



THE UNIVERSITY *of* EDINBURGH

Taking forward the United Nations  
Principles for Responsible Investment  
**Summary of consultation responses**



**Social Responsibility  
and Sustainability**

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## Introduction to the consultation

Responsible investment is an investment approach that explicitly acknowledges the relevance of environmental, social and governance (ESG) factors to the long-term health and stability of the market. It recognises that the generation of long-term sustainable returns is dependent on stable, well-functioning and well governed social, environmental and economic systems.

In January 2013 the University took a significant step forward in linking its sustainability and investment strategies, and exercised leadership amongst Higher Education Institutions through its adoption of United Nations-backed Principles of Responsible Investment ([UNPRI](#)). The UNPRI is an international initiative that recognises the changing nature of investment. The initiative seeks to advise and support those institutions, investors or fund managers that wish to demonstrate leadership in investing responsibly, recognising that environmental, social and governance issues are increasingly important to the reputation, success and returns from investment.

Between January and April 2014, the University has been formally seeking views from the University community of staff, students and alumni, as well as the wider community, on options for how the University of Edinburgh might fulfil its commitments under the United Nations Principles for Responsible Investment (UNPRI).

### Types of responses

218 responses were received to a 12-question consultation document (mostly from individuals, but also including a small number of joint responses):

- 172 responded to the consultation document online
- 20 attended focus groups and completed a response
- 24 were interviewed around campus and asked questions face to face, with notes being taken
- 2 responses submitted by email (one external and a joint response from the University's Just World Institute)
- Other documents were submitted for our reference, but that did not respond to the questions asked in the consultation, so have not been analysed here, but their content is noted (the following document was submitted <http://peopleandplanet.org/dl/fossil-free/glasgow-divestment-brief.pdf>, and a small number of emails were received from alumni who now work in investment)

The student campaign organisation People & Planet prepared a template response to the consultation, and urged people to fill in the forms using these responses. This template influenced responses to varying degrees, with a small number copying and pasting all responses, and others only choosing to make some of the points suggested on the template – all responses received have been analysed in the same way,

whether influenced by the People & Planet template suggestions or not. On 14<sup>th</sup> February, a petition was submitted by People & Planet Edinburgh to the University Secretary and Head of Student and Academic Services Ms Sarah Smith, calling for the University to divest from fossil fuels. 1,390 people signed the petition, with over 700 being University of Edinburgh students. The petition stated “We want the University of Edinburgh to create a robust responsible investment policy that screens out fossil fuels and the arms trade, and makes the investment process more responsible, accountable and democratic.” While this petition has not been analysed as a response to the consultation, it has been noted and will be taken into account by decision makers.

**Types of respondents**

Undergraduate students, postgraduate students and academic staff were the most common groups to respond to the consultation, followed by non-technical support staff. A fairly large number either did not specify which group they belong to, or simply identified themselves as a member of the public, or a concerned citizen.

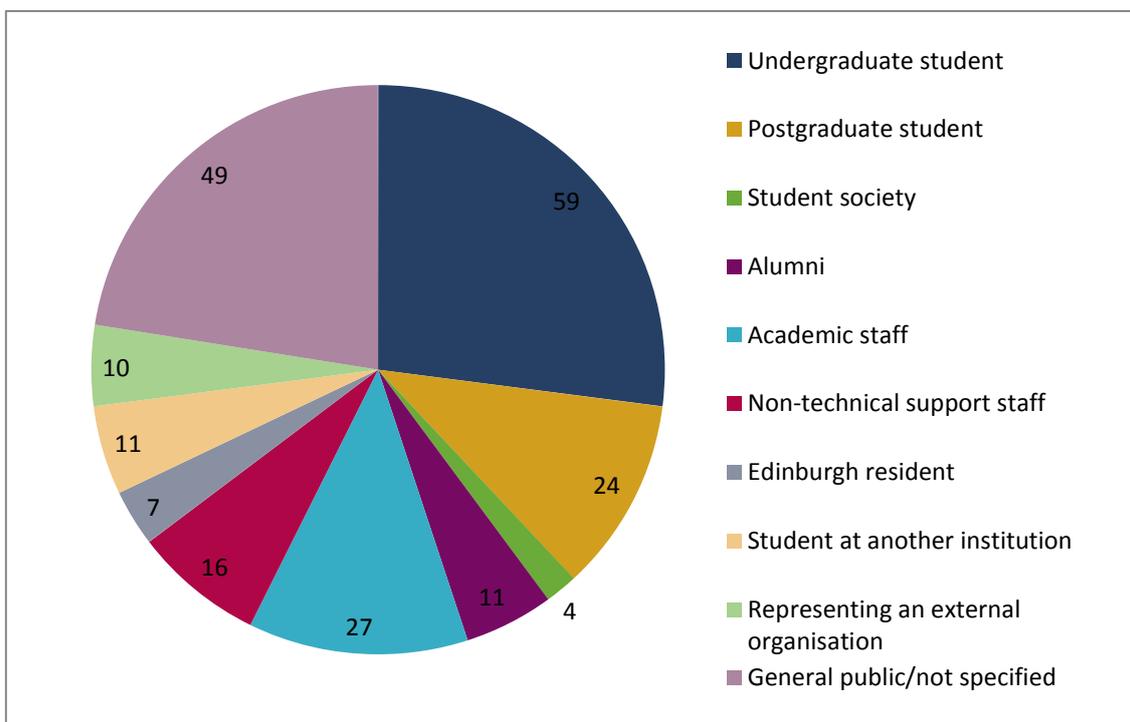


Figure 1: Types of respondent

**Data analysis**

All responses have been analysed with the help of qualitative analysis software Nvivo to code for themes. Longer, detailed responses will be read and reflected on in more detail than is able to be summarised here. This document provides a summary of responses for each question. Some recurring comments have been grouped, for example all suggestions or calls to divest from or invest in particular activities have been grouped together rather than mentioned in each question.

