



INVEST FOR CHANGE

STUDENT CAMPAIGN GUIDE

SOS-UK

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What is Invest for Change?

A campaign for university money to act in the interests of students, not against them; with an emphasis on climate justice.

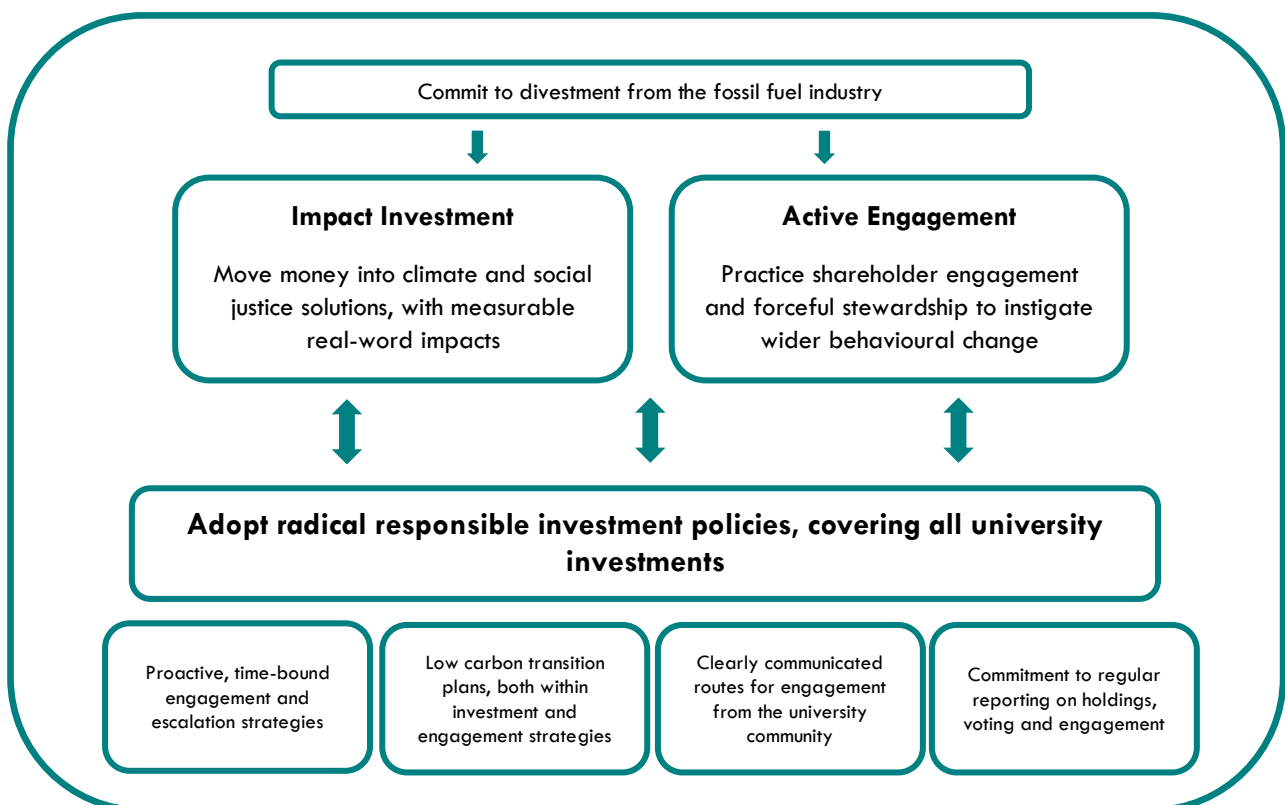
In January 2020, it was announced that over 50% of UK universities had divested from the fossil fuel industry. Following years of local and national campaigning, this was a big win for both the student movement and climate justice.

But where do we go from here?

Universities have over **£15 billion** of investments¹ still funding companies and practices that consistently act against the interests of students and the world they will graduate into.

The student movement may have succeeded in pushing universities to take their money out of the fossil fuel industry but that alone is not enough. We need universities to use their investments, and their positions as investors, to lead the way towards a more resilient and sustainable economy.

We need universities to Invest for Change.



This guide will outline the world of university investments are how we can use them to drive system change. It will also cover how to build and win campaigns on campus, and what to expect when interacting with university management on investments.

¹ The figure is taken from a conservative estimate of current UK university endowment funds (figures from 2018/19 official audited financial statements) and based on the general assumption that majority of universities invest using their endowment funds.

Investments

Understanding university investments

A lot of the money that universities invest comes from endowments. This is donated money that can be allocated for a purpose (restricted) or not (unrestricted). Along with some other funds, this forms a pot of money which is invested.

