

Socially Responsible Investment Review Committee

Note of a meeting held on 28 February 2013 and decisions taken subsequently by correspondence

Present: Mr Younger (in the chair), Pro-Vice-Chancellor (Research, ASUC), Ms Santhosham.

In attendance: Dr Berry, Ms Hudspith (Secretary), Mr Oldfield.

Apologies: Ms Mair, Mr Mason, Professor Savulescu, Ms Tennant.

Ref. FIN/114/SRI

A quorum was not present. On the recommendation of the Pro-Vice-Chancellor, the Chair agreed that the business of the meeting should be dealt with in two parts. First, a discussion of the business should proceed and recommendations formed on matters requiring decision. Second, the record of the discussion and the recommendations should be circulated to the committee for decisions by correspondence.

The Chair welcomed Mr Oldfield, Chair of the Investment Committee, who had been invited to observe the meeting.

1. **Conflict of interests** (SRIRC(13)01)

The committee **noted** the report on the University's Conflict of interest policy. All present confirmed they had no conflict to declare.

2. **Meeting scheduled for 22 November 2012 (cancelled)** (SRIRC(13)02)

The committee **received** a note concerning the business of the 22 November 2012, which had been cancelled. It was confirmed that this form of presentation was used by other committees to record business which had been conducted by correspondence following the cancellation of a meeting.

By correspondence, the committee **approved** the note and agreed that it should be published on the SRIRC webpage in lieu of minutes for that meeting.

CONFIDENTIAL¹

3. **Matters arising**

Item 2: Review of the SRI Policy and related remits (SRIRC(13)03)

The committee **received** a further revision of the SRI policy for consideration.

The Chair recalled that the committee had first been asked to consider the policy statement at its meeting on 10 February 2012, following identification by the Investment Committee that the current policy lacked clarity on the respective roles of the SRIRC and the Investment Committee. The policy statement had subsequently been reviewed in consultation with the Chair of the Investment Committee (Mr Oldfield) and the Chief Investment Officer (CIO) of Oxford University Endowment Management (OUEM) to ensure they were comfortable with the general direction of the revision.

Most recently, a revised policy had been circulated to the SRIRC, for approval by correspondence, in Michaelmas Term (paper SRIRC(12)12). However, a concern was raised that the circulated version did not clearly articulate the University's core policy. Further revisions had been made in light of this concern and a further version was now before the committee for consideration.

¹ This minute is confidential as it discusses matters which remain subject to Council approval, and may not be circulated beyond the membership of the SRIRC and its officers pending Council's determination.

The Secretary noted one further point for consideration: whether the policy statement should make clear that responsibility for implementing the policy lay not only with the SRIRC and the Investment Committee, but also with any other body which had responsibility for the University's investments. The regulations governing the Investment Committee², provided that Council might determine that certain investments were the responsibility of the Finance Committee or other bodies. The committee considered that the wording of the policy statement should be kept as simple as possible and asked the Secretary to give this matter further consideration.

[Secretary's note: the wording of the policy (and related text in the regulation) has been revised to make clear that the policy applies to any body that has oversight of University investments, not just the Investment Committee. The primary reason for this is that wording which referred only to the Investment Committee with no reference to other bodies would effectively confine the policy to those investments that the University places with the Investment Committee.]

The committee discussed the revised policy statement and the Chair also invited Mr Oldfield to comment. The following views were expressed:

- the revised wording provided a clearer delineation of what the University was seeking to uphold (the policy) and how it would uphold it (the procedures);
- the section of procedures addressed the ambiguity of the respective functions of the Investment Committee and the SRIRC that had been identified in the current policy statement;
- while the revised policy statement was brief (those of other University's were often longer), it was definite and clear. A brief policy statement was at risk of being ineffective, but that did not appear to be the case here;
- the policy remained broadly stated, allowing for decisions on specific matters to be recorded elsewhere. This was beneficial;
- the new reference to joint delivery of the policy by the SRIRC and Investment Committee was helpful. However, while the SRIRC was not in a position to deliver on procedures (c) and (d) [concerning engagement with investment managers], it had a responsibility to satisfy itself (and in turn Council) that these procedures were being implemented.

With regard to the last point, it was noted that the SRIRC could fulfil this responsibility through its annual meeting with the CIO of OUEM, in advance of which it received the Chair of the Investment Committee's report to Council on SRI. It would therefore be important for the SRIRC to ask questions at the meeting and set out its views on that report in its own annual report to Council. For clarity, the committee might amend its standing orders to articulate the purpose of the annual meeting.

