academic engagement was strong, with over 70 academics involved so far and the campaign's social reach was almost 7m people. The Futuremakers podcast was number 1 podcast in the Apple 'Nature' category. Copies of the TruePlanet brochure were circulated to committee members and it was agreed that it would be good to have copies available in departments – it was suggested that the *Gazette* distribution list could be used for this. The Chair explained that the purpose of this campaign, and the ones that had preceded it (AI and then Quantum Computing), was to proactively promote the University rather than to be reactive to the negative publicity which it inevitably received.

The Committee noted that Cambridge University had recently announced a new net zero initiative, called Cambridge Zero, which brings together all its climate change research and initiatives. Oxford was focussing on the development of a sustainability strategy, to be considered by Council in autumn 2020. Investors needed to be aware that the pace of change in this area was considerable and that there would be implications for them and the way they operated. ESG disclosure was likely to become a regulatory requirement although it was not clear how prescriptive and qualitative this would be.

There was a brief discussion of the role of SRIRC and the reporting lines from OUem, Investment Committee and SRIRC. It was acknowledged that part of SRIRC's role was to challenge OUem on SRI issues and that a clearer SRI policy might be helpful in this respect. The Committee would need to return to these points at future meetings.

Further work was being undertaken on the benchmarking exercise – it was proposed to hold a conference call in late January (as the next official meeting was not until March) and an update would be provided then.

4. 'Deep-dive' discussion (SRIRC(19)07 and SRIRC(19)08)

In advance of this meeting, the Committee had received the Oxford Endowment Fund Report 2018, the extract from the Investment Committee's 2019 annual report to Council on SRI and OUem's Report on ESG Risk Management covering the 2018 year. The Committee had also received a comparison of the 2018 and 2019 reports to Council.

¹ Professor Bhaskaran declared a conflict of interest as a board director of an OSI-funded spin-out company and asked that this be recorded at each meeting.

Following a presentation and discussion with OUem on its approach to SRI issues, the Committee discussed further and raised the following points:

- it was suggested that, whilst OUem should be able to provide some metrics, an iterative evaluation process was much more valuable;
- signing up to the relevant codes provided a level of discipline and standardisation². The external members of the Committee had some difficulty in understanding the concerns raised by OUem in relation to signing up, and considered that OUem was significantly behind other organisations in its approach to stewardship. Other universities (including Harvard and Edinburgh) had signed up to PRI, so it was difficult to understand why PRI was seen as inappropriate for universities;
- whilst there had been some improvement on reporting and engagement, there was more that could be done, for example more specific metrics could be used (e.g. data on how many managers were PRI signatories) and tracked over time; or looking whether the main revenue lines of companies are broadly environmentally positive or negative³.
- there were many positive investments that OUem could use to demonstrate its ESG principles. If OUem found that the requirements of some of the codes were not a good fit with its investment model, it was open to them to create a bespoke index and to evaluate its investments against that;
- whilst the members of the Investment Committee were, without doubt, very eminent and successful investors, it might be helpful to also include some members with strong SRI credentials;
- the governance around SRI issues was still an outstanding question requiring further consideration.

5. Any other business

There was no other business.

6. SRIRC remit, membership, standing orders and SRI policy (SRIRC(19)09)

The Committee **noted** the paper.

7. Public Sector Equality Duty (SRIRC(19)10)

The committee **noted** the information in this paper and **agreed** to take the steps set out in exercising its remit.

8. University Conflict of Interest Policy (SRIRC(19)11)

In accordance with the University's Conflict of Interest Policy, the Committee **noted** the information provided on recognising and managing conflicts of interest in relation to committee business.

9. Date of next meetings

The Committee noted that meetings were scheduled as follows:

- 11.00am – 1.00pm on Thursday 5 March 2020, Meeting Room 6, University Offices
- 11.00am – 1.00pm on Thursday 11 June 2020, Meeting Room 6, University Offices

² Post meeting note: SRIRC had recommended that OUem sign up to the Carbon Disclosure Project (now known as CDP) back in 2015 as part of its recommendations in the fossil fuel divestment review. This was still under consideration at OUem, but no decision had yet been taken (the SRIRC review had concluded nearly 5 years ago).

³ Post meeting note: for example, the Church Commissioners for England subscribe to MSCI's ESG Research, which gives ESG ratings and information on its listed equity holdings. MSCI's Sustainable Impact Metrics product also enable investors to identify the extent to which their listed equities portfolios are generating revenues from positive impact environmental and social themes (e.g. renewable energy, education, energy efficiency, water, affordable housing etc). Impacts and revenues can then be tracked against objectives for each asset class