Universities may invest in different asset classes, such as shares, bonds or infrastructure. These make up a portfolio of investments, which generate financial returns, contributing to university income. To minimise risk, investments are made in a range of assets and asset classes, so that if one investment value diminishes, there will still be money.

Universities will have policy dictating their investment activity. Some universities will have specific responsible investment policies. Policy compliance will usually be the responsibility of the appropriate governing body, often the Finance or Investment Committee.

Confused by jargon?

Check out our [glossary](#), at the end of this document, to get to grips with the terminology.

In-house or outsourced?

Often, universities outsource their investment activities to investment managers that will manage the university's investments on their behalf.

Investment managers will be instructed to invest in line with certain guidelines, set out in policy. For example, requiring a target rate of financial return. The university can also tell investment managers to exclude or include certain investments from their portfolio and instruct them to engage with companies on their behalf.

Investment managers may invest university money into comingled funds. This is a combined fund of money from multiple investors. This produces benefits such as lower fees as investments can be made on a larger scale. The downside is that investors have even less control over what they invest in and how they do so.

Pensions

University and university staff contributions are invested in pension funds, ranging from university managed funds, to private and local authority pension funds. Here, the responsibility of investment decisions will not lie with the university but, along with their staff, they *should* have a say over how the pension fund is invested. However, because they are managed in a different way, pensions are not the focus of this campaign.

How can we make them better?

Universities exist to further public good and should invest to do so too. As progressive institutions, educating those who build society in the years to come, universities need to be investing in environmental and social justice solutions, and using their influence as shareholders to spark wider behavioural change.

Currently, there are pockets of good practice, including the University of Edinburgh's [responsible investment initiatives](#), the University of Manchester's [decarbonisation goal](#) and the University of [Leicester's impact investment allocation](#).

But we need universities to do more.

There are many opportunities for universities to have meaningful impact in the way they invest. Some will be able to instruct investment managers to find investment opportunities to reallocate a part of their portfolio into environmental and social justice solutions. Others might review their investment strategy to prioritise a measurable environmental or social return over a financial one. For others again, there may be specific investment opportunities that meet certain values or aims, like addressing local community challenges.

It will not be one size fits all.

As student campaigners it's important to remember that it is not your role to have all the answers. However, with lots of different options out there and an ever-developing responsible investment sector, it's a good idea to have some different options to entice your university.

Investments in a post-COVID world

We need a green and just recovery following COVID-19. There are many organisations working on how we build society and our economy back better. Financial systems and the investment sector are central to this - we need a recovery plan that decarbonises the economy, tackling inequality and enhancing the lives of ordinary people, and actions for recovery that do not prop up the profits of the big banks and the executives of corporations that fuel climate change and inequality². Universities could, and should, lead the way on this.

Investment opportunities

The following are ideas of how universities could invest in environmental and social justice solutions. There are many different companies and organisations who can support and deliver related services, a few of whom are mentioned below.

Disclaimer

The information contained in this document is not intended to be investment advice. References to individual organisations are not endorsements or recommendations and investors should do their own research based on individual circumstances and seek qualified advice before taking any financial decisions.

Renewable energy

Renewable energy infrastructure needs to be developed, built and managed justly, respecting people and planet. Infrastructure must be built for the long-term, alongside and protecting local communities and ecosystems.

There are a few different ways universities invest in renewable energy, including:

- **Existing funds** (operational assets)

² See Green New Deal UK's [Build Back Better](#) campaign.

These are funds which consist of investments in already operational renewable infrastructure. A number of investment firms have funds of this nature, which are relatively low risk and will often meet university financial return targets - or surpass them.

These funds can have some real-world impact, depending on the kind of fund. For example, *private* equity investment in existing renewable energy infrastructure will put money directly into the hands of the renewable energy company, allowing them to potentially expand their operations and means investors have a direct impact. In contrast, *public* equity investment in existing renewable energy infrastructure will simply put money in the hands of the previous share owner. This only has an indirect impact; supporting the cause but not necessarily furthering it.

Ideally then, when investing in these funds, private equity is preferable. If universities only feel able to invest in public equities, insist of fossil free funds and stringent ESG screening processes. Despite the varying impacts, options like this can be useful for particularly cautious universities as a starter commitment to responsible investment and provide a safe stepping stone for those not yet prepared to invest outside their known normal.

➤ **Bespoke universities fund** (new assets)

How can universities best facilitate growth in renewable energy? **Build it.**

Universities could collectively invest in bespoke funds, managed and operated by an investment firm but collaboratively developed. This would allow universities to direct the vision and values, including the target rate of return and maximum acceptable risk. Investment firms such as [Octopus Investments](#) and [Foresight](#) have offered this service previously. The fund would ultimately build renewable energy infrastructure which universities would then own.

