

INVEST FOR CHANGE



Conversations with universities

Top tips for productive engagement

- Be prepared, informed and open to discussion.
- When issues arise, work with the university to find a solution.
- Highlight the benefits!
- Refer to other comparable institutions.
- Keep notes of conversations, and any commitments made.
- Leave each discussion with clear action points and plans for next meeting.

Common fob offs and how you can respond

“We don’t have the resources (money, staff, time) to do anything”

- Ask what exactly they don’t have resources to do and suggest solutions such as:
 - If the university uses investment managers, they can instruct them to look into the issue - the university already pay the investment managers to work for them!
 - Start with smaller actions that don’t need significant resources, e.g. student representation on investment committee, or engagement such as voting at AGMs - they could even recruit student volunteers to do this!
- Does the university have a commitment to sustainability or social impact? Remind them of this and ask if this could fit into that strategically important work.
- Recommend [resources](#) that may break down barriers, or where other universities have done things and how they have managed it.
- There is a huge reputational benefit to this work, which may be worth the use of resources.

“We are working on this”

- Find out exactly what it is the university are doing and what impact it is having or will have.
- Ask if there are any student representatives involved and if not, could this be incorporated.
- Discuss ways that the university’s current activity could link to your ask, e.g. they could incorporate their work into the new policy too.
- If you’re unable to shift the conversation, make sure you leave with a commitment from the university for a update on their work by a certain date, keeping the door open for further conversations.

“It’s not my decision”

- Find out whose decision it is and how you can get in front of that person or group.
- Ask the person or people you are talking to if they agree with you. If so, ask for support - what do they think is the best practical next step and can they help get there?

“We don’t want to exclude X in a policy because then we won’t be able to engage and push them to change, which is more effective than moving our investments out”

- How do they engage? Try and get a tangible example of engagement with the company or industry that resulted in change.
- Does engagement have clear goals, timelines and escalation points if change is not achieved? Find out if the university has a plan beyond just making their views known, otherwise engagement ends up achieving nothing.
- Is it consistent? For engagement to be effective it needs to be strategised in policy, so that it is consistent and therefore, impactful.
- How is impact measured and reported? Keeping track of engagement and its outcomes, and clearly communicating that to stakeholders, not only keeps the university accountable but allows them to share good practice and celebrate success.
- For conversations about divestment from fossil fuels, vs engagement, see this landmark [report](#) from Dr Ellen Quigley at The University of Cambridge¹.

“We can’t disclose information on our investments due to commercial sensitivity”

- Get down to the specifics and find out exactly what they can’t disclose and why. You can later check reasons are fair after.
- Technically, information on investments in public companies *should* be publicly available.
- If general public access is the issue, suggest information could be available to students and staff behind a log in.
- A clear webpage with an overview of investments and related information (e.g. investment managers) would actually help the university show off their great work - unless they have something to hide.
- Provide examples of where other universities are doing this, e.g. [Bristol](#), [Edinburgh](#) and [UCL](#).
- See [Positive Investment Cambridge’s briefing report on transparency](#) for detail of different commitments to transparency and their benefits to institutions.

“We have a fiduciary duty to maximise financial returns”

- According to [charity commission guidelines](#), “charities make investments either to receive a financial return to spend on their aims, or as a way of directly furthering those aims”², so current legislation does allow nonfinancial considerations in investment decision making if it relates to the university’s objectives.
- Those responsible for the university’s investment decisions have a legal duty to consider material financial risks. Climate change, and many other environmental and social justice issues, pose material financial risk and therefore must be seriously considered in investment decision making. If this doesn’t seem to be the case, ask the university to outline exactly how these issues were considered.

“We can’t risk a lower financial return”

- Responsible investment does not mean the university has to accept a lower rate of return³. Some investment choices may mean accepting a lower rate of financial return - in exchange for environmental or social return - but there are also many ways to invest responsibly without doing so. To explore the different kinds of investing the university could undertake, see page 3 of this [report](#) and this [spectrum of capital](#).

¹ [Cambridge to divest from fossil fuels with net zero plan](#), The University of Cambridge.

² [Charity Finances: Trustee Essentials](#), Charity Commission.

³ [ESG and financial performance: aggregated evidence from more than 2000 empirical studies](#), Journal of Sustainable Finance & Investment.

- There are also many responsible investment options that carry comparable, or more favourable, risk and return, e.g. moving from fossil fuels to renewable energy will be both a morally and financially sound decision for a long-term investor like universities are.
- If universities use investment managers, it is the managers' job to provide a financial return. Suggest asking the investment manager(s) to investigate responsible investment options that maintain the university's target financial return.
- If you think they will be receptive, talk about the benefits of non-financial returns too, e.g. the social impact of an investment in a local community project could contribute to some of the university's other priorities like their civic role in the town/city and therefore be worth accepting a lesser financial return.