

## Summary of the Report from Short Life Working Group on Definition of Armaments for Investments

### 1. Background

The formation of a Short-life Working Group (WG-A) was one of three actions agreed by University Executive at its meeting of 14 May 2024<sup>1</sup>, when it discussed proposals for divestment.

The WG-A's remit focused on undertaking a rapid review of the University's current definition of armaments and controversial weapons, as applied in the context of the University's investments, with a report and recommendations provided to University Executive and Court.

The Convenor of WG-A was the Provost, with membership of the working group comprising academic and professional services colleagues with relevant expertise, including in socially responsible investment, sustainability and defence-related research, as well as the EUSA President. WG-A was also advised by a further academic with expertise in Autonomous Weapons Systems, and by a representative of a company providing relevant professional services. The Terms of Reference were published on the University website.<sup>2</sup>

### 2. Current approach and alternative options

The University's Responsible Investment Policy (RI Policy) was last revised in 2016, with a review planned for AY 2023/24. The policy excludes investments in weapons that do not sufficiently discriminate against non-combatants and includes the following statement regarding armaments.

#### ***Armaments statement***

*The University will not invest in controversial armaments. The University uses the Sustainalytics definition of controversial weapons which includes: anti-personnel mines, biological weapons, chemical weapons, cluster weapons, depleted uranium ammunition, nuclear weapons and white phosphorus weapons.*<sup>3</sup>

WG-A discussions focused on understanding how the definition of controversial weapons has been applied across our investment portfolio, and specifically considered three options around the current definition:

- 1) remain with the University's current approach, and the armaments currently included under the listing
- 2) expand the list of controversial weapons to include Lethal Autonomous Weapons Systems (LAWS) and AI-directed Lethal Targeting of Human Subjects
- 3) expand our approach to controversial weapons to non-controversial weapons. (i.e., divest from all armaments).

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<sup>1</sup> [Update on the University's investments | The University of Edinburgh](#)

<sup>2</sup> [https://www.ed.ac.uk/sites/default/files/atoms/files/slwg\\_dai\\_tor.pdf](https://www.ed.ac.uk/sites/default/files/atoms/files/slwg_dai_tor.pdf)

<sup>3</sup> [https://www.ed.ac.uk/sites/default/files/atoms/files/responsible\\_investment\\_policy\\_statement\\_1\\_url\\_update.pdf](https://www.ed.ac.uk/sites/default/files/atoms/files/responsible_investment_policy_statement_1_url_update.pdf)

### **3. Approach taken by the WG-A**

The WG-A met four times, over three weeks. During those meetings, WG-A considered the WG-A Terms of Reference, information about the current Responsible Investment Policy, the University's investment processes, and information about screening methodologies adopted by major ESG research providers and fund managers.

The group received expert input on: alternative approaches to consideration of controversial weapons in investments; the international human rights law context for weapons and controversial weapons; and the principles behind the Sustainalytics approach.

The WG-A discussed the three options, focusing on advantages, disadvantages and implementation / risks of each option. The WG-A also considered draft versions of the planned report for University Executive, including the opportunity to provide input prior to submission.

### **4. WG-A support for options**

The WG-A concluded:

- a) that there was value in considering other areas to be included under our heading of Controversial Weapons, and consequently that Option 1 was not supported.
- b) some members supported Option 2. There was general agreement around inclusion of LAWS, but some debate about extension to AI-targeting. The potential unintended consequences of adopting too wide a definition of AI-assisted targeting were considered, including the potential challenge of defining what would be included or not in this category.
- c) some members of WG-A supported Option 3, although this received overall less support than Option 2. WG-A felt that significant further work would be required to understand the implications for the investment portfolio and related due diligence processes if Option 3 was implemented.

### **5. Caveats**

The WG-A recognised that it could not consider the potential implications of moving beyond Option 1 in terms of challenges, impacts or risks, such that further consideration, in-house and external expertise and capacity could be required to facilitate effective implementation. There was disagreement amongst the WG-A as to the assessment of implementation and risks.

### **6. Recommendations**

- a) WG-A recommended that consideration be given to Option 2 or 3, with a preference for Option 2. Further work would be required to understand and refine definitions of LAWS and AI-targeting that could be applied with clarity.
- b) WG-A recommended that information around UN Blacklist, UN-Backed Principles for Responsible Investment, information from the staff representative and WG-A advisor and the principle of precaution be considered by the second Working Group.

- c) WG-A recommended that the University explore means of obtaining advice in areas of concern over means and methods of warfare, human rights violations and developments and broader issues of socially responsible investment.
- d) WG-A recommended its report be provided to the Investment Committee, to provide a view of potential implications for our investment portfolio.

WG-A recognised that changes to pooled funds may be particularly complex and more challenging to implement. WG-A's recommendation was to focus initially on direct funds.