# PRINCIPLES TO INFORM DECISION MAKING

**Principle 1** The University will seek to maximise the opportunities to utilise its endowment funds to further its mission to advance human knowledge and benefit society, and to support its students

**Principle 2** The University should take a long-term view of its investment approach, fully informed by the need for financial sustainability, wealth creation, ethical developments, environmental sustainability and public and social value.

**Principle 3** No investment choices will be made which threaten the long-term viability of the university as an ongoing institution or undermine its core academic freedom principle.

**Principle 4** In making, managing and reporting on its investment choices, the University should be open and transparent about the reasoning behind its choices, and the approaches it has adopted to inform its activities.

**Principle 5** The University will seek to maximise its opportunities to act as an agent for change, to encourage a wealthier and fairer, smarter and healthier, greener and safer, and stronger society, ensuring that it considers the potential impact of investment choices as drivers for positive change where possible.

**Principle 6** The University will seek to ensure it receives a wide range of advice and consults widely before it makes substantial changes to its responsible investment approach.

**Principle 7** The University reserves the right to avoid investing in particular types of activities which are fundamentally incompatible with the mission of the university to benefit society as a whole.

## Question 1 - Do you consider that these are the right principles to inform the University's investment decisions going forward? Can you suggest alternative principles to consider?

The vast majority of respondents agreed that these are the right principles to inform the University's investment decisions.

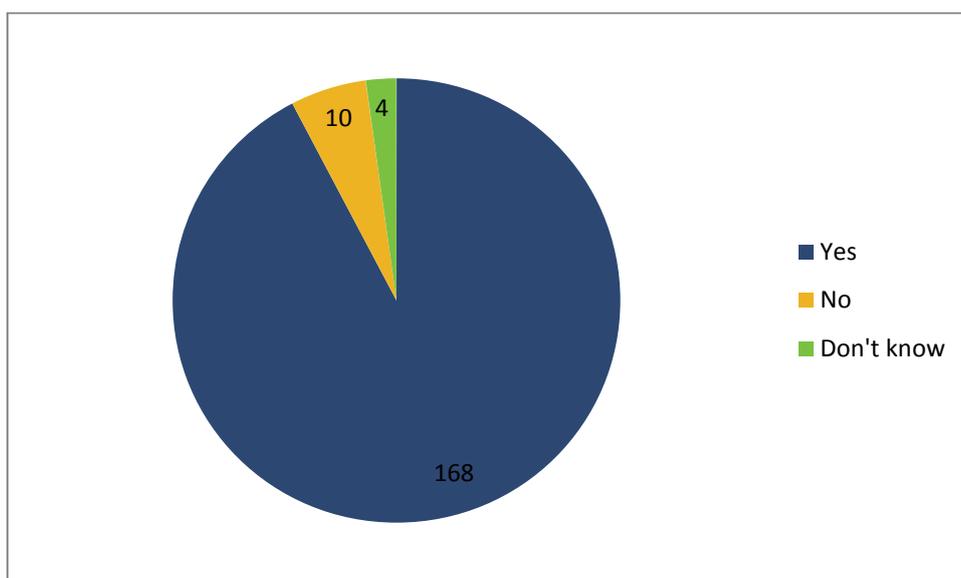


Figure 2: Agreement with proposed principles to inform investment decisions. Number who responded to question = 182

A range of comments were submitted regarding these principles.

### **Calls for bolder and clearer commitments to ethics:**

A significant number said the principles need to be bolder, stronger, or more active in tone. Among these, the most common suggestion for strengthening the principles regards principle 7, where it is suggested that the 'reserve the right to avoid investing in particular types of activities...' be replaced with 'actively avoid investing in particular types of activities...', or 'always avoids' or 'has a responsibility to avoid'. Another common suggestion was that principle 6 be strengthened by replacing 'will seek to ensure it receives a wide range of advice' with 'will be able to provide evidence that it has sought...', or with 'will ensure...'.

There were requests for the principles to state explicitly what sort of industries or activities the university will avoid investing in, and to highlight the problems of climate change, the carbon bubble, disease, poverty, human rights. A small number felt there should be explicit mentions of prioritising the local community.

A fairly large number called for less focus on financial sustainability and wealth creation, in reference to principle 2. Points were made about limits to economic growth, and about wealth not necessarily being linked to happiness or wellbeing. Questions were raised about how wealth creation and ethical goals are to be met simultaneously (seen as contradictory), with calls for more weighting to be given to ethics and wider impact on society over wealth. One respondent called for the principles to put more emphasis on the potential for our investment to be a driver for positive change.

