



INVEST FOR CHANGE

HOW TO CHANGE YOUR UNIVERSITY'S INVESTMENTS

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Contents

What is the issue?	2
What do we need to change?	3
What makes a good policy?	3
What do policies look like currently?	4
How do we change it?	4
Planning how to make change	4
Success stories!	5
Campaigning top tips	5
Quick guide on university investments	6
Terms you might hear and what they mean	7



What is the issue?

The financial sector has power. Wealth is hoarded by the richest 1%, who own 45% of global wealth, while the poorest 50% collectively accounted for less than 1%. A lot of this wealth is concentrated - through investments - in big companies and banks. Those we buy from, work for and save in - and our universities are invested in.

These are the same big companies and banks which are driving the climate crisis and social injustice. Just look at this example of one of a university's investment portfolio:

UK EQUITIES				
University of (S11665386 - Discretionary)	BP PLC GB0007980591	73.1	8,386,310.87	203,412.89
Building new fossil fuel infrastructure				
University of (S11665386 - Discretionary)	Bunzl PLC GB00080744838	14,410.00	324,078.55 GBP	21,9800 GBP
University of (S11665386 - Discretionary)	Burberry Group PLC GB0031743007	12,710.00	202,779.08 GBP	12,5250 GBP
University of (S11665386 - Discretionary)	Croda International PLC GB0008071109	7,052.00	282,852.68 GBP	57,3000 GBP
University of (S11665386 - Discretionary)	Dechra Pharmaceuticals PLC GB0009633180	9,725.00	263,775.12 GBP	28,5600 GBP
University of (S11665386 - Discretionary)	Diageo PLC GB0002374006	21,851.00	612,046.51	
Tax avoidance				
University of (S11665386 - Discretionary)	DS Smith PLC GB0008220112	80,075.00	291,213.25 GBP	2,6130 GBP
University of (S11665386 - Discretionary)	Glanville PLC GB0009252882	44.5	681,434.11	
Profiting from ill-health				
University of (S11665386 - Discretionary)	Reckitt Benckiser Group PLC GB0002460477	5,727.00	122.62	
University of (S11665386 - Discretionary)	Rio Tinto PLC GB0007188757	47,000.00	305,494.60	
Land grabbing and displacement of communities				
University of (S11665386 - Discretionary)	Sage Group PLC/The GB0008381803	47,000.00	7,2940 GBP	
University of (S11665386 - Discretionary)	SSE PLC GB0007908733	21,872.00	248,042.54 GBP	13,0100 GBP
University of (S11665386 - Discretionary)	St. James's Place PLC GB0007669379	26,727.00	286,523.61 GBP	9,4220 GBP
University of (S11665386 - Discretionary)	Standard Chartered PLC GB0004062847	12,383.00	140,431.20	
Funding nuclear weapons				
University of (S11665386 - Discretionary)	Unilever PLC GB0001082979	12,383.00	566,274.59	
Poor workers rights				
Oil company				
Beverage company - owns brands like Smirnoff, Guinness + Baileys				
Pharmaceutical (medical drugs) company				
Mining company				
Bank				
Multinational corporation - owns brands such as Fairy, Dove + Ben & Jerrys				

Sources: [Investment portfolio](#) / [Information on companies](#)

Research shows that where we put our money can have a far effect on building a better society than individual actions:

'Greening' investments can cut your carbon footprint 21x more than giving up flying, going veggie and switching energy provider.

[Make My Money Matter, 2021](#)

Universities have over £15 billion in investments. We can use this to drive transformative change in the financial sector - the fossil fuel divestment movement on UK campuses has already shown the power students have:



Source: [People & Planet Fossil Free](#)

What do we need to change?

Universities have policy guiding the way they invest. These policies dictate how, and in what, the university invests. Sometimes these are specific responsible investment policies. Policy allows students, staff and stakeholders to hold the institution to account on their commitments.

Often, universities manage their investments via **asset managers** that will invest and engage with investments on the universities behalf. Asset managers use the university's investment policy to guide them. For example, policies might dictate that there should be no investments in the fossil fuel industry.

