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Dear Mr Smithee

Thank you for your email of 27 May requesting copies of the University's financial statements and annual reports, the agendas papers and minutes of the Investment Committee and all versions of the socially responsible investment policy. This letter represents the first part of our response to your enquiry.

The University's annual report and accounts are available at <http://www.finance.ed.ac.uk/financialstatements/>

The agendas, papers and minutes of the Investment Committee are available at <http://www.finance.ed.ac.uk/finweb/finacc/invcomm/meetings/>. Some of the minutes and papers are not available online as they are considered to be closed business. We are currently re-examining these items to confirm that they qualify for an exemption under freedom of information legislation. I will contact you with the results of this re-examination as soon as possible. I apologise that this is longer than the twenty day period prescribed by the Freedom of Information (Scotland) Act; we are hoping that taking extra time to consider the matter will mean that we are able to give you more information.

The current version of the socially responsible investment policy is available at <http://www.aaps.ed.ac.uk/Governance/SociallyResponsibleInvestment2006.pdf>. I enclose a copy of the original version of the policy from 2003. There were no revisions made to the document until the most recent version.

If you do not have access to the Internet or would prefer to receive information in hard copy please contact the Records Management Section ([recordsmanagement@ed.ac.uk](mailto:recordsmanagement@ed.ac.uk)) who will arrange for printouts from the appropriate web pages to be sent to you.

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Yours sincerely

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University Records Manager  
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## The University of Edinburgh

### “Socially Responsible Investment” – The Agreed Approach

1. It is competent, within the terms of the Trust Deeds, for the University Court to give the Trustees, and hence the Fund Managers (Baillie Gifford), guidance and indeed, instruction, on the way in which the endowment funds are invested. The Court recognises that compliance with such guidance could constrain the Trustees' capacity to secure the maximum return on the endowment funds, and in such circumstances the Trustees may well choose to advise the Court of the prospective impact of any restrictions placed on their freedom of action.
2. The Court has endorsed an approach based on 'engagement' with companies on ethical issues through the Corporate Governance Unit operated by the Fund Managers.
3. The Court has also agreed that information regarding the companies and other funds in which the University's endowments are invested should be published annually.
4. As a consequence of 2 and 3 above, it is possible for any group within the University to draw attention to any investment held by the University that is considered 'unethical'. The Court has declared its willingness to consider such representations, subject to the following observations.
5. The key criterion against which specific cases would be considered would be whether the activity complained of (and substantiated) was wholly contrary to the University's value systems either as reflected in the Mission Statement, the Goals and the Corporate Plan or in regard to wider issues of social, environmental and humanitarian concern. This would for example include, but not be limited to, human rights abuse, discrimination on grounds of race, gender or disability and serious and persistent environmental damage.
6. A possible approach could be for representations to be considered by the Court to the effect that the University should disinvest in categories of companies identified by reference to the businesses in which they are engaged. This has not been generally adopted, not least because the criteria for identification of such businesses would be matters of personal opinion. Rather, the adopted general approach is that expression of concern should be related to specific companies whose activities or values appear, on the basis of clear evidence, to be so far removed from the University's core values as to give grounds for serious concern. Cases would normally only be considered if brought forward by representative bodies such as EUSA or a recognised trade union, or via the University's committee structure. However, in 2004 a proposal that the University should disinvest in the tobacco industry was made, and was accepted by the Court as an exceptional case in view of the impact of that industry's products' on health, in the context of Edinburgh being a major centre of medical research.
7. The mechanism for considering such cases would be for them to be considered by the Central Management Group in the first instance. If brought forward by EUSA, the President would attend for discussion of that item. CMG would be expected to take into account the current extent (if any) of the Fund Managers' engagement

with the relevant company on the matters complained of. It would be for CMG to decide, on Court's delegated authority, whether they were sufficiently strong grounds to warrant engagement with the company through the mechanisms established by the Fund Managers where this was not already in hand, or to request strengthening of that engagement if already active.

8. CMG would be empowered to raise matters with the Trustees and Fund Managers without need for Finance and General Purposes Committee's/Court's endorsement. Its decisions in regard to whether to do so in individual cases, whether positive or negative, would be reported to the F&GPC and the Court. The Fund Managers would be asked to report back, giving clear details as to any action that had been taken, so ensuring accountability. CMG would communicate these matters to F&GPC and Court as appropriate.
9. It is acknowledged that a situation could arise in which 'engagement' did not assuage serious concerns raised about a particular company. In those circumstances it might be concluded by the Court that the Trustees should disinvest. The Trustees would no doubt wish to make the financial consequences of such a decision clear to the Court.
10. CMG's requests for engagement are normally be transmitted to the Fund Managers via the Trustees. However, because the Trustees only meet twice a year, it is possible to ask the Fund Manager's Corporate Governance Unit to pursue a matter at fairly short notice (e.g. at a forthcoming company AGM). In such circumstances a request for engagement should be passed from CMG to the Convener of the Trustees who would communicate it to the Fund Managers after such consultation with the Trustees as was practicable in the circumstances.

M D Cornish  
University secretary

Based on proposals adopted by the University Court in July 2003