



## UNIVERSITY EXECUTIVE BOARD

*4<sup>th</sup> July 2023*

### *Ethical Investment Policy*

---

**Purpose:** *To provide the University Executive members with the annual update on the Ethical Investment strategy*

**Author:** *Rob Bonham, Pro Vice Chancellor (Finance and Resources)*

---

#### Executive Summary

As part of the annual collation of Policies and notes to be included on the website to showcase the Ethical performance of the University there is an annual update on the Ethical Investment position.

As per all previous years the University has not held any 'Unethical' Investments, or indeed any Investments at all, because either it has not been in a position to invest in the share market using an Investment Fund Manager, or has actively chosen to keep its risk profile to a minimum by utilising surplus cash in short term deposit accounts with various reputable banks. Given the recent turbulence in the global Stock Markets this has ensured that the University has preserved its cash reserves.

As at 31<sup>st</sup> July 2022 the University held bank balances of £59m with a £63m outstanding balance on its fully drawn down Barclays Bank loans and a further long-term commitment to fund The Hive PFI of £2.5m. Full details are included in the University's Annual Report and Financial Statements.

There were no share investments made in the year and hence there was no need to consider any ethical dimension to any investment decision.

Ethical Investment Policy

Reviewed & Approved by UEB: 4<sup>th</sup> July 2023 (previously approved 4<sup>th</sup> July 2022)

The University of Worcester promotes active engagement with the community and fully accepts its broad responsibilities towards society. It promotes environmentally sustainable ways of working and living.

As it stands the University does not hold any share investments, but details of any investments in the future would be listed in the relevant Annual Report & Financial Statements.

Although there are currently no external investments it is envisaged that there will be some investments in the coming twelve months. Consequently an Investment Committee is being formed (but has not met yet) to consider the approach to specific investing within the parameters of this Policy. It should be noted that there is student representation on the wider Finance & Development Committee to which this new Investment Committee will report.

The University does welcome donations from alumni, corporate benefactors, and other supporters. To enable the educational purposes of donations to be achieved, the University may, from time to time, invest surplus funds and endowments with third party organisations.

Wherever possible and in accordance with Charity Commission guidelines, the University wishes to make such investments in ways that are consistent with the mission and values of the University.

The University expects its investment managers (as and when appointed), as part of their normal investment research and analysis process, to take account of social, environmental, and ethical considerations in the selection, retention, and realisation of investments. The University will strive to invest in companies where the activities of the company are, on ethical grounds, consistent with the educational and/or research objectives of the University. The University will also take into account the published guidance of the Charity Commission on ethical and socially responsible investment of charitable funds.

The University will not knowingly invest in companies whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the University.

Specifically, The University will not directly invest in:

- Fossil fuel companies
- Arms Companies
- Border Industry Companies
- Companies in Violation of International Law

Regarding investments in Energy, the University of Worcester does not currently have any shareholdings. Any future direct Energy investments would tend to be focused on: Renewables, Low Carbon Technologies, or Renewable energy projects on campus.

In order to give effect to its commitment to this policy the University will:

- monitor and review the University's investments annually to ensure that ethical standards are maintained;
- seek investment opportunities with companies and organisations which have demonstrated a positive record of ethical performance;
- not engage in any investment with companies which have demonstrated a negative record of ethical performance and/or withdraw from engagement with companies should their ethical performance decline;
- engage with companies in which it considers investing, and where appropriate use its influence to encourage ethical standards, practices and lines of business acceptable to the University;
- issue guidance for fund managers responsible for the University's investments

Where appropriate, the University would expect the issues raised with fund managers to include the following:

Environment - The quality of their environmental management, policies and reporting, their efficient use of resources and any pollution convictions that they may have.

Overseas Operations - Their policies towards human rights, the nature of any operations in the third world and their observance of labour standards. Also, their marketing techniques, supply chain management and the quality of internal controls.

Workplace - Their approaches to equal opportunities, training, health and safety and employee welfare.

Product/Service - The effect of the manufacture and sale of their products and services on public health and safety. The significance and benefits of any positive products and services.

Community - Their involvement and impact in local communities both in the UK and overseas, the extent and nature of charitable donations and the significance of any advertising complaints.

Political Activity - The extent to which they donate money and/or services to local, national and international political bodies. The extent of any lobbying activity and membership of lobby groups.

This Ethical Investment Policy is intended to be entirely consistent with the duty to secure maximum returns from the investment of charitable funds.