Collaboration with other universities could be utilised to develop a bespoke universities renewables fund. [Get in touch](#) to find out how SOS-UK could support with this.

➤ **Build on campus** (new assets)

Where universities have both investments and land, there is opportunity to build renewable energy infrastructure on campus. For some universities, it may be more efficient to build off campus, in parts of the UK where renewable energy generation is more efficient due to weather conditions. Building renewable energy infrastructure will take up more university time to develop and manage but presents, once operational, a stable and sustainable investment and will have a measurable environmental impact. Universities could also benefit from the energy it generates.

To see what this would look like in practice, check out [Solar SOAS](#), where the university community put up investments to buy solar panels for the unused roofs of the school buildings, or see how [The University of Cambridge](#) is looking to build a solar farm on university land.

Community energy projects

Community energy projects aim to use collective action to reduce, purchase, manage and generate energy. The projects have an emphasis on local engagement, local leadership and control and the local community benefiting collectively from the outcomes.³

³ What is Community Energy, GOV.UK. [Available online](#).

There are different types of projects, an example could be the community management and operation of local solar or wind farm. Investors are needed to start projects, providing an injection of money, often to support in the initially purchase of energy infrastructure.

Through this kind of investment universities are supporting renewable energy generation and community causes, where revenue is directed. Check out [Energy 4 All](#), a group of 27 independent renewable-energy co-operatives, who have regular share offers open. There are also organisations, such as [Pure leapfrog](#) and [Core](#), that can help universities to link up with community groups wishing to develop energy projects, or with existing projects.

Social impact investing

Social impact investing is an investment that is intentionally seeking a measurable social impact, alongside financial return. Community energy projects can be described as social impact investing.

Social impact investing opens an opportunity for them to both invest responsibly, make a difference locally and fulfil their civic role. Examples of social impact investments include investing in social housing development, community run services, or local social enterprises.

Organisations, such as [Big Society Capital](#), can support universities in finding and developing opportunities like this.

To see what this would look like in practice, check out what happened when The University of Northampton teamed up with Big Society Capital to [allocate their investments for social impact](#).

Direct capital investment

Universities have large estates and reducing the environmental impact of these is vital to take action on the climate crisis. Innovative use of investment funds could help fulfil investment objectives, generate energy and reduce emissions.

This could be done by creating an internal investment vehicle. Universities would invest directly in infrastructure and track savings, which are then used to replenish the original fund, with any surplus taken as investment return. This concept has been used across campuses in the USA, known often as a Green Revolving Fund (GRF).

Universities could also set up Energy Service Companies (ESCOs) to manage investment into their estate and could potentially be widened out to infrastructural improvement to the local community too.

To see what this would look like in practice, check out [Harvard's GRF](#). For more information about how GRFs work, and to see some other US case studies, check out [this handy guide](#).

Top tip

As responsible investing gains traction in the financial sector, there are many funds which claim to be 'sustainable', 'green' or 'impactful'. It's important to watch out for greenwash and make sure investment opportunities can clearly demonstrate the impact they have. Check out our [Conversations with the university](#) section at the end of this document for some common examples of funds like this and how to challenge them.

Engagement

Investors hold power to effect change. They can engage with the companies they hold shares in and influence their practices. There are two key opportunities for universities to engage and influence change: through investment managers, who themselves are large investors, and by engaging directly with companies.

What influence do universities have as investors?

Relatively, most universities don't hold a huge share of investments so moving specific investments won't leave a huge dent in individual companies. However, accompanied with meaningful engagement universities have an opportunity to drive a shift in investor practice and be impactful through collective engagement.

Universities can engage particularly effectively through, and **with**, their investment managers. These firms hold substantial investments in large companies - in other words, the corporate world needs to listen to them. Universities, as customers of investment managers, have power to influence their practices, which will in turn spark wider corporate change.

Divestment vs engagement

The [divestment campaign](#) for universities to divest from the fossil fuel industry is intended to take away the 'social licence' of fossil fuel companies to operate as they currently do. With this aim in mind and taking into account the structural nature of issues such as fossil fuels, it has been widely accepted that divestment is more effective than engagement. Excluding harmful practices through policy, which you will find out more about later in this guide, tackles this issue of divestment vs engagement, as it calls for full divestment from companies involved in specified unacceptable practices.

How can universities use investments to create wider corporate change?

Shareholders have a say in how corporations are run. Universities can exercise this directly or by proxy through investment managers. Engagement actions can include:

➤ **Voting**

This often takes place at a company's Annual General Meeting (AGM). Shareholders vote on things like policy, the receiving of the Annual Report and Accounts and election and remuneration of Board Directors. These votes are an opportunity to make views known, even if they don't change the outcome.

