Submission to the University of Oxford Ethical Investment Representations Review Subcommittee (EIRRS) on behalf of concerned students at Pembroke College

Executive Summary

As students of Pembroke College, we are proud to be part of a welcoming and forthcoming community in which senior management has been collaborative in improving its investment policy. Through correspondence from the Master in June 2024, Pembroke has officially communicated its intentions to disclose its investments and provided an example of transparency thoroughly needed at the university. Further, the college's finance team, including the Bursar, has been welcoming to student feedback on its investment policy. Earlier in Michaelmas Term 2024, Pembroke held an open presentation on its investment policy to its student community, in which it presented the incremental strides towards a more sustainable and ethical investment policy. Since 2021, Pembroke has not invested in any direct holdings in the tobacco industry as well as direct fossil fuel companies. However, the college, much like many others across the university, can and should do better in regards to investments - both direct and indirect - against arms manufacturing. At the same time, Pembroke, like other Oxford colleges, is constrained by its investments in the Oxford University Endowment Management (OUEM), in which it has limited agency over investment decisions.

Currently, Pembroke has approximately 45 per cent of its investments in OUEM. In other words, almost half of our college's endowment funds are managed through an entity that has not been forthcoming or transparent as to the outcomes of its investments. Thus, it becomes impossible for our college to fulfil its ethical investment intentions without the willingness of transparency and divestment from entities such as the OUEM. **We, concerned students of Pembroke College, comprising both JCR and MCR members, strongly believe that the University of Oxford should wholly divest from the direct and indirect, production and manufacturing of all arms.**

In this submission, we make a case for the University of Oxford, together with its constituent colleges, to fully divest from arms as a matter of transparency, corporate and social responsibility and for us to continue being at the forefront of global security issues, intellectual thought and driving innovation for the world at large.

The Case of Transparency Through Disclosure and Divestment

The current university policy, which many colleges adhere to, is the prohibition of investments in companies which manufacture illegal arms under the Cluster Munitions (Prohibition) Act 2010 and the Landmines Act 1998. While the university follows the necessary guidelines, the conditions of compliance are consequentially insufficient to avoid complicity and illegality. Not only do the two acts cited not follow or have legal guidelines to adhere to emerging precedents in international law, but they exclude cases of indirect investments and 'dual use' infrastructures (which can be used for both civilian and military purposes). These are, ultimately, still investments in the larger arms and weaponry industry.

Simultaneously, the approach towards illegality as a binary is concerningly dependent on a bare minimum definition which allows for continued perpetuation of militarised violence. For example, the use of conventional weapons that are 'legal' under UK law are not excluded from the university's policy. This includes weapons such as F-35 fighter jets[1], which have been utilised heavily in international conflicts. Especially in contexts of international and intrastate conflict, it becomes difficult to track the lifespan utilities of technologies. In other words, University of Oxford's current investment policies allow these funds to facilitate harm on a global and transnational scale. Complete divestmen tfrom arms would avoid any legal dilemmas regarding both the legality of manufacturing and concerns over illegal utilisation of weapons and military infrastructure.

A common counter-argument that students have received from institutional members against disclosure and divestment is that it would make Oxford's endowments 'less competitive' to the market. However, there are examples of universities in the UK which offer a great deal of transparency and disclosure in their investments and have not suffered financial loss as a result. The University of Sheffield, for example, annually discloses a portfolio valuation of its holdings to the company level. Imperial College London, meanwhile, discloses its direct investments and offers a list of the companies which it is indirectly invested in. It seems, therefore, that diversifying investments away from militarised industries is an ethical, as well as economically viable pathway for the university.

Ultimately, it is impossible to make concrete delineations on the future of Oxford's investments without full disclosure. This prohibits any comprehensive and independent review of the university's investments, as well as its constituent colleges. This is of paramount importance as recent Freedom of Information (FOI) requests have showcased how colleges are deeply ingrained in investing in arms. Lack of transparency on investments, due to unwillingness towards disclosure, further prevents trustees in colleges from fulfilling their fiduciary duties and ensuring compliance with the Charity Commission. Currently, it is impossible for Pembroke College, and Oxford more broadly, to ensure its beneficiaries that their holdings are compliant with the current ethical investment policy at large, let alone that they do not bring reputational damage.

