

SOCIALLY RESPONSIBLE INVESTMENT REVIEW COMMITTEE

Confirmed minutes of a meeting held on 7 July 2015

Present: Mr Younger (in the chair), Mr Caldecott¹, Mrs Mair, Mr Mason, Ms Meredith, Ms Tennant, Professor Vogenauer, Professor Walmsley².

Apologies: Professor Henderson.

In attendance: Dr Berry (secretary), Ms Silcock (incoming OUSU VP (Charities and Community)).

Order of business: the order of business was as follows: items 1-6 and 8 before the annual meeting with OUem; items 7 and 9-11 after the annual meeting with OUem.

Ref. FIN/114/SRI

1. **Conflict of interests**

Members were asked to declare any interests that could give rise to conflict in relation to any item on the agenda. Noting Ms Silcock's declaration as incoming OUSU member, the Committee **reiterated** that at some level all members were likely to have interests in item 5 regarding the representation on fossil fuel divestment through general engagement in matters relating to fossil fuels. The Committee **agreed** that its members represent an informed cross-section of perspectives on this matter and that none of them individually was so conflicted as to be unable to engage in the consideration of this matter.

2. **Chair's business**

(a) Membership (SRIRC(15)01)

The Committee noted that this was the last meeting of the Committee for Ms Meredith, Ms Tennant and Professor Vogenauer, and thanked them for all their work for the Committee over the years. It welcomed Ms Silcock as observer to this meeting, noting that she would succeed Ms Meredith on the Committee. It further noted that Council would appoint to vacancies; in the case of the external member, the Chair floated a name and explained that he would make a recommendation to Council.

3. **Minutes of the meeting held on 27 November 2014 (SRIRC(15)02)**

The minutes were approved. It noted that there had been a delay in publishing minutes on the website and asked the secretary to address this.

4. **Matters arising**

Minute 3: Divestment from tobacco companies

The Committee noted that the secretary of the Medical Sciences Divisional Board had confirmed that the Board understands the distinction between direct and indirect investments and that the latter constitute the majority of OUem's investments.

Arising from this, the Committee confirmed that it did not see its role as being proactive in identifying areas in which the University might wish to consider having policies in respect of Socially Responsible Investment (SRI). It saw its role as being to consider representations made by the three groups entitled to make them under its terms of reference³ and expressed the view that were the Committee itself to initiate discussions in this area it would lose its legitimacy in the impartial evaluation of representations made by the University community.

¹ By telephone for the Committee's annual meeting with OUem and items 7 and 9-11.

² For the Committee's annual meeting with OUem and items 7 and 9-11.

³ (1) by Council, the Investment Committee or any other committee reporting directly to Council; (2) by 20 or more members of Congregation; (3) by a majority resolution of the Council of the Oxford University Student Union.

5. **Representation concerning the University's Policy on Socially Responsible Investment (SRIRC(15)03)**

The Committee:

- (i) **noted** the report on process since the last meeting; and
- (ii) **noted** the final version of the SRIRC report, annexed at A; the response of SRIRC to comments made at Council 16 March 2015 annexed at B; and Council's statement on the representations made on 18 May 2015.

The Chair reported on the Investment Committee's response to Council on SRIRC's report. The Committee commented that the response appeared to misunderstand SRIRC's role and expressed concern about the reported tone. The Committee noted that Council had appreciated SRIRC's role, had taken account of SRIRC's report and had adopted the main thrust of its recommendations.

In discussion, the following were amongst the points raised.

- SRI was wider than only excluding investment in illegal items. Were it not, SRIRC and the oversight it represented had no future role.
- It was important to ensure that Investment Committee and OUem understood and appreciated SRIRC's role as set out in the University's legislation.
- SRIRC had sought to be helpful and had undertaken a substantial public consultation exercise. Its dialogue with the student body had moved the debate on. Had SRIRC not done this, the burden of responding to the representations and drafting a recommendation to Council would have fallen on Investment Committee and OUem.
- SRIRC sought to work in cooperation with Investment Committee and OUem.
- It was important for SRIRC to reach out to the new Chair of the Investment Committee and to seek to work more closely with him, encouraging Investment Committee and OUem to see SRIRC as an asset.

The Committee:

- (iii) **agreed** to return to these issues in considering its annual report to Council (item (7) below) after its annual meeting with OUem; and
- (iv) **agreed** to implement recommendation (9) in its report by including "*An update on climate change impacts*" as a standing item on its agenda in future meetings.

6. **Investment Committee's Annual Report to Council on Socially Responsible Investment, June 2015 (SRIRC(15)04)**

The Committee **received** the Investment Committee's Annual Report to Council on Socially Responsible Investment, June 2015 and the Oxford Funds Report 2014.

7. **SRIRC's annual report to Council, 2013/14 and 2014/15 (SRIRC(15)05)⁴**

The Committee considered this item in the light of the discussion at items (4)-(6) above, (8) below, and the annual meeting with OUem.

SRIRC agreed that the key issue for the annual report was its concern that it did not have sufficient evidence with which to make a full assessment of the *practices* (as opposed to the *processes*) through which the SRI policy was implemented. It was required by its terms of reference to make such an assessment in its annual report. SRIRC therefore (i) **agreed** to write to the Chair of the Investment Committee, setting out SRIRC's responsibilities to Council in this regard, explaining its concerns, asking for fuller information, and seeking to engage more closely with Investment Committee, e.g. by inviting the Chair of the Investment Committee to come to the next meeting of SRIRC.

The Committee (ii) **agreed** that the annual report should include reference to the role of the external members on SRIRC and reference to the dialogue with Medical Sciences on tobacco investment.

⁴ This item followed item (8) and the annual meeting with OUem.

The Committee (iii) **agreed** to return to the report in the light of the response from the Chair of the Investment Committee.

8. **Preparation for the annual meeting with OUem⁵**

In the light of the discussion at item (5) and the reports at item (6), the Committee **identified** the following as points that it wished to raise in the annual meeting with OUem.

- How the investments were evaluated by OUem in the light of the University's SRI policy.
- How OUem engaged on SRI in practice with its fund managers.
- OUem's views on portfolio carbon footprint.
- The content of the OUem website with regard to SRI.
- How OUem was implementing Council's Statement on representations concerning fossil fuels. and the investments of The Oxford Funds.
- Why OUem had ceased to sign-up to the FRC Stewardship Code.

9. **Freedom of Information update (SRIRC(15)06)**

The Committee noted the report, and reiterated that its Chair should be invited to comment on draft responses relating to SRI.

10. **Any other business**

There was no other business.

11. **Date of next meeting**

27 November 2015

3 March 2016

9 June 2016

These meetings will commence at 9.30 the venues for which will be confirmed in due course.

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

⁵ This item followed item 6.