A fairly large number of respondents highlighted their agreement with the point in principle 2 that a long-term view of the investment approach must be taken; stating that long term returns rather than short term profits must be the focus.

### **Wariness about focussing too much on ethics over financial returns:**

A small number felt that maximum financial return should be a key goal, as they felt it is difficult to balance ethics with safe investment. Some of these stated that there is a responsibility to staff and students to raise as much money as possible, and that a relatively small group of campaigners' ideals should not influence the investment strategy.

### **Suggestions of other principles:**

A small number proposed that shareholder activism where appropriate should be added as a principle.

A small number proposed that a principle should be added on ensuring there is no hypocrisy when divesting from a particular industry, for example if the University relies on its products or funding in other areas.

A small number proposed that a principle should be added about investing in student and staff facilities and welfare.

One respondent suggested that the principles should also cover pension funds.

One respondent suggested that the principles should also cover procurement.

### **Calls for more consultation and democratic decision making:**

A fairly large number propose that rather than just consulting widely, as stated in principle 6, that there should be a democratic decision-making process involving students, staff and other stakeholders. Among these, there were suggestions of referenda, citizen juries and other more in-depth means of consultation.

A small number thought there were too many principles, that fewer would be clearer, and that some could be merged as there was repetition and vagueness.

**General comments:**

A small number requested more explanation of the point of the fund, to be able to comment further on the strategy. There were queries about why the University needs to keep making so much money, and why such a large amount needs to be invested rather than spent on the University today.

A small number suggested that, or wondered whether, the principles should be ranked.

A small number commented that the term ‘agent for change’ used in principle 5 was too vague.

## STRATEGIC APPROACH TO INVESTMENT

**Option 1** - Investment in companies and funds which contribute to a wealthier and fairer, smarter and healthier, greener and safer and stronger global society

**Option 2** - Direct investment in university activities and objectives e.g. renewable energy generation on –site or off-site, climate emissions reduction, energy efficiency etc.

**Option 3** - Direct investment in a range of ‘start-up’ innovative companies or social investments linked to identified social responsibility themes, perhaps using concepts such as social impact bonds

**Option 4** - Avoid investment in sectors or companies failing to reach recognised standards

### Question 2 - Which, if any, of the strategic investment options set out in Table 1 do you believe that the University should adopt?

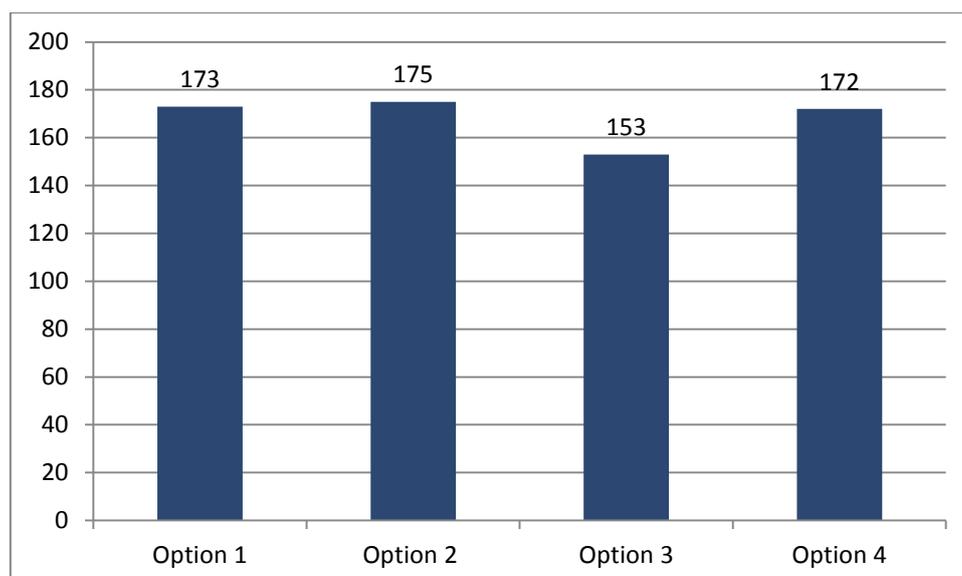


Figure 3: strategic investment options popularity (number of respondents)

All of the four strategic investment options were popular among the majority of respondents, with options 1, 2 and 4 receiving very similar numbers of votes, and option 3 receiving fewer.

## **Why? (on the web form respondents were asked why they had chosen the options they selected)**

A significant number who answered this question simply stated that they felt the options they selected reflected the university's values or seemed like good ways to achieve positive change and a better world as well as bringing financial return. A small number added that a variety of options are needed to be resilient, financially stable, and involve a wide range of people. A small number stated that the University has a moral obligation to follow these options, or to do no harm through investment. A fairly large number stated that the University should set a good example and lead the way.

### **Comments on specific options proposed:**

#### **Option 1 - Investment in companies and funds which contribute to a wealthier and fairer, smarter and healthier, greener and safer and stronger global society**

A small number again questioned whether 'wealthier and fairer' can be successfully married, or commented that the statement is too vague and open to interpretation.

A small number questioned whether this should be the role of the University, considering that it should be left to government or the EU.

One respondent called for the identification of a number of industries the University considered ethical and right for investment.

