

Take Action

The Oxford SRI Campaign needs your support.

Please fill in the slip below to pledge your support to the campaign.

You can also take action in your College or Department to find out what action they are taking to make sure their money is invested in a socially responsible way.

Find more information and campaign resources at www.srioxford.org.uk

Please return to SRI Campaign, OUSU President, OUSU, Thomas Hull House, New Inn Hall Street, Oxford OX1 2DH (Also on Oxford Internal Mail)

Name: _____

E-mail: _____

Status: Student /Faculty/Staff/Alumni/Supporter*

I support the aims of the Oxford SRI Campaign (see over)

Keep me informed of campaign actions

Send me details on weekly campaign meetings

Comments/Statement of Support:

*Delete as appropriate

Common Misconceptions

The evidence to support the financial feasibility, legality and practicality of Socially Responsible Investment is solid and comprehensive. However, the following misconceptions are often wrongly presented as objections to SRI:

Socially Responsible Investment will harm financial returns...FALSE!

There is clear evidence that Socially Responsible Investment does not harm investment returns.

The average UK ethical unit trust beat the average of all UK unit trusts by 13% (71% growth compared to 55% growth for the FTSE index) between 1991 and 1996 (source: Cooperative Insurance). The World Markets Company concluded its report on ethical investment by stating that it “can provide competitive returns”.

Recent academic studies also find that Socially Responsible Investment does not lead to a financial loss (for example, Kreander et al , Sept 2005, *Journal of Business Finance and Accounting*).

Colleges and the University are, as charities, legally prohibited from investing ethically...FALSE!!

Trustees are obligated to pursue the best interests of the Charity – but this specifically *does not* exclude ethical investment. In fact, Charity Commission regulations (2001) state that “*trustees of a charity should decline to invest in a particular company if it carries out activities which are directly contrary to the charity’s purposes*”

Amongst other precedents from law and government recommendations, the Goode Committee on Pension Law Reform concluded “*Trustees ... are perfectly entitled to have a policy on ethical investment and pursue that policy*”

Ethical criteria are too tricky to define and apply to an investment policy...FALSE!!!

The ethical investment industry is well developed. All fund managers accept instructions, and there are recognised frameworks for socially responsible investing – and for ascertaining institutional values. Fund managers can be instructed to balance ethical and financial considerations, and the evidence from the size of the UK ethical investment market (£17bn ‘screened’ + £280bn under ‘engagement’ instructions), and its positive performance shows that many successfully do so.



OXFORD
SRI
CAMPAIGN
OXFORD SOCIALLY
RESPONSIBLE INVESTMENT
CAMPAIGN

Oxford University and its colleges collectively invest over £2 billion.

While the institution is educating 1000s of students from across the world, and engaging in influential research, its money is supporting companies engaged in the **arms trade, tobacco sales, manufacture of instruments of torture, and widespread environmental degradation.**

We believe that Oxford University should take moral responsibility for the impact of its investments. We believe that the University and its Colleges should take the actions of the companies they invest in into consideration – and that their investments should reflect the values of the institution and its students and stakeholders. We know that socially responsible investment is legal, practical, and financially prudent.

www.srioxford.org.uk

Why SRI?

Every share held in a company is a stake in that company, and in that company's activities. A number of the companies Oxford University and its colleges invest in are involved in the manufacture or sale (often to corrupt or repressive regimes) of weapons systems or instruments of torture. Other investments connect the University with the sale of tobacco products, and firms engaged in vast environmental degradation.

Socially Responsible Investment (SRI) is about understanding the moral and practical responsibility that shareholding brings. By sensibly examining the impact of the companies it invests in – and modifying or using its investments in line with its values, an institution can recognise its moral responsibility, and use its investments to exercise a positive impact on the world.

SRI comes in two main forms: engagement and divestment. In **engagement**, a shareholder will use their voting rights at a company's an AGM to raise concerns about the actions of that company. In **divestment (screening)**, an institution will decide that a particular company or sector runs wholly against its institutional values, and it will get rid of its stake in those companies.

An SRI policy backed with the option of divestment is a credible force to influence business behaviour – and sends clear signals that shareholders cannot be passive supporters of corporate crimes. Being more actively involved in the activities of a company you invest in also makes good financial sense.

Campaign Aims

The Oxford SRI Campaign is asking the University and its Colleges to:

- 1. Implement a credible Socially Responsible Investment policy that takes into account the views and values of students, staff and other stakeholders.**
- 2. Adopt maximum possible transparency in their investment policies and holdings.**

Current Situation

The Central University maintains that its investments of over £400m are covered by a policy to '*pursue the adoption of the values contained in the Good Corporation Charter*'. However:

- The 'Good Corporation Charter' is a self-assessment tool covering how a company deals with customers and suppliers. It *is not* a framework for Socially Responsible Investment.
- The Central University policy does not include any mechanisms for engagement or divestment on the basis of specific issues.
- The University Investment Committee are unable to show how the current policy has had any effect whatsoever in the last 4 years.

Campaign History

Early 2001 – 'Not In Our Name' SRI Campaign launched.

June 2002 - Student SRI Campaigners take a paper to University Council to call for an SRI Policy. A weak policy to pursue values of Corporate Social Responsibility (the Good Corporation Charter) is adopted.

Early - Mid 2004 – Student engage in discussion with University Investment Committee to see how the policy is being implemented. It becomes clear that after two years, the Good Corporate Charter policy is having no impact – and there is no evidence of implementation at all.

November 2005 - Campaign Against the Arms Trade (CAAT) release figures showing Oxford to be one of the largest university investors in the arms trade. Over 5000 members of Oxford University sign a petition for SRI.

January 2006 – OUSU submits a comprehensive report to University Council outlining the inadequacy of the current policy, and constructive steps forward. The paper is delayed at the last minute till April.

April 2006 – OUSU's paper is considered by University Council as an Annexe to a report rejecting it, drafted by a secret working party convened without any student representation. Council rejects OUSU's paper, conceding only that University Investment Committee should start reporting to Council on its implementation of the weak existing policy.

The Chain of Responsibility

Oxford colleges invest in BAE Systems, taking a stake in ownership of the company.

BAE System sold Hawk Jets (combat aircraft) to Indonesia for 'training' purposes. The jets were used against civilians in East Timor during the Indonesian occupation

In the absence of an ethical investment policy, Oxford colleges tacitly supported these actions, by voting with the BAe board at its AGMs, and they did so in the name of their staff and students.