

SOCIALLY RESPONSIBLE INVESTMENT REVIEW COMMITTEE

Confirmed minutes of a meeting held on 6 March 2014

Present: Mr Younger (in the Chair), Mr Caldecott, Professor Henderson, Ms Mair, Mr Mason, Ms Tennant¹, Mr Tomlinson (OUSU), Professor Vogenauer.

In attendance: Dr Berry (Secretary).

Apologies: Pro-Vice-Chancellor (Research, ASUC)

Order of business: items 6 and 7 were taken before item 5.

Ref. FIN/114/SRI

Introductory matters

The Chair welcomed Professor Caldecott and Professor Henderson to the meeting as new members².

The committee recorded its deep appreciation to Mrs Ellen Hudspith for her great contribution to the development of the committee over a number of years, who had stepped down as secretary. The Chair welcomed Dr Berry to the meeting who would be acting as the committee's secretary for the time being.

1. Conflict of interest

Members were asked to declare any interest that could give rise to conflict in relation to any item on the agenda.

The committee **noted** that at some level all members were likely to have interests in item 5, the representation on fossil fuel divestment, through general engagement in matters relating to fossil fuels.

Each member then disclosed their connections with relevance to that item. In the light of this, the committee **agreed** that its members between them represented an informed cross-section of perspectives on this matter, but that none of them individually, nor the committee as a whole, was so conflicted as to be unable to engage in the consideration of this matter.

2. Minutes of the meeting held on 28 November 2013 (SRIRC(14)01)

The minutes were **approved** subject to the addition of the following at the end of minute 4:

'The sharing of information within the committee on matters relating to the representation would be useful. Members agreed to share such information.'

3. Matters arising not covered elsewhere

There were no matters arising to report.

4. Standing orders (SRIRC(14)02)

The committee noted that the changes set out to its standing orders had previously been considered by the committee but had not been formally approved ahead of Council approving the revised SRI policy. It was noted that the Standing Orders had to be read alongside the

¹ Ms Tennant joined the meeting by telephone.

² Both had been appointed by the Vice-Chancellor to fill lapsed vacancies (i.e. Congregation slots for which no nominations were received). The appointments were for this academic year only, as the positions were to come up for election (in Trinity Term for Michaelmas Term).

committee's terms of reference and the SRI policy and procedures³.

The committee then **approved** the proposed revisions to its standing orders to come into effect immediately.

It was further **agreed** that it would be helpful for the committee to receive an organisation chart at its next meeting showing how the SRIRC fitted into the governance structure of the University.

5. **Representation concerning the University's Policy on Socially Responsible Investment (SRIRC(14)03)**

The committee received the representation from OUSU and information in the public domain on steps taken by some other universities in response to similar representations, the Church of England's consideration of a similar motion and investor strategies on climate change.

The committee noted that the OUSU representation clarified what OUSU meant by 'the fossil fuel industry':

"Those companies that participate in exploration for and/or extraction of fossil fuel reserves.";

and asked:

"that the University of Oxford, through its investment subsidiary Oxford University Endowment Management:

a) Ceases to directly investment (*sic*) in fossil fuel companies

b) Puts safeguards in place to ensure the University does not indirectly invest in fossil fuel companies through its 'pooled vehicles' or any other indirect investment channel."

and

"releases a policy statement before the start of the new academic year setting out its view whether or not investment in fossil fuel companies can be considered 'socially responsible' as well as the stance that it takes with respect to the financial risks of investing in these companies."

The committee welcomed the debate initiated by the OUSU representation. It noted that its role was to consider the representation and make a recommendation to Council, and that in order to do so it would need to consult more widely. The committee noted that there were many aspects which the committee would need to return in the light of that consultation.

The committee agreed that at this stage its primary concern was to consider the process it should follow to fulfil consider the representation. It agreed that the process should follow a similar pattern to that used when it considered arms divestment:

- (i) SRIRC gives initial consideration to the resolution, determining what additional information it might require (which the committee did at this meeting);
- (ii) SRIRC engages with relevant University stakeholders, including Investment Committee and OUem about the proposal;
- (iii) SRIRC formulates and submits its recommendation to Council. The SRIRC is obliged to make a recommendation to Council, but it is, of course, open to it recommend that no action be taken; and
- (iv) Council considers the recommendation and reaches a determination. Council may or may not then wish to consult with its committees directly before reaching a determination.