➤ **Shareholder resolutions**

To impact on policy, shareholders can collectively table resolutions at AGMs. If a resolution is voted through, the company will be mandated by it.

Shareholder resolutions can be effective even if they are not successful. Publicly tabling a resolution, supported by other high-profile shareholders, can highlight issues and cause reputation damage to the company, forcing them to address the issue.

For example, in May 2020 Barclays' [shareholders put forward a resolution](#) on the bank's acknowledgment of the climate crisis. The vote didn't pass but gained media attention and enough votes to require Barclays to formally respond.

➤ Direct engagement

Direct engagement is between an investor and the company they invest in. Pressure can be put on companies through letter writing, meetings and public or private statements - all of which will have more impact when done in collaboration with other investors.

When engaging, investors should have escalation strategies that are clearly communicated in responsible investment policies and triggered when companies contravene the policy. An escalation strategy would first make the company aware of the issue and clearly communicate what they should do about it. If this is not met constructively the university would then escalate by, for example, publicly criticising the company. Ultimately, if the company do not change their practices the university would divest its shares. These escalations need to be time-bound to produce meaningful action.

Active Engagement

UCL will retain some control over investment choices while following these socially responsible and active engagement principles. This means taking a holistic approach to ethical investment, addressing a broad range of matters including taking an active stance in respect of climate change. UCL recognises that companies with business models based in a carbon economy, which are not transitioning to a low carbon economy, do not represent sound financial and ethical investments. As an investor, UCL will always try to first influence and engage with companies to deliver more sustainable practices, before withdrawing funds. We will do this in the following way:

- **Identify** – UCL reviews all of its investments quarterly and identifies companies that are heavy carbon emitters.
- **Engage** – UCL communicates with companies a desire to withdraw investment if they are not transitioning to a low carbon economy, emit significant CO₂ and are not reducing emissions.
- **Review** – UCL considers response and actions from companies.
- **Withdraw** – UCL withdraws investment from companies that do not respond, take action, or otherwise do not meet UCL's satisfaction.

¹ University College London's engagement strategy which forms part of their investment commitments. [Full detail available online.](#)

➤ Strong values

Universities need to be clear in widely communicating what kind of companies, practices and industries they will and will not invest in. This, in a less direct way, can drive wider behavioural change.

In being explicit about investment approaches, universities highlight unacceptable corporate practices - which often fly under the radar in the guise of 'business as usual'. Raising awareness on a wide level can cause reputational risk and push companies to change. For example, since the success of fossil fuel divestment movement, many companies made public pledges to untangle fossil fuel from their activity.

University investment policies

In 2016, the National Union of Students (NUS) found that 57% of universities had ethical or responsible investment policies⁴.

All universities need to adopt radical responsible investment policies, covering all investment activity.

If your university does have a responsible investment policy, it should be publicly available online.

Where policies exist but are not publicly available, Freedom of Information (FOI) requests can be submitted⁵. 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](#).

Why are policies important?

An investment policy dictates and defines how the university invests. Policy means that no matter which individuals come and go at the institution, there is continuity of approach throughout.

Once policy is approved by the appropriate governing body, the university is mandated by it. Policy allows students, staff and stakeholders to hold the institution to account on their commitments.

Responsible investment policies are also important as they are often the basis of the instructions universities use for investment managers.

What makes a good policy?

What makes a good policy will depend on the university's specific circumstances for investing. However, generally policies should **centre environmental and social justice solutions, through high-impact investments and robust engagement strategies**.

Clarity of what should be included in policy, and how they should be developed, is important. Policy should be developed in consultation with the university community, and there should be student and staff representation in the ongoing investment policy process.

Here are some key components of a good responsible investment policy:

➤ Exclusions

Universities should have a comprehensive, but not exhaustive, list of areas and corporate practices which they will *not* invest in. These should include protecting the natural environment, defending human rights, eradicating discrimination and hate, building a fair and equal society and taking action on the climate crisis.

⁴ Of 145 that responded to FOI requests. Data from: Divest-Invest report: Investments, NUS UK (2016). [Available online](#).

⁵ Make a freedom of information request, GOV.UK. [Available online](#).

This shouldn't list every harmful action but instead focus on general areas of bad practice. This can include a clause which requires transparent discussion at the governing body if any specific issues arise.

➤ **Positive investing**

Universities should highlight any areas which they will proactively invest *in*. For example: renewable energy, social and affordable housing or local community projects.