One respondent questioned whether and what accurate information could be obtained and used in order to judge which companies are making the stated contributions to society.

Throughout the consultation responses, a range of proposals were made in terms of what sort of industries or activities the University should be actively investing in. Small numbers proposed each of the following:

- local sustainability and social responsibility initiatives
- projects in developing countries
- gender equality issues
- ethical banks
- fair trade
- environment
- renewables
- sustainability on campus
- nuclear power
- developing countries
- international partner projects
- companies investing in community
- contraceptives

#### **Option 2 - Direct investment in university activities and objectives e.g. renewable energy generation- on-site or off-site, climate emissions reduction, energy efficiency etc.**

A fairly large number asserted that investments should be made in the University to benefit students and staff. Popular suggestions are university renewable energy projects and energy efficiency on campus, investing in our research (for example to ensure productive research outputs from early career researchers), facilities and equipment, and childcare. Small numbers also suggested investing in university fair trade projects, online communication and learning to reduce air travel, healthy, local and organic

farming (linking to procurement), recycling, counselling, teaching, internships and links to employment, and staff training.

One respondent was concerned that the statement in option 2 would mean investments would not be made in big energy companies, who are investing in renewables alongside fossil fuels.

### **Option 3 - Direct investment in a range of 'start-up' innovative companies or social investments linked to identified social responsibility themes, perhaps using concepts such as social impact bonds**

Option 3 received a mixed response. A small number considered investing in start-ups a risky strategy, and another commented that rigorous standards would be needed, but one respondent considered it less risky than the other options. A small number felt it was not clear what 'start-ups' referred to, and that more detail was needed on what kind, whereas one respondent felt option 3 was the only clearly written option. Two respondents were critical of the idea of using social impact bonds, and wary of being linked to any sort of debt. A small number considered investing in start-ups to be the role of the state rather than a university. Small numbers considered either that any start-ups funded should be linked to the university, or that a proportion of them could be business started by students or graduates. One respondent suggested that students and staff could decide which start-ups to fund.

### **Option 4 - Avoid investment in sectors or companies failing to reach recognised standards**

A fairly large number of respondents were concerned by the vagueness of the term 'recognised standards' in option 4. It is not clear what these standards would be, or who would decide on such standards.

A small number were concerned about hypocrisy or contradictions of the University were to divest from particular industries, for example we would still be benefitting from fossil fuels if we divested from them.

One respondent stated that only the most heinous activities should be divested from. Another felt that there should be no divestment on principle at all.

### **General comments**

A small number stated that ongoing, wide consultation is needed on these strategic options. Two people stated that the proportions of funds being allocated to the different options above should be defined.

## **Question 3 - Are there any further strategic options missing that you consider that the University should adopt? Please give examples of where these options have been adopted elsewhere**

### **Suggestions of further strategic options:**

A small number suggested that shareholder activism should be added as a strategic option.

One person stated that there should also be clarity on the University's charitable donations policy, linking this to investment policy.

One person proposed adding partnership and collaboration with other institutions on investment.

### **Examples from elsewhere suggested by respondents:**

- Various examples of pension funds that have gone fossil free
- Quakers divestment fossil fuels
- Aberdeen University divestment from the arms industry
- Cities of Seattle and San Francisco divestment from fossil fuels
- See fossil free campaign for over 40 institutions already divested
- Consult ethical banks such as Triodos on investment policies
- See the Co-operative bank for consultation of customers on what should invest in
- Norwegian Sovereign Wealth Fund – financial returns good, ethical policy – e.g. some arms divestment

**Question 4 - Going forward, there is likely to continue to be pressure to consider a broader range of divestments. By what process or methodology do you consider that the University should consider these questions? What processes are required in order to inform such decisions?**

**Process/methodology suggestions:**

A fairly large number suggested that clear criteria and metrics should be defined beforehand, to assess investments against. One suggestion was of a traffic lights system to define acceptable, cautiously acceptable, and positively acceptable investment options. A large number called for a 'materiality test' to define whether more than a certain percentage of a company's core business was in an area the university did not wish to invest in or that doesn't reflect the university's principles. The most common suggestion for this was that no more than five per cent of core business activities could be in an unacceptable area, while one suggested ten per cent.

A significant number of respondents called for wide, ongoing consultation with all stakeholders and interested parties, to make decisions democratically. This includes suggestions of public discussion and public meetings. A small number suggest student and staff voting on investments once advice has been put forward by committees.

A small number proposed that the University's research should inform divestment decisions.

A small number propose that a representative group such as the proposed Advisory Forum should discuss investments and advice.

A small number called for independent expert advice, or a panel of experts to be called when a specific issue arises.

A small number propose decisions to be made via the use of existing committees – such as the Investment Committee, SEAG or its successor, and Court.

A small number expressed concerns about the need for consistency when considering whether to divest from industries that we are still preparing some students to work in, procuring goods from, or taking research funding from. One respondent expressed the need for procedures to be in place to ensure consistent divestment across the university once decisions are made.

Two respondents requested the option to put petitions forward about particular investment decisions.

Two called for action to be taken now, and for bureaucracy to be limited.

One person proposed looking at divestment processes used by others, and another suggested contributing to a sector-wide investment policy.

One respondent stated that the Social Responsibility and Sustainability Department was too biased to lead this process.

