

SOCIALLY RESPONSIBLE INVESTMENT REVIEW COMMITTEE

Minutes of a meeting held on 2 July 2013

Present: Mr Younger (in the chair), Ms Mair, Mr Mason, Professor Savulescu, Ms Tennant, Mr Tomlinson (OUSU).

In attendance: Ms Hudspith (Secretary).

Apologies: Pro-Vice-Chancellor (Research, ASUC), Professor Clark.

Ref. FIN/114/SRI

The meeting was preceded by a presentation to the Committee by the Chief Investment Officer (Ms Robertson) of OUEM. Ms Beeby, Investment Analyst at OUEM was also present. The annual report of the Chair of the Investment Committee to Council on SRI matters had been circulated to members in advance of the presentation.

The presentation provided an outline about OUEM and its position in relation to the University, the Oxford Funds and the SRI processes followed in relation to those Funds. The Committee asked its Secretary to request a copy of the 2013 presentation for circulation to members.

1. **Conflict of interests**

Members were asked to declare any interest that could give rise to conflict in relation to any item on the agenda. Ms Tennant highlighted that, among other appointments, she held a non-executive directorship of the Green Investments Bank. The Chair assured the Committee that he had seen a full list of Ms Tennant's appointments and was satisfied that there was no conflict. All other members confirmed they had no conflicts to declare.

2. **Note of the meeting held on 25 February 2013 and decisions taken subsequently by correspondence (SRIRC(13)06)**

The note was **approved** for publication.

3. **Matters arising**

(a) *Item 3: Review of the SRI Policy and related remits*

For the benefit of new members, the Chair recalled that Council had agreed [in December 2011] that the SRI policy and related committee remits should be reviewed to ensure they adequately reflected the respective roles in relation to SRI of the Investment Committee of the Oxford Funds, the SRIRC and Oxford University Endowment Management Ltd (OUEM).

The Committee **noted** that the proposed changes would be considered by the General Purposes Committee (GPC) of Council at its meeting on 21 October 2013. Assuming GPC was content to recommend the changes to Council, Council might be expected to consider the proposals at its meeting on 4 November 2013. A revised policy would come into effect as soon as it was approved by Council. As changes in regulations required publication in the University Gazette, the earliest possible date of effect would be 22 November 2013.

(b) *Item 3: Approach taken by HEIs in stating their 'ethical standards'*

The Chair presented a brief update on the SRI policy position of comparator institutions

From the review conducted and presented to the Committee in Trinity Term 2012,¹ it appeared that Oxford had the strongest policy position outside the United States (US). In the US, institutions tended to have adopted formal SRI positions in the 1970s and to have taken an extremely detailed and proscriptive approach to SRI.

¹ See SRIRC(12)10.

The Chair had revisited the websites of the institutions surveyed and reported that little had changed. Policy statements had been found for the Universities of St Andrews, Edinburgh and Manchester and for the Cambridge University Student Union (CUSU) and it was agreed that web-links to these policies should be circulated.

It was noted that one aspect covered by policies elsewhere but not by the University's policy related to the annual publication of information about the management of investments. In this context, the Committee noted that a set of FAQs was being drafted for inclusion on the SRIRC website managed by the Council Secretariat. The text would be brought to the Committee for comment.

[Secretary's note: Web-links to policy documents:

St Andrew's:

www.st-andrews.ac.uk/media/finance/documents/finance_sustainable_investment_policy.pdf

Edinburgh:

www.docs.sasg.ed.ac.uk/GaSP/Governance/SociallyResponsibleInvestment.pdf)

Manchester:

documents.manchester.ac.uk/display.aspx?DocID=659

Cambridge University Student Union:

For ease of reference CUSU's policy is attached at Annex A. The policy is undated, but from the names of the proposer and seconders a date in 2008-9 is assumed. The campaign website is at: [http://www.green.cusu.cam.ac.uk/campaigns/ethicalinvestment/.](http://www.green.cusu.cam.ac.uk/campaigns/ethicalinvestment/)]

(c) *Items 3 and 4: Standing orders* (SRIRC(13)07)

This item was **deferred** pending the approval of changes to the SRI Policy and regulations governing the Committee.

4. **Annual report**

The Committee **noted** its obligation to report annually to Council via GPC on:

- (a) its assessment of the University's investments against its defined policy statement on Socially Responsible Investment; and
- (b) any other relevant matter.²

(a) *Assessment of the University's investments against its defined policy statement*

The Committee **considered** how it might best discharge its responsibility under point (a). It was agreed that the opportunity to hear about OUEM's operations through the presentation and discussion which had preceded the meeting was very helpful. It was noted that the Committee also received quarterly factsheets on the performance of the Oxford Funds and **agreed** that the amount and frequency of information provided by OUEM to the Committee was sufficient for the Committee to make its assessment.

The Committee **agreed** that, in its annual report, it would endorse the investments made through OUEM as consistent with the University's defined policy statement

(b) *Any other relevant matter*

The Committee **agreed** that its report should also cover:

- its contribution to the review of the SRI policy and associated Council Regulations, which would change the committee's operating base, and that the Committee had also considered changes to its standing orders;
- the establishment of a working relationship with OUEM and the Investment Committee which would be recorded in the SRIRC's standing orders; and

² Regulation 29.5, Part 29 of Council Regulations 15 of 2002 (see <http://www.admin.ox.ac.uk/statutes/regulations/520-122bb.shtml>)

- changes in membership, in particular the increase in external membership.

