Ethical Investment Policy June 2016

The University's Ethical Investment Policy forms part of the over-arching Treasury Management Policy.

Introduction

Sustainability is a key priority for the University and this extends to the sustainable investment of funds. To ensure that investments match the priorities and values of the University, an Ethical Investment Policy has been developed. This Policy is intended to support our aims to invest in a better global future by delivering strong returns through involvement in companies which improve quality of life and provide environmental benefits.

Investments

The University has committed to sustainable investment by positively supporting investments in sustainable companies and through establishing restrictions on some types of investments.

Investments made directly by the University will be restricted to short term deposits of cash into treasury deposit accounts. No direct investments in equities are made by the University, other than in subsidiary companies. Endowment funds are managed by a third party Fund Manager and invested in accordance with the Ethical Investment Policy Statement.

Ethical investment

The aim is to invest in well managed companies that provide products or services that are more sustainable than the market and are set to benefit from a shift towards more sustainable development.

In order to achieve the University's aim to remain consistent with ethical values, an Investment Policy Statement has been prepared by the Trustees of The University of Gloucestershire Endowment Fund. This Statement provides guidance as to how the management of the Endowment Funds which is delated to a third party Fund Manager should be exercised.

The University has committed to sustainable and ethical investments in management of the Endowment Funds, and the University's ethical restrictions will be applied using EIRIS (global ethical investment screening company), as follows:

<u>Tobacco</u> – Any companies involved in producing and distributing tobacco products where revenues exceed 10% of global earnings and any companies involved in the manufacture of cigarettes and other tobacco products.

<u>Armaments</u> – Companies producing weapons and weapon systems, including cluster munitions and anti-personnel landmines. Companies whose main business includes the supply of strategic components (such as weapons guidance systems) and services are also excluded.

<u>Human Rights & Labour standards</u> – Companies whose policies, practices and record on human rights and labour standards fall below the recognised standard as identified by EIRIS.

<u>Oil & Mining Companies</u> – In addition to meeting the above standards, companies in this sector will be screened further and companies who have been identified as having 10% or more of their revenue from Thermal Coal, Oil Shale & Tar Sands

production (considered the most polluting) will be excluded. In addition any company whose reserves in Tar Sands and Oil shale are over 10% of their total reserves will be excluded.

Appointment of Fund Managers

Third party fund managers are appointed following a tender process which takes into account the social, environmental and ethical policies of the University. Fund managers are required to ensure that investments are made in line with the University's Ethical Policy Statement and report on how compliance has been demonstrated.

Representation process

The Ethical Investment Policy is available on the University's web pages, with appropriate contact details, enabling members of the University community to have an opportunity to engage with the Policy. Staff and students are also given an opportunity to engage with this policy via their staff and student representatives at appropriate University Committees.

Review process

The Ethical Investment Policy will be subject to an annual review, evaluation and monitoring process undertaken by the appropriate University Committee who will consider the policy and make recommendations for the Finance & General Purposes Committee to consider.