One respondent stated that divestment should only take place for financial reasons.

**Other comments about divestment:**

A large number highlighted the potential reputational risks for the University if it did not divest from certain industries such as fossil fuels and arms.

A significant number proposed that shareholder activism or engagement with companies would not be appropriate with industries that contradict the University's values (suggesting fossil fuels and arms), so divestment would be the only option. In contrast, a small number stated that the University should actively engage with oil companies, to influence the development of low carbon, energy efficient options.

A fairly large number highlighted that there is evidence of better long-term performance and less risk with ethical investments.

A fairly large number of respondents highlighted the risk in following trends regarding divestment, as ethical standards change and expert advice is needed. A small number stated that we should only divest in extreme cases.

A small number stated that drones and arms are acceptable in some cases, depending on their use and the context.

**Calls for divestment:**

At different places in the consultation response forms, respondents stated which areas they would like the University to divest from.

More than half of respondents called for divestment from fossil fuels, with some specifying immediately and some specifying in the long-term. Plenty of references to background information and the Fossil Free campaign were provided to back up this call.

A significant number called for divestment from arms manufacture. A large number called for divestment based on company practices as well as products or industries, citing human rights abuse (including paying low wages and poor working conditions) and environmental abuse.

Small numbers also mentioned practices such as unethical marketing, bribery and corruption, tax avoidance/use of tax havens. A fairly large number called for divestment from tobacco industries (as mentioned in the consultation document, this has already taken place). Small numbers call for divestment from the following:

- factory farming
- cosmetics testing on animals
- companies supporting or involved in occupation of the West Bank or Gaza
- gambling
- mining, conflict minerals

- alcohol
- drugs
- pornography
- large food and alcohol retailers
- nuclear power
- pay day/unethical loans
- banks
- biofuel

### **Question 5 - What do you consider to be the fundamental values and ethos of the University, which are relevant to these considerations? (i.e. to investment decision)**

A significant number stated ethical values as relevant to investment decisions: social responsibility, social equity, sustainability, ethics, contribution to society, impact on health and wellbeing, universal human rights, social good, putting socially useful knowledge into action, fairness, justice, collaboration for sustainability, better world, and public good.

A large number considered knowledge (and a large number of these qualified this as socially useful knowledge), and the pursuit of truth to be key.

A large number referred to the University's existing mission and vision, with a large number of those stating that unethical investments conflict with it

A large number stated academic freedom and critical thinking, and a fairly large number stated education.

Small numbers stated the following:

- Leadership
- Support and nurture innovation
- Do no harm
- Opportunities for meaningful careers/futures
- Democracy

One respondent felt that values and ethos should be debated at the Senate.

## ORGANISATIONAL AND POLICY CHANGES

We propose to prepare a short document, publicly available, which would set out our reasoning behind our current investment stance, draw on the principles outlined in section 2 above, and including our approach to the strategic options set out in section 3. Such a document would meet the UNPRI requirement to prepare a state of investment beliefs, and would replace our current Socially Responsible Investment Policy.

Such a document would spell out our commitment to be an active and influential investor, and would guide our investment managers when they allocate funds. We would propose to update the investment stance every 4 years, to reflect ongoing developments and emerging issues.

In advance of the future updating of the investment view we would propose to undertake a planned horizon scanning exercise to ensure our investment stance is well informed. Such an exercise could be undertaken by the University's Social Responsibility and Sustainability (SRS) Department, our investment managers, or by an advisory forum (see below), or some combination of the above.

### Question 6 - Do you agree that the investment view approach, set out above, would be useful and would fulfil the University's UNPRI requirements?

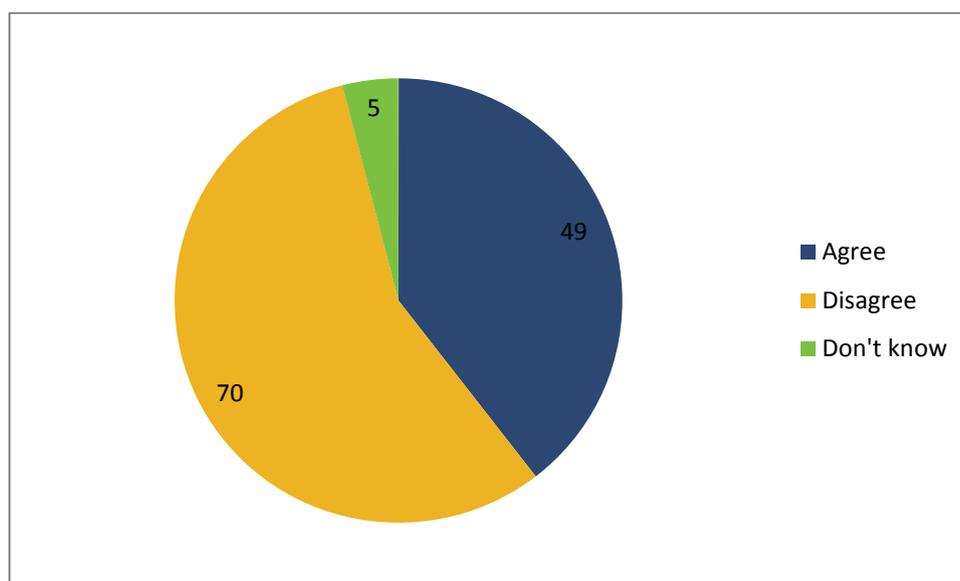


Figure 4: Agreement levels with investment view approach. Number who responded to question = 124

The majority of respondents did not agree that the investment view approach would be useful and would fulfil UNPRI requirements. However, a large number of those who disagreed did go on to state that it would be useful, but that they had other concerns.