The Secretary would draft a report for consideration by the Chair in the first instance and then by the Committee as a whole.

5. **Membership (SRIRC(13)08)**

The Committee **noted** its current membership and the actions in hand to deal with the need for appointments.

The Chair welcomed Mr Tomlinson to his first meeting and thanked Professor Savulescu, whose appointment was coming to an end, for his contribution to the Committee's work.

6. **Freedom of Information update**

The committee **noted** that no requests relevant to its work had been received since the last report (21 February 2013).

7. **Any other business**

There was no other business

8. **Date of next meeting**

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

The Committee **agreed** to change its meeting time, such that meetings were held either at the start or end of the day. [**Post meeting note:** Following consultation with members, the start time for each meeting has been changed to 9.00 a.m.]

ERH
20 November 2013

Cambridge University Students' Union

Policy on Socially Responsible Investment

CUSU notes:

1. The University of Cambridge does not currently have a Socially Responsible Investment (SRI) policy;
2. That many other Universities, including Oxford, St. Andrews, Edinburgh, and Manchester have Socially Responsible Investment policies;
3. That a Socially Responsible Investment policy can be completely compatible with the University's aim to achieve high returns from its investments;
4. That a recent survey carried out by the Ethical Investment Officer shows that students are overwhelmingly in support of an Ethical Investment Policy.
5. The University refused to provide details of their investments under the Freedom of Information Act.
6. The 800th anniversary funding drive is an unique opportunity to link attempts to increase university funds with the implementation of a sustainable investment policy.
7. The University has recently appointed an 'in-house' investment manager, giving them more control over their funds.
8. In the current economic climate, many institutions are reviewing their investments, which is an opportunity to ensure ethical issues are taken into account when choosing funds.

CUSU believes:

1. The University of Cambridge should have a Socially Responsible Investment policy which reflects its mission to educate, its obligation to uphold human rights law, and its desire to be sustainable and promote sustainability. This policy should work in conjunction with the University's need to achieve high financial returns from its investments.
2. The students of the University, as members of the University community and a source of revenue for the University, should have a say in how the University invests its money.
3. That the students of the University will be alienated if their views on investments are ignored.
4. As a prestigious and influential national institution, Cambridge University has a particular obligation to set an example of socially responsible behaviour. By not instituting an SRI policy the University places its integrity and reputation at risk.

CUSU resolves:

1. To demand that the University institutes a socially responsible investment policy. This policy should:
 - i) Prohibit investments in companies if their behaviour is inconsistent with the University's educational and research objectives.
 - ii) Prohibit investment in companies which fail to uphold basic human rights within their sphere of influence if they fail to improve their behaviour in response to direct engagement. This would include companies who:
 - Commit human rights abuses;
 - Knowingly provide resources to those who will use them to commit human rights abuses;
 - Manufacture torture equipment;
 - Fail to uphold basic labour rights including the right to form a Union;
 - Give vocal, economic or diplomatic support to a regime enabling it to continue to commit human rights abuses.
 - iii) Demand that investment managers encourage good behaviour and discourage poor behaviour through screening of investments, either positively or negatively or through direct engagement with firms, taking into consideration the following areas (this list should not be considered as exhaustive);

- Promotion of human rights, including but not limited to the equality of gender, race and sexuality;
 - Promotion of good business ethics and good employment practices;
 - Protection of the global environment, its climate and its biodiversity;
 - Promotion of community investment;
 - Promotion of international co-operation and an end to international conflict including engagement with or prohibition of companies which produce armaments;
 - Sustainable provision and procurement of essential resources and services (utilities for example);
 - Prohibition of companies which test on animals purely for cosmetic purposes.
2. To suggest that a committee should be designated to investigate and make decisions concerning the SRI policy (this may be the existing executive committee or a new committee). Representations concerning the policy on socially responsible investment and proposals to engage, invest or disinvest may be submitted to the committee as follows:
- a) by Council, the Finance Committee or any other committee reporting directly to Council
 - b) by 20 or more members of the Regent House
 - c) by a resolution of the Cambridge University Student Union.

The committee shall make a report to Council annually on SRI proposals considered, on an assessment of the University's investments against its defined policy statement on Socially Responsible Investment and on any other relevant matters.

The onus will be on the investment manager to implement the investment policy, and he should report regularly on whether SRI criteria are being met and should be held accountable for the implementation of the policy.

3. To call on students, academics, staff and alumni of the University to support CUSU's policy on Socially Responsible Investment
4. To publicly denounce careers fairs and other careers promotion events and publications which include companies whose behaviour is inconsistent with the University's educational and research objectives or which fail to uphold basic human rights within their sphere of influence.
5. To demand that under the Freedom of Information Act the University provides information about its investments to CUSU, in particular any cases in which they do not reflect its mission to educate, its obligation to uphold human rights law, and its desire to be sustainable and promote sustainability.

Proposed by: Mischa Foxell, Ethical Investment Officer

Seconded by: Steven Bland and Emilia Melville, Ethical Affairs Chairs