This can be articulated as a portion of the investment portfolio which is dedicated to high-impact investment in environmental and social justice solutions, for which a lower rate of financial return could be excepted in exchange for measurable impact.

➤ **Engagement strategies**, including time-bound escalation plans

These need to lay out a commitment from the university, directly or through investment managers, to proactively engage with investments to promote environmental and social justice. This includes voting, public statements and working collaboratively to increase impact wherever possible.

Universities should also clearly lay out how they review and appoint investment managers.

➤ **Low carbon transition plans**

It is essential for organisations, corporations and institutions to have detailed plans mapping out how they will contribute and adapt to a low carbon economy. At a minimum, these should align to the Paris Agreement⁶, limiting global temperature increase to 1.5 degrees above pre-industrial levels.

Universities need to have low carbon transition plans for their portfolios, supported by requirements for investment managers or companies to do so too.

➤ **Transparency**

Policies need to have clear commitment to regular disclosure of holdings, voting and engagement. This allows for students, staff and stakeholders to hold both the institution and their investment managers to account, and provides a basis for well-informed, efficient discussions.

Check out Positive Investment Cambridge's briefing report on [Building Trust Through Transparency](#) outlining the benefits of increased transparency, and steps universities could take to build trust through transparency

⁶ The Paris Agreement, UNFCCC. [Available online.](#)

Good practice

When thinking about what makes great policy it might be useful to check out some pockets of current good practice:

- Check out a good list of exclusions in the [University of Manchester's policy](#).
- Have a look at the [University of Leicester's policy](#) to see how they've dedicated some of their investments to impact investing.
- [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](#).
- Aston University go some of the way towards transparency of investments and their impact in [their policy](#).
- Stakeholder engagement is articulated and encouraged in the [University of Surrey's policy](#).

How to change policy

There should be official routes for students to change university policy. This is often through written representation to the appropriate governing body (e.g. Investment committee), or by asking the student representative that sits on the group (commonly a students' union officer) to raise the issue.

If there is no specified route, get in touch with your students' union to see if they can facilitate engagement.

Engaging directly with the university on investments will be most effective in the context of a well-organised, informed and energetic campaign. Universities should act in the interest of their community (students and staff) and this can be utilised by building support and momentum amongst the student body alongside direct engagement.

Campaigning

Your campaign will depend on your specific university's context. You'll need to think about where your university is on its responsible investment journey and where student opinion falls.

Some key questions to think about:

- How, and in what, does your university invest? Have they divested? What specific commitments have been made?
- What other student groups work in this area? Are the group that worked on divestment still active? Is there space to collaborate?
- What are the local issues for the university and wider community? Are there local community investment opportunities?

Exploring environmental and social challenges in your university town or city, and specific investment opportunities that tackle them, may be useful to bring a unique focus to your campaign.

Campaigning in a post-COVID world

Campus campaigning might look a bit different on campus in this post-COVID world. We have all got used to moving things online where possible and it may be that more of your campaigning takes place digitally. There are, and will be, many resources to help with this, such as [People & Planet's Digital organising guide](#), [NEON's tools and resources for organising online](#) and [Amnesty's article on activism in times of COVID-19](#).

Plan your campaign

Before you get going, spend time working out exactly what you want to achieve and how you will get there. Use these pointers to shape thinking and discussions.

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

Come up with some clear campaign asks. Try to be specific without simplifying the issue. Be ambitious in your overall aim but think about including 'easier' asks - such as student representation on investment committees. It can help with initial conversations and getting your campaign off the ground if there is something the university can get to work on straight away.

An example of clear campaign asks:

Overall aim

The university adopts a responsible investment policy which centres environmental and social justice solutions.

Specific asks

- A commitment to carve out 10% of the institution's investment portfolio to dedicate to impact investment;
- Student and staff representation on the Investment Committee;
- Annual disclosure of investment holdings, voting and engagement, published on the university webpages

- **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 manages their investments and what they have done so far on responsible investment will enable informed and efficient conversations. Use your asks to structure any research into investment and engagement activity - and check out our [resources](#) for ideas and support. It's likely this information won't all be public so find allies within the university and students' union to ask.

- **Targets:** Who do you need to influence?

Look into your university's governance structure: who has the decision-making power to commit to your asks? 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 do you need to get on your side?