Full transparency of the institution's, and thus of its colleges, investments is the necessary foundation for a productive and sustainable discussion towards ethical investment policies that remain competitive while reducing harms. **There is no place for an educational institution such as Oxford to be investing in arms, let alone not disclosing to its trustees, governing bodies and beneficiaries on its investment decisions.**

Corporate and Social Responsibility: moral, legal and economic justifications

Business enterprises — whether charitable or for-profit — are specialised organs within society and perform functions that delineate compliance with human rights. The United Nations Human Rights Office of the High Commissioner (OHCHR) outlines the corporate responsibility to respect human rights in which, irrespective of sector or operational context, enterprises must meet the responsibility of its impact on human rights.[2] In order to do so, we urge the University of Oxford to adhere to "a human rights due diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights" within the ethical investment review. Disclosure is the crucial step towards making its commitments available and effectively communicated to relevant parties, whilst divestment from arms - both direct and indirect

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1 https://www.middleeasteye.net/news/groups-warn-uk-arms-companies-criminal-liability-over-israel-exports

2 https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

investments - co-creates the conditions in which OUEM, as well as colleges, can begin to prevent and mitigate adverse human rights impacts.

In addition, international law continues to mount against perpetrators of war crimes, crimes against humanity and genocide. Whether that is in Palestine, Sudan or Myanmar, individuals and nation-states have increasingly come under scrutiny for their use of weaponry and military force against civilians. Most recently the International Centre of Justice for Palestine (ICJP) has lodged a formal complaint to the Charity Commission pertaining to over £1million in investments involved in illegal settlements of Occupied Palestinian Territories.[3] Divestment is not only a a moral imperative, but now also a legal - and increasingly economic - decision too. This closely resembles the trajectory of prior successful endeavors towards divestment from the tobacco and fossil fuels industry, and so Oxford must do so too with the arms industry.

When Pembroke College members have scrutinised its investment policy towards a fuller exclusion of investments in manufacturing arms and military technologies, senior management members have pushed back by arguing that continuing investments will allow for an 'engagement' with such companies, which could lead to long-term improvements as a whole. To this, we argue that any and all investments in arms is already an engagement, and thus an endorsement, in favour of militarism, and thus the perpetration of harms and political violence. It seems OUEM and senior management are adamant about a contradictory positionality in which we are influential enough to redirect the course of an industry reliant on violence for profit while simultaneously being a mere 'a drop in the ocean' when it comes to the university's proportion of investments in these companies. Therefore, a wholesale prohibition on arms investments would garner a practical, and bureaucratic, ease compared to the logically convoluted alternative that is a hypothetical engagement.

Our place at Oxford, and Oxford's place in the World

As students of University of Oxford, we are at the heart of the intellectual and educational community that is higher education. One of Oxford's greatest attributes is its position as a global institution which attracts students from across the world, often including those from countries and displaced communities directly harmed by the same weapons, and thus violence, it funds. We believe that educational institutions should, first and foremost, be invested in the quality of teaching, research and academic thought that it produces.

Pembroke College holds its annual Blackstone Lecture in Law, where we are proud to be a home to rigorous intellectual thought on human rights, international law and management of the fast-paced changes that compel us to rethink assumptions long thought to be facts. As students, the ability to engage critically is one of the pillars of our educational journey, and our combined years of learning have led to this: there are collective responsibilities to think and act better.

This submission calls for the University of Oxford to engage in the arc of history by responding to student and faculty voices calling for transparency and change. The focus of university investments should be to support the academic needs of the institution and its members rather than to accrue wealth through harmful investments. Furthermore, the impact of these investments should reflect the university's fundamental commitments to careful and critical engagement with international societies. As a key global figure in higher

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[3] https://www.icjpalestine.com/2024/11/26/oxford-college-referred-to-regulator-over-foi-revelation-of-1m-investments-in-illegal-israeli-settlements/

education the University of Oxford has the responsibility to engage consciously with the global community, and the opportunity to continue representing leading institutions of global progress.

Yours sincerely,

Concerned students of Pembroke College, University of Oxford