With regard to the mandate for the SRIRC to discuss recommendations with the Investment Committee, there needed to be clarity that this mandate should not be taken to prohibit the SRIRC from presenting to Council recommendations that did not have the support of the Investment Committee. The SRIRC was set up on the grounds that proposals to change investment policy on ethical grounds should be considered by a body that had independence from the Investment Committee.

It was suggested that the SRIRC might reciprocate through a brief report to the Investment Committee on delivery of procedures (a) and (b), which the Chair might be invited to present at a meeting of the Investment Committee. Mr Oldfield was supportive of this proposal.

In response to a question as to what constituted the University's 'ethical standard', it was noted that there was no single document which set out a definitive comprehensive account of the University's ethical position. For the purpose of this policy, the University's ethical standard was considered to be captured in the commitment to take "decisions responsibly and with integrity", taking into account "social, environmental and political issues". The Chair **undertook** to investigate the approach taken by other universities with regard to the recording

² Part 23 of Council Regulations 15 of 2002

of their ethical standard and report back to the next meeting.

By correspondence, the committee **agreed:**

- (i) that Section 3 of its standing orders be amended to include statements:
 - a. of the purpose of the annual meeting with the CIO of OUEM, specifically the purpose of the meeting is for the SRIRC to receive a presentation on the operation of OUEM and matters covered in the Chair of the Investment Committee's report to Council on SRI matters and to have opportunity ask questions;
 - b. that the Chair of the Investment Committee would be invited to attend one meeting of the SRIRC each year;
 - c. that the Chair of the SRIRC would attend meetings of the Investment Committee periodically, if invited.
- (ii) that the procedures element of the policy statement be amended to refer to the SRIRC standing orders, and circulated to the committee;
[**Secretary's note:** this recommendation has not been carried forward. It would be unusual for standing orders to be referenced in a policy statement in this way.]
- (iii) that subject to the revision at (4) above, the policy and procedures be recommended to GPC for adoption.

4. **Communication**

The Secretary presented a proposed restructuring of the University website pages related to the SRI policy and the SRIRC, the aim of which was to improve the presentation of the University's policy and its position on specific issues, and provide more information about the SRIRC itself.

The following points were noted in the presentation and subsequent discussion:

- it was intended that the site would host definitive position statements on decisions taken under the SRI policy, publication of such statements required the Registrar's approval;
- the webpages would appear in the public domain, rather than on the University's intranet as was more usual for committee pages. It was proposed that, subject to members' consent, this should include the membership page;
- with regard to the membership page, consideration might be given to highlighting that the student member of the committee served for one year only;
- there might be occasions on which it was necessary to classify a minute of a meeting as 'confidential' and withhold it from publication. This would be in line with the practice of other University's committees and Council;
- consideration would be given to whether the list of FAQs should be expanded. It was noted that some suggestions had been made by Ms Tennant and the Chair would consider these;
- the publication of the membership of the committee might lead to queries about the SRIRC and the University's position on SRI being passed to individual members. It was suggested that such queries should always be forwarded to the Secretary for response. Consideration would be given to setting up a generic e-mail address in order that, in the Secretary's absence, colleagues in the Council Secretariat might deal with queries.

By correspondence, the committee **agreed:**

- (i) that the webpage setting out the names of its members should appear in the public domain;
- (ii) that the committee's agreed practice should be that members of the committee should not respond directly to queries for information about the SRIRC or the University's position on SRI, but should forward such queries to the Secretary for response;

- (iii) that the committee's standing orders and the FAQ section of the website should be amended to reflect the decision at (ii) above.

5. **Freedom of Information update (SRIRC(13)04)**

The committee **noted** the one Freedom of Information Act request relating to SRI that had been received since the last meeting.

6. **Any other business**

There was no other business

7. **Meeting dates in 2013**

The committee **noted** the dates of its remaining meetings in 2013 as:

Thursday 6 June 2013, 10.30 a.m. Meeting Room 5, University Offices, Wellington Square;

Tuesday 2 July 2013, 11.30 a.m. OUEM, King Charles House, Park End Street (annual presentation by the Chief Investment Officer);

Thursday 28 November 2013, 10.30 a.m. Meeting Room 1/2, University Offices, Wellington Square.

The Secretary **agreed** to check the availability of members for the 6 June meeting.