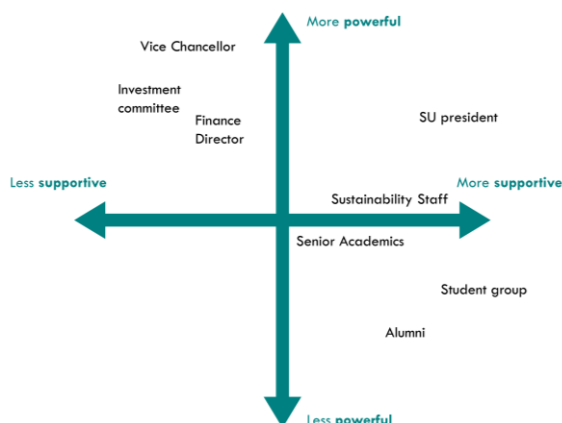
Building a strong alliance of students, elected student representatives, university staff, academics, alumni and the local community will add momentum and credibility to your campaign. Trade unions can be a great place to start when trying to gain university staff support.

Think also about members of the university management who might also be sympathetic to your aims and how you could get them to advocate for the campaign.

Power mapping

Power mapping allows you to develop a logical plan of who you are targeting and how you are going to reach them, going beyond merely identifying who sits at the table. Use your research and identifying targets/allies stages to map power and support like the diagram below.

This helps unpick power dynamics – the various stakeholders, as well as the various levels of power and how they intersect. You can also revisit this process as your campaign develops and you discover more about individuals' power and opinions.



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

This will evolve but it's important to map out an initial strategy to help you stay on track to achieve your aims. Focus on employing a diversity of tactics. It's may be that a successful campaign involves more board room meetings and constructive engagement than direct action - or vice versa.

Think about a timeline too. This may change but setting time-bound objectives will help keep momentum up and keep you on track. Map out different scenarios and think about how you might deal with these. Barriers may come up at stressful times, so having thought through possible solutions before will help!

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.

See our [Campaign tactics](#) section for more.

Run your campaign

Running your campaign takes two main forms, direct engagement with your university and building awareness and support amongst the student body.

Thinking about the campaign as having two tracks: inside (engagement with the university) and outside (mobilising 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.

Direct engagement, or 'the inside track'

Use your mapped out aims and initial research to provide a starting point for your conversation with the university. You can also use the relevant section of this guide ([Investments](#), [Engagement](#) and [Policy](#)) to identify specific steps you want your university to take.

Remember to employ some pragmatism in this space. Be confident in your aims but listen to concerns and try to bring the university on a journey towards those aims, rather than demanding change.

Be prepared, informed and open to discussion. Meetings with the university will not always be easy. Try to avoid any excuses from the university to dodge the issue, by being as informed and prepared for conversations as you can. Do your research and react to criticism constructively, rather than defensively.

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.

Building support, or 'the outside track'

This is all about building momentum amongst the university community, particularly the student body. This will raise awareness and show the university that this is something that needs to be prioritise.

Get your students' union onboard. Mandate your SU to work on this by passing a policy/motion 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.

Campaign tactics

There are loads of great campaigning tips around, and many success stories to borrow tactics from. Here are some examples of campaign tactics, relevant for 'the outside track'. Different actions will be relevant for different aims or stages of your campaign.

Remember to think about the different benefits of various tactics. For example, a petition might not win your campaign, but it could be a handy opener to get the conversation going.

Awareness and Education

- Film screenings
- Talks, webinars and panels
- Teach ins
- Active social media presence
- Physical 'advertising' (posters, leaflets, etc)
- Performance activism and stunts

Panel discussion on race and climate change at SOAS

SOAS used a [panel event](#) to raise awareness of intersectionality and the climate crisis. The talk examined the colonial extractivist roots of the industrial revolution & mass scale of fossil fuel burning, the concept of historical share & resulting responsibility, the devastating impacts of climate change on the Global South and the de facto treatment of these areas as 'sacrifice zones'. It also explored the ways in which students could take action.

The event widened the conversation around climate crisis campaigning by highlighting the intersections with issues such as racism and colonialism, bringing new narratives and connecting students campaigning for change.



Garner support

- Petitions
- Open letters
- Information and research sharing

Build staff support via open letter

At the University of Manchester, Fossil Free campaigners penned an open letter to the Vice-Chancellor & the Board of Governors in support of divestment. The letter was signed by university staff, including senior lecturers and a professor in Energy and Climate Change. Check out [the letter](#) to find out more.

Build pressure

- Protests and demonstrations
- Rallies
- Occupations

Climate protests: working together

Across the UK, young people have been protesting for action on the climate crisis. Universities in London, such as Kings College, UCL and SOAS organised together to join the march and show student support.

Societies and campaigns from across the seven London universities linked up to create large impact, showing strength of support and using [Facebook events](#) to arrange the actions.



Conversations with the university

Engaging with university management won't always be easy. You will often have different positions, drivers and priorities. Try to understand where the people you are talking to are coming from and lead them to where you are. See [Direct engagement, or 'the inside track'](#) for tips on how to foster productive engagement.