Mostly, these policies are available online - use our [policy library](#) to easily find your university's. If policies exist but are not publicly available, Freedom of Information (FOI) requests can be submitted¹. Before taking this step see if you can access the policy, or find out if there is one, through your students' union. You can also see previous requests and responses online at [What Do They Know](#).

What makes a good policy?

We are looking for 5 key things within a good responsible investment policy:

1. % allocation of portfolio dedicated to impact investment

Further detail: Investments with a measurable, positive impact on either environment or social issues - this should be reported on quarterly alongside financial return.

2. Commitment to vote in favour of shareholder resolutions on climate change at company Annual General Meetings (AGMs)

Further detail: The university, or their investment managers, should take a 'comply or explain' approach, with public disclosure of rationale.

3. A clear, time-bound engagement escalation policy, including voting against management and ultimately divestment

Further detail: Where universities invest through investment managers, this must be a specific requirement of managing the university portfolio, rather than simply using the managers' own policies.

4. Regular disclosure (every 3-6 months) of holdings, impact (where appropriate), voting record and engagement activity

Further detail: This information should be available publicly, easily accessible for students and staff, and presented in a way that allows those without prior financial knowledge to understand.

5. Student and staff representatives on finance governance boards

Further detail: Representatives (from the students' and trade unions for example) should be supported to meaningfully engage with meetings, through specific support and training.



¹ Make a freedom of information request, GOV.UK. [Available online](#).

What do policies look like currently?

Some policies and practice to check out:

- The [University of Edinburgh's](#) focus on responsible investment initiatives.
- The [University of Leicester's policy](#) specifies an allocation to impact investment.
- Explicit list of exclusions, as well as a decarbonisation goal, in the [University of Manchester's policy](#).
- [Queen's University Belfast's policy](#) clearly communicates a commitment to responsible ownership and engagement.
- See how a policy can get fund managers to engage in the [University of Liverpool's policy](#).
- Stakeholder engagement is articulated and encouraged in the [University of Surrey's policy](#).
- Aston University go some of the way towards transparency of investments and their impact in [their policy](#).
- The University of Bristol are committed to regular reporting and [transparency online](#).

How do we change it?

There should be an official way to change policy - this might be highlighted within the policy itself or you should get in touch with your Finance Director to ask. Use our [template email](#)!

Check out our range of [resources](#) to help with this.

Planning how to make change

- **Aim:** What are you trying to achieve?

Visualise where you want to get to - that's your aim. Then come up with some clear campaign asks that split that up into manageable objectives - take the [key policy asks](#) and your universities current practice, and work out exactly what you'd like to see. Try to be specific without simplifying the issue.

- **Research:** What do you need to know to achieve your aim?

You don't need to be experts but basic knowledge about how the university invests is helpful. Use your asks to structure any research into investment activity, think about what will be useful to know. It's likely this information won't all be public so find allies within the university and students' union to ask.

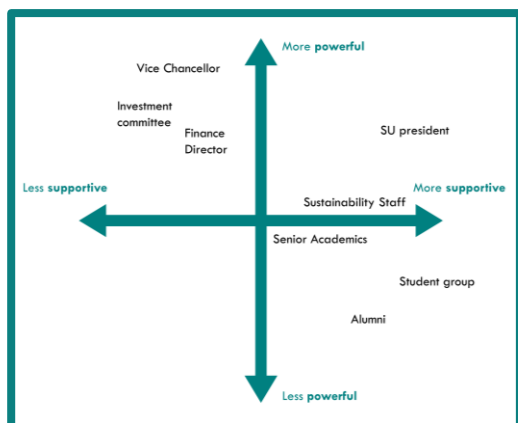
- **Stakeholders:** Who do you need to target?

Look into your university's governance structure: who has the decision-making? This might be an individual (e.g. Finance Director) or a group (e.g. Investment Committee). It could also be useful to find out a bit about their stance on this issue and how you could go about influencing them - which arguments might appeal to them and which would be better to avoid?

Once you've identified targets, think about how you will engage them. Are there any sympathetic people who you could go through, or be introduced by? Where possible, using elected student representatives will strengthen your engagement.

- **Allies:** Who will be useful to have on your side?