The most common concern, stated by a significant number of respondents, was that the investment view approach would need to be updated more often than every four years, to adapt to changing circumstances and new evidence. Large numbers called for a transparent, regular (annual) review process, which allowed democratic input from students, staff and other stakeholders. One respondent expressed concern that vocal campaigners' voices should not cloud majority views.

A large number stated that the document should be publicly available.

Two respondents questioned whether fulfilling the UNPRI requirements should be the aim, stating that we should go further.

### **Question 7 - Do you have any views on the content and scope of such a document?**

A significant number called for the document to be clear and specific on what would be divested from, and what to screen out of future investments. The majority of these proposed that a timeline should be set for complete divestment after a decision has been made – suggesting a maximum of four years.

Small numbers called for input from our researchers, external expert advisors, and the Social Responsibility and Sustainability Department.

A small number proposed the document should reference external standards companies should adhere to, such as the UN Global Compact, labelling and certification systems.

A small number request a shorter, clear and concise version, to be more accessible to a wider audience.

One respondent called for more detail of delivery and accountability mechanisms.

## Guidance to the Investment Process

In addition to the long-term investment document set out above, there is a need to provide specific advice to investment managers under the terms of the UNPRI. There may also be a case for specific guidance from the University Court to the Investment Committee itself.

A case may also be made that the current SRI policy is reactive, in the sense that the University awaits specific cases to be put to it, before considering whether and how to address the questions raised. It may be that a structured approach to advice on these questions would be more helpful, drawing in a wider range of expertise on sustainability, ethical and social responsibility questions. There are a number of choices about how such advisory fora could be established, what their remit and scope would be, and who would be entitled to be members of such groups.

One potential model is for an advisory forum to be established, which provides discretionary advice to the University Court or directly to the Investment Committee. . The remit of the group could include: advising on the 4-yearly update to the investment view document; advising the university on emerging issues or concerns to consider further; receiving and advising on specific requests for avoidance of investment; advising on specific opportunities arising from whatever choices the university makes on the proposals considered in section 3 above.

### Question 8 - Do you agree that an investment managers guidance document as described would be useful and appropriate? Do you have any suggestions for its content?

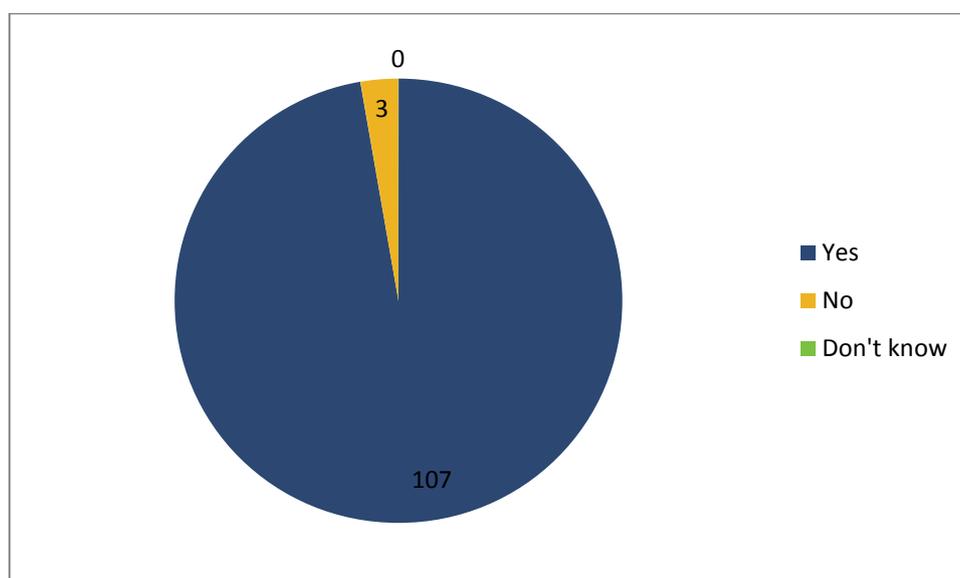


Figure 5: agreement that proposed investment managers guidance document would be useful and appropriate. Number who responded to question = 110

A large number called for specific, robust criteria for investment and divestment, and an explanation of how these reflect the University's ethical principles. A large number of these also suggested that detailed information should be provided to help fund managers follow the guidelines, such as lists of companies involved in sectors to be divested from, and guidance to find out about companies' activities. A large number also proposed guidance on how to engage with some companies to improve their ethical practices.

A fairly large number stated that the guidance document would not be needed if the investment view document was comprehensive enough.

A small number state that the implementation of the guidance should be reviewed regularly and monitored transparently. One suggested a periodic review by the Investment Committee and the Court, and another suggested review by students as part of their studies.

One respondent suggested looking at the Ethical Investment Association to see their guidance and processes.