With so much to work on, universities may attempt to kick the can down the road. Below are some common statements you might come across, and how you can respond.

General

“We do not have the resources to engage”

Universities are more likely to shut things down quicker where money is involved in the wake of COVID-19. On one hand it is true that budgets will be tight, and finances closely guarded as a result of uncertainty and some income loss. Reassure them that responsible investment is not necessarily about sacrificing financial returns.

- Inquire as to exactly *what* the university think they don't have resources to do, this will help you suggest solutions and ways to move forward such as:
 - If the university uses investment managers, ask them to instruct their investment manager(s) to at least look into enacting your asks. You will at least have something to work from the, even if the answer is that it's not viable.
 - Suggest actions that universities can work on without using significant resources. You could recommend looking into widening representation and inclusion in investment governance, or simple engagement such as voting at AGMs (they could even recruit student volunteers to do this!).
 - Point them towards [resources](#) which can break down barriers to action, for example our 'Guide for universities'.
- Remind the university of any wider commitments that directly or otherwise relate to responsible investment and the benefits that could be gained through taking action - most obviously, reputational.

“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.
- Explore ways that the university's current activity could be incorporated with the campaign to reach a shared goal.
- If you're unable to shift the conversation towards your asks, make sure you leave with a commitment from the university for a time-bound update on their work, keeping the door open for further engagement.

“We're doing XXX already”

Here XXX vaguely relates to your asks and implies that either the university doesn't need to do anything else or doesn't have resources to. Depending on the action they specify there are various potential responses.

- Focus the conversation on the impact of their work and how that compares to what you are proposing - ask for specific measurable impacts here, which will potentially allow you to demonstrate how your asks may be more effective.

- Look for a way to ‘meet in the middle’ and use the work the university are already doing to move towards your aims.
- Ask for specific details about why they can’t do both - their action and your asks - and see if you can collaboratively break down those barriers.
- Defer to some of the ‘easier’ actions around responsible investment, such as governance or attending and voting at AGMs.

“It’s not my decision”

Universities can be a complex web of governance and it may well be that overall decisions are made at different places. However, support from senior staff will always be useful so use this to map a way forward.

- 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 what you are proposing. If you can agree on the principle, ask them for some practical steps that you could work on together.
- If you cannot find agreement, try and explore why and see if you can help ease any concerns or suggest alternative actions.

“I agree with you, but we would have to pass it through Council (/Court/other governing body) and they would never agree”

The truth here is that Council (/Court/other governing body) can be tricky to get new ideas through but if a proposal is backed by university management and students, there is a significant chance of success.

- Ask why the person you are talking to believes this would be a good thing to do but the governing body won’t.
- Ask what could be done to break down barriers to getting Council (/Court/other governing body) support. Are there specific members who could be spoken to individually to ease concerns or build support?

Investment specific

“Investments are very complicated, it would be much too hard to do X, Y or Z”

Remember here that you don’t have to be an expert in everything but will feel more comfortable having done your research and being able to talk confidently about the basics.

- Try and find out exactly *what* is in the way of committing to what you are asking. Once you know what the specific barriers are you can discuss how to break them down.
- Highlight some of the less complicated actions the university could take as first steps, such as reviewing their investment governance to include regular reporting, responsible investment expertise and student and staff representation.

“We invest in bigger and less ethical companies to engage with them and improve their practice, which is more effective than moving our investments out”

This is a common argument, widely used to avoid divestment, based on the idea that you need to engage with companies to change them. With structural issues such as fossil fuels it has been widely accepted that divestment is more effective than engagement. However, with Invest for Change this conversation is less clear cut and therefore you need to look at measurable impact for both options by asking the right questions.

- How do you engage? Try and get them to give you a tangible example of engagement with the company or investment in question over past 12 months. This doesn’t have to be

there and then but get a time-bound commitment for the information if they are looking into it.

- Does the engagement have clear goals, timelines and escalation points if the desired 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.

“We can’t move our investments or vote at AGMs because we invest indirectly”

Indirect investments are common through comingled funds, and generally mean the investor has minimal control in what and how they invest.

- Enquire as to what investments the university *could* move and how you could work with this. Most portfolios will invest in a few different ways and so it’s possible these comingled funds won’t be the only investments the university holds.
- Universities may not be able to vote at AGMs but there are other engagement actions they could employ, such as requiring their investment manager(s) to engage in AGM activism to promote responsible investment and asking them to explain voting decisions.
- Talk to them about why they invest in the way they do and if there is any movement in this to give the university more control in what and how they invest.

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

The key here is to be clear about the transparency and disclosures you are asking for.

