

The following pages are an extract from:  
Treasury Management Policy Version 12 June 2021

## **Schedule S10 Ethical investment policy**

10.1.1 In accordance with Charity Commission guidance, the University's investment policy is to generate funds. There are three instances, established in English case law, where criteria other than financial criteria are appropriate and in accordance with which the University will not invest:

- i. where such investment might conflict, or be inconsistent, with the aims, objectives or activities of the University. Thus, for example, investment in the tobacco industry would be inconsistent with and would conflict with the existence of the University's medical and dental schools and the research undertaken there
- ii. where such investment might hamper the work of the University either by alienating financial supporters or potential financial supporters; or by having a material impact on applications from potential students
- iii. where such investment, while not excluded by virtue of (i) or (ii) above, is considered by the University to be unethical. A decision might be made not to invest within a certain sector on ethical grounds relating to particular products or services, or particular customers of that business.

10.1.2 In light of the above, the University will only invest in funds (which include equity / corporate bonds) that explicitly exclude investment in companies that engage in the manufacture of tobacco products. It will aim to invest in funds that provide social and/or environmental benefits, which may include green technologies.

10.1.3 The University uses a Fund Manager to place cash deposits and invest in Corporate bonds with banks and building societies. It expects its investment managers, as part of their normal investment research and analysis process, to take account of social, environmental, ethical and governance considerations in the selection, retention and realisation of investments and to take into account the University's statement of Corporate Social Responsibility and this policy.

10.1.4 It is acknowledged that assurance as to whom the banks and building societies, either via a fund manager or directly by the University, onward invest with cannot be guaranteed. It is recognised that it is not reasonable for the University to have control over onward investments of these organisations.

10.1.5 The University encourages all of the organisations with which it works to behave in a socially responsible way. This is included as part of the tender process when tendering for any of the services outlined in schedule S9 and selecting counterparties and lenders as outlined in schedules S3 and S4 respectively.

**The Treasury Management Policy was approved by the Finance Committee chaired by Bruce Mann CB on 24 June 2021.**

**The Board of Governors, which includes student representation, has delegated authority, for the approval of the Treasury Management Policy which includes the ethical investment policy, to the Finance Committee.**