**Question 9 - Do you agree that such a document would fulfil the University's requirements to set out its investment stance and provide guidance for the appointment of Investment Managers as required under the UNPRI?**

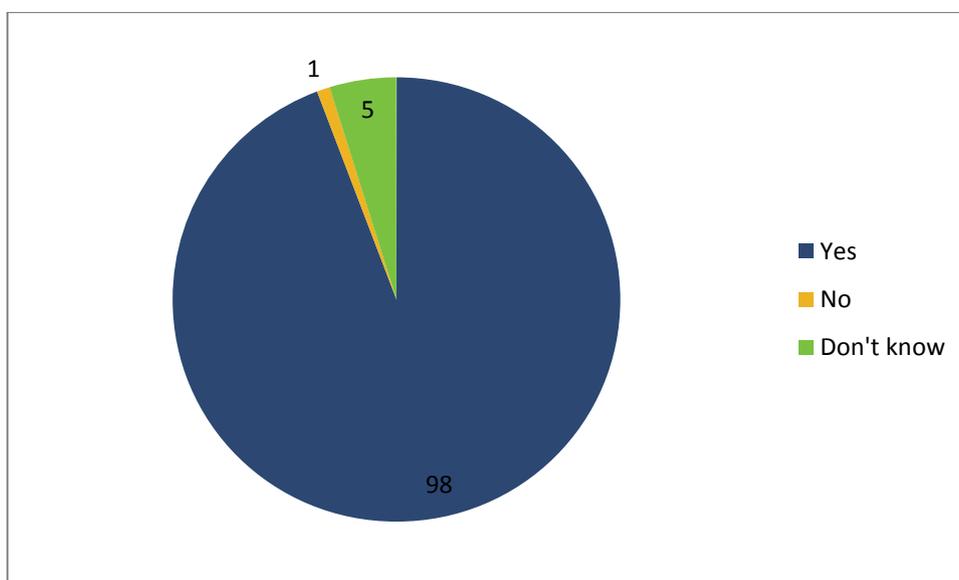


Figure 6: agreement that investment managers' guidance document would fulfil UNPRI requirements.  
Number who responded to question = 104

The majority of respondents agreed that such a document would fulfil the University's UNPRI requirements to set out its investment stance and provide guidance for the appointment of Investment Managers.

However, a large number stated that the document alone would not be enough, and that further checks should take place by the University to ensure investment managers have the required expertise, experience, and commitment the University's ethical investment stance.

One person felt the UNPRI itself is vague.

**Question 10 - Do you have any views on the scope and remit of any potential advisory fora that the University might establish? Do you have any views on membership?**

**Remit**

A fairly large number stated that the forum must be able to scrutinise, make judgements about, and make recommendations on investment decisions.

A large number felt that a forum should meet regularly, or at least annually.

A fairly large number felt that minutes from meetings should be published and decisions open to public scrutiny.

In reference to question 9, a large number reiterated that the advisory forum should check if investment managers have the necessary skills and expertise to carry out ethical investment.

One respondent suggested the forum could engage directly with courses on environmental sustainability and social responsibility, to get in-depth advice from students' studies.

One person proposed that bureaucracy should be limited.

### **Membership**

A significant number called for a representative advisory forum, including a wide range of stakeholders in a meaningful way, including students from different schools, student societies and campaign groups, different types of staff, alumni, external campaign groups and NGOs.

A fairly large number felt a wide range of experts should be included, such as financial, ethical, legal and scientific.

Two respondents felt a forum should be headed by senior management.

One respondent suggested a student shadow forum to feed into the main advisory forum.

A small number suggest that a forum should be democratically appointed.

One respondent suggested that EUSA or the General Council should be able to vote to change the structure of the forum.

A small number highlighted the need to avoid conflicts of interest between members and any companies funded.

One respondent felt the forum should not be run by the Social Responsibility and Sustainability Department as they felt that it would be biased.

One representative suggested using existing representative bodies and fora.

The University believes that a responsible investment must be committed to transparency, whilst showing due respect for necessary commercial confidentiality. Additionally, it will become a requirement from 2014 for UNPRI signatories to begin to report their activities in order to take forward their commitments.

The University recognises that it could improve its disclosure of relevant investment materials and thus improve the level of debate and understanding of what it is trying to achieve, and the dilemmas and difficulties that any responsible investor faces.

We therefore propose that a package of improvements are made to demonstrate our commitments in this area. Such a package might include:

- Publication and regular updating of the investment view document discussed above
- Publication of any specific guidance from University Court to the Investment Committee
- Publication of any specific guidance given to the University's Investment Managers under the UNPRI
- Publication of the annual report from the University to the UNPRI process
- Proactive publication of the University's investment portfolio on a quarterly or annual basis
- Publication of the active investor activities of the University's investment managers on behalf of the University

## TRANSPARENCY AND REPORTING

**Question 11 - Do you agree that such a 'transparency' package would be an effective means of demonstrating the University's activities in this area? Do you have any further suggestions?**

