Minutes of a meeting held on 3 February 2011
Ref: FIN/114/SRI

Present: Warden of Nuffield (in the chair), Professor Clark, Professor Savulescu, Ms Tennant, Dr Wilkins

In attendance: Mrs Hudspith (Secretary).

Apologies: Pro-Vice-Chancellor (Research), Mr Lowe.

1. **Minutes of the meeting held on 28 October 2010 (SRIRC(11)01)**
   The Committee approved the minutes without discussion.

2. **Implementation of the University’s SRI Policy: Engagement (SRIRC(11)02 and SRIRC(11)02S)**
   The Chairman highlighted that, to date, the Committee had focussed on the specific recommendation related to arms divestment and on the more general question of how it might respond to any future recommendation on a specific issue. Now that it had made a recommendation to Council on the former and developed its standing orders to address the latter, it was now appropriate for the Committee to turn its attention to the engagement aspect of the University’s Socially Responsible Investment Policy.

   The Committee noted that issues around the ownership of voting rights in relation to investments in pooled vehicles, could impact the University’s ability to engage with the companies in which it invested. Engagement policy in relation to pooled vehicles was a relatively new area in SRI. Nevertheless, Ms Tennant was aware that Robeco, the asset management organisation within the Rabobank Group, had implemented such a policy and had ascertained that Robeco’s Global Head of Private Equity (or a senior member of his team) could attend the next meeting on the Committee to make a presentation, if the Committee wished.

   The Committee agreed that such a presentation would be useful, and that it would wish the presentation to address the following questions in particular:

   (i) what was the motivation for introducing the engagement policy?
   (ii) what values drive the policy?
   (iii) what happens when Robeco is the only investor in the fund raising a particular issue?
   (iv) is engagement always private?
   (v) to what extent does engagement rely on using the weight of votes held, rather than in the actual casting of votes on formal motions?
   (vi) are communications with fund managers codified, e.g. through agreed ‘rules of engagement’?
   (vii) what evidence does Robeco have about the effects of engagement on investment returns?

   The Committee further agreed to invite the University’s Chief Investment Officer to attend the meeting in order to facilitate a discussion within the University. Ms Tennant undertook to relay the questions to Robeco; Mrs Hudspith would contact the Chief Investment Officer.

   It was noted that, in focussing on engagement, the key issue was to consider the process by which the University could engage and how any such process adopted by Council might be explicitly stated for transparency of implementation. To that end, the Committee might work towards the presentation of a report to Council setting out: (a) how the University currently engaged with companies in which it invested (which might be taken to include fund managers); and (b) what further steps the Committee would recommend in response to the policy.
3. **Date of next meeting**

    Thursday 3 March 2011, 12 noon.

ERH
22 February 2011