Building a strong alliance of students, elected student representatives, university staff, academics, alumni and the local community will add momentum and credibility to your campaign. Trade unions can be a great place to start when trying to gain university staff support.



Power mapping - Identify stakeholders: both targets and allies, using a power map. Check out page 7 of NEON's [Systematic Campaigns Framework](#) to help you start!

- **Strategy:** How will you convince your targets to achieve your aim?

This will evolve but can be useful to map out an initial strategy to achieve your aims with a rough timeline. This may change but setting time-bound objectives will help keep momentum up and keep you on track.

Success stories!

Get some inspiration from these successful campaigns, where students have mobilised on campus for real change at their universities.

- See what a Goldsmiths coalition between students and staff achieved at with their [Green New Deal](#) proposal.
- Check out The University of Sheffield Sustainability Committee's [Clean Energy Switch](#) campaign to get the university to switch to a clean energy supplier.
- See how Zero Carbon Cambridge finally got The University of Cambridge to [commit to divestment](#) from fossil fuels.

Campaigning top tips

Thinking about making change as having two tracks: inside (engagement with the university) and outside (building support). The outside track will aid the inside, showing strength of feeling around the issue. The outside track can also add pressure if the inside track hits barriers.

Tips for engagement with the university, or 'the inside track'

- **Pragmatism in this space can help.** Be confident in your aims but listen to concerns and try to bring the university on a journey towards those aims, rather than simply demanding change.
- **Highlight the benefits.** For universities, adopting responsible investment practices will carry reputational value and even in some cases, greater financial stability.

Remember to broaden the conversation to include these benefits, alongside the obvious moral imperative.

- **Work with the university to find a solution.** Some change is better than no change - if, after engaging, you feel you aren't getting anywhere on your terms, be prepared to work with the university to find a solution that works for both of you.
- **Document engagement.** Make sure you keep a record of conversations with the university and map out who you have and haven't spoken to, as well as where they stand on the issue. This will help you present an informed and organised campaign and enable you to keep track of any commitments the university makes in your interactions.
- **Leave each meeting or discussion with clear action points.** Change happens at a slow pace in universities if you let it. Document your meetings and strive to leave each conversation with clear actions for both sides, and a timeline for further engagement. Send follow-up emails to share this information, and make sure both sides are clear on their commitment.

Tips for building support, or 'the outside track'

- **Get your students' union onboard.** Mandate your SU to work on this by [passing a policy](#) outlining your asks. Contact your elected representatives and ask them to support, or join, your campaign.
- **Reach out to student groups - and even alumni.** Find out if there are any other organisers working on related issues and get them involved. Tap into the divestment campaign networks and look for passionate alumni to vocally support the campaign.
- **Round up academics as advocates.** Use a petition or open letter to gather academic support for the campaign. This will add credibility to your campaign, particularly if from those working in relevant fields.
- **Raise awareness and educate.** Run events, workshops, stalls, talks and more to start the conversation on campus. Get students and staff to start thinking about university investments and how they are used. Gather ideas from these discussions and develop your campaign as you go.

Quick guide on university investments

Universities have endowments. This is donated money that can be allocated for a purpose (restricted) or not (unrestricted). This is often the primary pot of money which a university invests.

Universities invest in different asset classes, such as shares (companies), bonds (loans) or property (buildings). This is because a mix of investments, minimises risk if one loses value.

This makes up a portfolio of investments, which generate financial returns, contributing to university income.

Universities have policy guiding the way they invest. Some universities will have specific responsible investment policies. Following this policy will be the responsibility of the Finance or Investment Committee.

Often, universities manage their investments via asset managers that will invest and engage with investments on the universities behalf, guided by the policy.

Terms you might hear and what they mean

Annual General Meeting

A gathering of a companies' shareholders which happens every year. It's an opportunity for shareholders to ask questions and have their say on a company's performance and strategy. Reports of activity and annual accounts are received, as well as board membership and pay being voted on.

Asset manager

The person, or more likely company, in charge of making decisions on where to invest. Universities often employ asset managers to manage their investments.