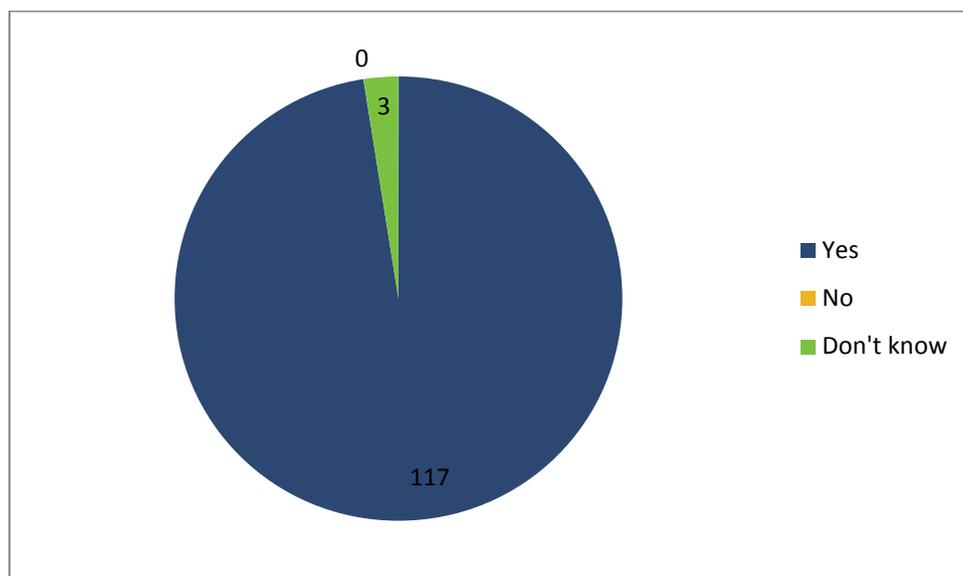


Figure 7: Agreement that proposed transparency package would be effective. Number who responded to question =120

The majority of respondents agreed that such a transparency package would be effective.

### Further suggestions:

A large number called for full, genuine, and proactive transparency. This includes publishing details and figures on investments, by company and by sector, and information on the reasons behind the decisions to invest (such as minutes from meetings), to allow public scrutiny and feedback.

A large number would like information on the University's investment to be easier to understand, in order to get wider input. A large number complain that the consultation document was too complex for most people to understand fully.

A small number specified the need for varied feedback mechanisms, including online, public lectures and briefings, debates.

A small number called for information to be easily accessible, for example easy to find in one distribution point.

Two respondents stated that limits to transparency need to be considered, for business sensitivity reasons.

## **Question 12 - Are there any other issues that you think we should consider in order to effectively implement our commitment to responsible investment?**

### **Points made that are not covered in responses to previous questions:**

A large number called for the University's investment approach to be shared with other institutions to encourage them to follow suit.

A large number called for more active communications with the wider community and press coverage about investment and divestment decisions, with a large number proposing joint press releases with campaign organisations such as People & Planet where relevant. One person suggested a key contact person for communications about investment at the University. Another suggested having a full time employee look into ethical investment.

One respondent suggested inducting all staff in the ethical investment principles.

One person proposed also reviewing what they termed 'investment in our staff' by reviewing salaries, arguing that those at the top of the scale are too high.

One respondent requested transparency on who invests in the university – where funds such as research grants come from.

One respondent suggested including an environmental and social audit of the impacts of our investment and procurement decisions in the University's audited accounts (triple bottom line with equal weighting).

Two respondents called for the University to take a bold step, and one called for us to act now.

## Summary and next steps

This consultation exercise has demonstrated that a number of people in the University of Edinburgh community are interested in how the University's endowment funds are invested. Throughout the consultation, there have been recurrent statements about wanting to understand the investment process better, wanting greater transparency and better communications about investment, and wanting easy and multiple ways to input into regular reviews and decision making.

The majority of respondents agreed that the principles to inform investment set out in the consultation document, and the strategic options laid out, form a suitable approach. However, a significant number called for a stronger commitment to ethics in the way the principles are worded. A wide range of suggestions have been made as to what sort of 'ethical' industries and activities could be actively invested in. More than half of those consulted called for University divestment from fossil fuels, and a significant number called for divestment from arms industries. A wide range of other suggestions of industries and practices that should be avoided have also been made. There are, however, clearly mixed views on how to define what sorts of investments are ethical, and reflect the University's values. There are also mixed views on which of the University's values to be prioritised when making such investment decisions. Indeed, a small number of respondents disagreed with divestment from fossil fuels, and expressed concerns about following trends in ethics, disregarding the principle of academic freedom, and suggested that the University could be seen as being hypocritical if divesting from certain industries while still using their products and collaborating with them on research. There are also mixed views on what sorts of companies shareholder activism is an appropriate strategy for, and which are unlikely to make positive changes.

There was strong support for the University's proposals to increase both the level of advice and the level of transparency in reporting on responsible investment issues.

In terms of practical considerations, a large number of respondents advised on the importance of choosing the right investment managers, taking into account the University's values and agreed approach, and the need for ongoing monitoring of investment managers. A large number recommended working with other institutions and organisations on investment, in order to share learning or even develop a shared approach.

The consultation has been useful in generating an understanding of the level of interest and range of views amongst the staff, student and alumni community in taking forward socially responsible investment. The results of the consultation will be used to inform decisions on what changes to make to the nature, scope and governance of the University endowment funds and the updating of the existing Socially Responsible Investment Policy with decisions expected to be completed later in 2014.