- Get down to the specifics and find out exactly what they can’t disclose, and in any uncertain areas, why.
- Remember that technically, information on investments in public market companies *should* be publicly available.
- Think about who you want transparency for and suggest disclosure to stakeholders (students and staff) rather than the general public.
- An easy step could be to encourage your university to publicly disclose their investment manager(s).
- Don’t get hung up on what can’t be disclosed, instead focus on what can, and what benefits it could bring. See [Positive Investment Cambridge’s briefing report on transparency](#) for detail of different commitments to transparency and their benefits to institutions.

“We don’t want to constrain our access to the investable universe”

Investors will invest in a diverse range of assets in order to reduce risk, so that if one investment does not perform as expected, returns can still be gained through other investments.

- Ask the university what constraints they are specifically worried about and remind them that they may well already have constraints for excluded practices, such as tobacco. Usually these exclusions, which a lot of universities have, will not have had a significant impact on investment returns.
- Having a comprehensive policy can help tackle this concern, and so perhaps move the conversation to talk about what policy does, or should, mandate.

- Finally, if needed, research has found that ‘the price that ESG investors pay for their principles is probably quite modest’⁷ and there are lots of examples of universities and charities having taken steps to invest in environmental and social justice with successful outcomes. See the case studies in our ‘Guide for universities’ [resource](#) for more detail.

“We can’t just invest in any old thing”

Although changing the way the university invests may seem like a big move, universities and charities all over the world have done so already and there are many examples to point your university towards. This statement could also be referring to the [legal](#) and [financial](#) duties of the university in its investment decision making - see the two points below for more detail.

- Point towards examples of other universities taking similar action to ease concern. If there is not an example of a university, look at charities. For example, check out [The University of Northampton’s impact investing](#), [SOAS’s on campus renewable energy](#), or [Harvard’s Green Revolving Fund](#).
- When presenting examples, explore how similar institutions that have introduced something comparable differ from the university’s context and how that affects the potential for the university to introduce the action(s).
- See our ‘Guide for universities’ [resource](#) for more case studies of various actions the university could take.

“We have a fiduciary duty to maximise financial returns”

There are some legal requirements around university investments, highlighted alongside general good practice in [CC14 of the charity commission guidance](#). This guidance is not particularly restrictive, and generally allows charities, of which many universities legally are, invest as they please along self-defined investment objectives.

- 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’⁸. Whilst acknowledging the importance of investment income for the university, it’s important to clarify that current legislation and guidance 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 accept a lower financial return”

This relies on the idea that responsible investment always comes at the expense of financial return, however the opposite has often been proven⁹. 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.

⁷ Elroy Dimson, Paul Marsh & Mike Staunton (2020). Credit Suisse Global Investment Returns Yearbook 2020 Summary Edition. [Available online](#).

⁸ Charity Commission (2017). *Charity Finances: Trustee Essentials*. [Available online](#).

⁹ Gunnar Friede, Timo Busch & Alexander Bassen (2015). ESG and financial performance: aggregated evidence from more than 2000 empirical studies, *Journal of Sustainable Finance & Investment*. [Available online](#).

- Reiterate that you are not ignoring the importance of financial return for the university. At most you are suggesting a small proportion of financial returns could be deprioritised in favour of real environmental or social impact.
- There are many responsible investment options that carry comparable, or more favourable, risk and return. For example, moving investments from unsustainable equities, like oil, into desirable infrastructure, such as renewable energy, could provide investors with long-term, predictable income.
- If universities invest through investment managers, it is those managers' job to meet financial return rates. Suggest asking the investment manager(s) to investigate responsible investment options that maintain the target financial return. Make sure you ask for a time-bound update on this.
- Try and understand why there is no flexibility and if possible, move the discussion to think about other returns that could be achieved and the benefits they could have. For example, the social return of a local impact investment could contribute to other strategic priorities like the university's civic role in the community and allow the acceptance of a lower financial return.
- If you get stuck on this point, remind the university that if they are unable to commit to moving investments they can work on actively engaging with their investments, or review their policy, to drive wider behavioural change.

Glossary

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.

Investment manager

The person, or more likely company, in charge of making decisions on where to invest. Universities often employ investment 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.¹⁰

Commingle fund

An investment fund where an investment 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.

¹⁰ Climate justice definition, UN. [Available online.](#)

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. 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.¹¹

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.

¹¹ What is impact investing, Global Impact Investing Network. [Available online.](#)

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.

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.¹²

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.¹³

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.

¹² What is responsible investment, Cambridge Institute for Sustainability Leadership. [Available online.](#)

¹³ UK Guide to Shareholder Resolutions, ShareAction (2019). [Available online.](#)