



Green Gown Awards 2016



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# Finalist's case study

## University of Edinburgh Facilities and Services

### Responsible Investment – Making Money Matter

#### About the project

##### Summary

Since becoming the first university in Europe to adopt the United Nations Principles of Responsible Investment (UNPRI) in 2013, the University of Edinburgh has taken forward its commitment to responsible investment following an extensive consultation process with staff and students.

In February 2016, the University adopted a new Responsible Investment Policy, which fully supports the stated values and mission of the University:

An independent review of the University's finances earlier this year confirmed investments in fossil fuels have dramatically reduced following the introduction of this policy. The proportion of Edinburgh's portfolio linked to fossil fuels has halved since 2013 and fallen by almost 90 per cent since 2008.

#### Project partners

The research and policy development work were supported through the University's Department for Social Responsibility and Sustainability, and the Finance Office, with knowledge from a range of University-based and external experts providing support.

#### The results

##### The approach and objectives

The approach the University takes to responsible investment fully supports the stated values and mission of the University. The University of Edinburgh aims to be a truly global university benefiting society. It is committed to principles of academic freedom in teaching and research. The Mission of the University, as a world leading centre of academic excellence, requires that alongside our commitments to research, teaching and employability outcomes we also make:

"A significant, sustainable and socially responsible contribution to Scotland, the UK and the world, promoting health, economic growth and cultural wellbeing."

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 Principles of Responsible Investment (UNPRI), now known as PRI.



THE UNIVERSITY of EDINBURGH



Social Responsibility and Sustainability

#### Profile

- Higher Education
- 35,000+ students (includes full and part time students)
- 13,000+ staff
- Several campus sites in and around Edinburgh.



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Following signing of the PRI the University consulted with staff, students and alumni about how the University should invest its funds. Key issues that emerged were the need to take a proactive approach, to undertake reviews of the University's approach to investments in fossil fuels and armaments and to improve the transparency and reporting of existing advice and activities in this area.

The University set up a short life evidence based review group into fossil fuels whose conclusions were considered by Court in May 2015. This concluded that the University should seek means through investments to support the transition from a high carbon to a low carbon society, as long as actions taken are consistent with other University objectives and values. The consequent operationalisation of this conclusion has been divestment from three companies engaged in the most polluting activity (Coal and Tar Sands).

Another short life working group was also established to review the issue of armaments. The University Court has endorsed the identification of controversial armaments as an area in which the University should not invest, and approved the policy based on the exclusion of controversial weapons using the Sustainalytics definition of armaments. In line with the University's ongoing commitment to implementing best practice around ESG issues, the University's Investment Committee completed the switch of our direct investment fund into the Baillie Gifford Global Alpha Choice fund in December 2015.

The University is now identifying opportunities in its approach to responsible investment to ensure we are delivering maximum social benefit through the sum of our activities. This includes reviewing if the University can invest to deliver a social benefit. Annual progress is reported through the UNPRI reflecting the University's commitment to transparency and furthering its commitment to responsible investment.

## Obstacles and solutions

Gain a range of views from the University community.	Extensive engagement with staff and student community through a public consultation, supported by promotional activities to ensure good response rate.
Share the lessons from the process to the wider sector	Delivered presentations and webinars to the higher education sector and others, documentation published.
Ensure this is part of a whole institutional approach to sustainability.	'Action for the Climate' campaign which pulled together research, teaching and operational efforts on climate change.

## Performance and results

- An independent review of the University's finances confirms investments in fossil fuels have dramatically reduced. The report by financial advisers Mercer said that the proportion of Edinburgh's portfolio linked to fossil fuels has halved since 2013 and fallen by almost 90 per cent since 2008. The findings reflect Edinburgh's continuing commitment to make a significant, sustainable and socially responsible contribution to Scotland, the UK and the world.
- In May 2015, the University signaled its intention to use its investments and procurement power to support the transition to a low carbon economy and to divest from the most destructive fossil fuel companies. Within weeks, £2.5 million pounds of investment was removed from firms involved in the high polluting areas of coal and tar sands.
- Raised awareness among staff, student, alumni and local community on responsible investment issues. This has been demonstrated by over 200 students and staff completing the consultation document, increase in the number of student-led activities on campus and a series of events on responsible



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investment being held on campus (including Ethic Forum panel discussion with academics and a keynote talk by Cary Krosinsky on responsible investment approaches/Brown University case study).

- In December 2015, the University moved investments into the Global Alpha Choice Fund. This filters out companies with any significant interests in armaments, tobacco, gambling and pornography from direct investments.
- The framing of the responsible investment issue has evolved from divestment to consider positive investment decisions in relation to social finance and social enterprise.
- The University is using its name and leverage through its investments to try and establish a dialogue with external organisations to influence their actions (as demonstrated through its change in investments and ability to use its leverages to secure meetings with the Chief Executive of BHP Billiton and the Chairman of Shell).

## The future

### Lessons learned

1 We've learnt how to better do public consultations using a variety of techniques, and realising we need to reduce the complexity of consultation and developed an approach to bring together different stakeholders and come to consensus on the way forward, despite varied viewpoints

2 We've learnt the importance of transparency, and how to improve ease of access to information (such as publishing more than 60 pieces of supporting evidence in one place)

3 We've learnt a lot about responsible investment itself – different approaches and actors involved, key debates in the industry.

### Sharing your project

The University has widely published and shared its learnings from its efforts on responsible investment. The evidence reviewed by the evidence based review groups, along with the minutes have all been published online on a dedicated website. The University has shared its learnings through published articles in national newspapers and at events, including the Edinburgh Int'l Science Festival, sector conference and responsible investment conferences (including the UN PRI Conference in 2014). Over 300 individuals have attended webinars on Edinburgh's experience through the EAUC and the Int'l Endowments Network. As previously stated, the University has also shared its findings in academic publications.

### What has it meant to your institution to be a Green Gown Award finalist?

"The University of Edinburgh is committed to being a leading socially responsible and sustainable university. We support our staff and students in delivering meaningful change and improving our own practices. Public recognition provides us with an opportunity to celebrate and reward their enthusiasm and hard work and we are delighted be shortlisted."

*Dave Gorman, Director of Social Responsibility and Sustainability*

### Further information

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