Bonds

A financial product (debt security) issued by a company or a government, used as a way of raising money. The investor is effectively lending money to the issuer. These offer a return to investors in the form of fixed periodic payments, and the eventual return of the original money invested at maturity - the par value. Because of their fixed periodic interest payments, they are also often called fixed income instruments.

Climate justice

A framing of solutions to the climate crisis through a human rights lens. Climate justice means tackling both environmental and social challenges to create a better future for present and future generations.²

Commingled fund

An investment fund where an asset manager collects money from individual investors and combines it into one fund. The fund is then invested on a large scale, allowing for an economies of scale approach to investing.

Divestment

Divestment is the opposite of investment. It means withdrawing invested money from particular holdings. In recent times, this often been due to ethical concerns about a company's activities.

Endowments

A financial asset, in the form of a donation made to a non-profit group, institution or individual consisting of investment funds or other property that the donor may or may not have gifted with a stated purpose. Most are designed to keep the principal amount intact while using the investment income for organisational operation in line with charitable objectives.

Environmental Social Governance (ESG)

ESG describes a set of standards for a company's operations that responsible investors use to screen potential investments. Used increasingly in the investment sector to generally describe ethical investment.

Ethical investment

Values-led investment. Ethical investors *are* interested in generating financial return but not at any cost - investment opportunities must first meet a set of moral standards set by the investor.

² Climate justice definition, UN. [Available online.](#)

Ethical and responsible can be used interchangeably but have subtle differences - see ShareAction's [What's in a definition?](#) document for more detail.

Finance Committee

Finance committees are a group of internal representatives, from different stakeholders, and external governors with specific expertise, whose main duty is to provide financial oversight for the institution. Usually there should be a student representative on this committee, likely to be the students' union president.

Financial return

Money generated on an investment that is then the universities to spend.

Impact investment

Investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return.³

Investment Committee

An investment committee is the governing group within the university who are responsible for the university's investment activity. The committee will usually be comprised of both internal and external members, with relevant expertise in finance and investment. Currently, it is unusual for the university to have a specific student representative on this committee.

Investment portfolio

A collection of different investments held by an investor. A portfolio is normally designed to obtain a target financial return whilst preserving the initial amount of money invested.

Low carbon transition plan

A plan that outlines what changes an organisation will put in place to enable them to function in a low carbon society. This is often used in reference to an investment portfolio, moving from reliance on high-carbon investments to low carbon.

Pension fund

Big funds that pool together pension contributions made by individuals and their employers, and then invest it on their behalf. The money is accessed by individuals (workers) after they retire. For example, USS (Universities Superannuation Scheme), is a major pension fund for academic staff of universities.

Portfolio diversification

Holding a range of different investments in a portfolio to reduce risk and avoid 'putting all their eggs in one basket'. A diversified portfolio might suffer a loss in one of its investments, but gain on other investments, thus becoming less volatile on average.

Public and private

As simple as it sounds - anything on the public market is open to all investors, and can be brought and sold by those investors. By contrast private market investments are not open to all, may have restrictions on who can invest, and tend to be more specific. For example, an investment in Shell is on the public market, but an investment directly funding a local business is on the private market.

³ What is impact investing, Global Impact Investing Network. [Available online.](#)

Responsible investment

Responsible investment is an approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance factors, and of the long-term health and stability of the market as a whole.⁴

Restricted funds

Funds given to the university with a specific purpose and can therefore only be spend on related activity.

Shareholder resolution

A proposal submitted by the shareholders of a company to be voted on at the annual general meeting (AGM), directing the board to take some form of action.⁵

Shares

Represent exactly what their name suggests: percentage ownership of a company, its assets and, above all, its cash flow. You are one of the owners of the company, with all the rights, opportunities - and risks - this brings. Also called equity and stocks.

University Council (/Court)

This is the governing body of the University, responsible for responsible for all financial matters, the buildings and the appointment of the vice-chancellor. The group is made up of external members, with relevant expertise and some internal representatives, such as students' union presidents and staff representation.

⁴ What is responsible investment, Cambridge Institute for Sustainability Leadership. [Available online.](#)

⁵ UK Guide to Shareholder Resolutions, ShareAction (2019). [Available online.](#)