However, in respect of step (ii), the committee agreed that it should undertake consultation with a wider range of bodies, because of the breadth of the issues involved as identified

³ Regulations: Part 29 of Council Regulations 15 of 2002 <http://www.admin.ox.ac.uk/statutes/regulations/520-122bb.shtml>;
SRI policy and procedures: <http://www.admin.ox.ac.uk/councilsec/governance/committees/srirc/universitypolicyonsri/>.

above and that a decision on divestment could not be taken without an understanding of the University's other connections with the 'fossil fuel industry'. That formal consultation might cover: Research Committee; the Committee to Review Donations and/or the Committee for Development and Alumni Relations; Education Committee; Divisional Boards; and Colleges⁴.

The committee also agreed that it should canvas opinions more broadly through the collegiate University through the publication on its website and in the *Gazette* of a Statement on the receipt of the divestment representation and a call for responses.

As the consultation that the committee considered was needed covered matters which were outside SRIRC's remit, principally the impact of a decision on divestment on the University's wider relationships with the 'fossil fuel industry', it agreed to ask Council's General Purposes Committee to sanction the consultation.

The committee recognised that the timetable requested by OUSU may not be achievable, and that a target date for the University to publish a considered position statement by the end of the calendar year would be more realistic. It proposed the following:

24 March – meeting of GPC – request to sanction consultation considered;

April to June – other committees contacted and consider the resolution in parallel with the wider call for input;

2 July⁵ – meeting of SRIRC to review representations and agree the views summary to be posted on the SRIRC website, and to initiate the committee's discussion regarding its eventual recommendation to Council⁶.

The committee noted the consideration given to fossil fuel divestment at other HEIs. That information would be considered at the committee's next meeting.

Finally, the committee noted that it was intended that the Heads of the MPLS and Social Sciences Divisions would initiate a discussion with staff and students about the University's interactions with the hydrocarbon industry, and would contact OUSU to organise appropriate forums to take these discussions forward.

In response to a request by Mr Tomlinson for the committee to meet with the leaders of the student divestment campaign, the Chair advised that it would not be appropriate for the committee to meet with any party in this matter unless, in response to what it received in written submissions, it wished to seek clarification or further information in person. He advised that the students were welcome, through the wider consultation proposed, to make written submissions to the committee.

The committee:

- (i) **noted** the resolution and the information;
- (ii) subject to the consultation with GPC at (iii) below, **approved** the proposed process and timetable for reaching a recommendation on the resolution;
- (iii) and **agreed** to recommend to GPC
 - a. that SRIRC should formally consult the following committees, for a view on the implications of divestment from fossil fuels for the activities under their remit: Investment Committee; Research Committee; the Committee to Review Donations and/or the Committee for Development and Alumni Relations; Education Committee; Divisional Boards; and Colleges; and
 - b. that SRIRC should canvas opinions more broadly through the collegiate University through the publication on its website and in the *Gazette* of a Statement on the

⁴ In this instance colleges are both parts of the collegiate University which would be affected by the wider questions involved in divestment and investors in the Oxford Fund.

⁵ Confirmed by the committee through correspondence after its meeting.

⁶ By correspondence after its meeting, the committee noted that GPC, in approving SRIRC's proposals, had further agreed that SRIRC's eventual recommendation to Council on OUSU's representation should, in this instance, go to Council through GPC given that the issues involved are wider than those encompassed wholly within the remit of SRIRC. The timetable was therefore for SRIRC's eventual recommendation to Council to go to GPC on 20 October 2014 and from there to Council on 3 November 2014.

receipt of the divestment representation and a call for responses.

6. **Requests for information relevant to the remit of the SRIRC (SRIRC(14)04)**

The committee noted the responses provided on request for information relevant to the committee's remit. It **agreed** that the committee should ask whether, in the interests of consistency and transparency, for the future the committee's Chair might see draft responses to requests for information within its remit before they are sent out and whether the committee might publish all the responses on its website, including negative ones.

7. **Assessment of the University's investments against its defined policy statement on Socially Responsible Investment (SRIRC(14)05)**

This item was deferred due to the pressure of other business.

8. **Any other business**

There was no other business.

9. **Dates of forthcoming meetings**

2013-14

The committee agreed that the Chair should review the arrangements for the meetings in 2013-14 in light of the need to consider item 5.

Post-meeting note: the meeting due to be held on 12 June 2014 was cancelled.

The next meeting will start at 9 am on 2 July 2014, beginning with the OUem presentation, and continuing with the committee's own business, primarily consideration of the responses on the OUem divestment representation.

2014-15

According to the Committee's standard timetable, these dates will be:

Thursday 27 November 2014

Thursday 5 March 2015

Thursday 11 June 2015

The Chair has authority to cancel a meeting for lack of business.