

# Ethical Investment Policy

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### Version Control

Reference Number	Version Letter	Executive Sponsor	Officer Responsible for Policy/ Procedures	Consultation Process	Date Impact Assessment Completed	Date of Approval and Committee and/or Executive Officer	Effective Date
2019	N/A	Neil Scott	Alison Davies	Executive / FIC	N/A	12/11/19	12/11/19

### Related Policies

University Financial Regulations and Governance  
 Financial and Legal Authority Limits  
 Treasury Management Policy  
 Investment Policy

## Ethical Investment Policy

### 1. Purpose of Policy

The purpose of this policy is to supplement the University's Investment Policy by establishing a clear understanding of how the University ensures that it acts in a socially responsible manner when managing its investments.

### 2. Scope of Policy

#### 2.1. Principle

Aston University recognises ethical investment as being the act of investing in activities which make a sustainable, long-term and positive contribution to the environment or society in general.

As per the University's Investment Policy, the University aims to generate funds, through both interest and dividend income generation and capital growth. Gains will be reinvested to support the charitable objectives of the University, and the specific donor objectives of donated funds.

#### 2.2. Applicability

Aston University's Ethical Investment Policy shall apply to all investment decisions being made by the University and its subsidiary entities. This includes the use of any investment fund managers engaged by the University.

This policy applies to both operating cash funds and donations or endowments invested on behalf of donors.

This policy should be read in conjunction with the University Investment Policy and Treasury Management Policy. The Ethical Investment Policy must be adhered to by all staff, students and stakeholders of the University.

Aston University is a member of multi-employer and single employer pension schemes constituted as separate legal entities with their own trustees and corporate governance procedures. Pension scheme funds are therefore invested entirely separately from the University and thus are not included in this policy.

#### 2.3. Governance

Aston University staff and students may propose amendments to the policy via their representatives on the Finance and Infrastructure Committee.

All proposed amendments will be considered annually by the Finance and Infrastructure Committee, concurrent with its review of the Ethical Investment Policy.

The Finance and Infrastructure Committee shall consider annually the progress against the objectives set out within objectives in this policy.

### 3. The Policy Statement

#### 3.1. Statement

Aston University is committed to:

- screening investments on ethical grounds with the provision that if the activities of a company are inconsistent with the objectives of the University, then the University may choose not to invest even though this may reduce returns;
- not engaging in any investment which might hamper the work of the University by being incompatible with the ethical expectations of the University's key beneficiary groups; students, business and professions, and our region and community; and
- not engaging in any investment which, while not excluded by virtue of the above, is considered by Aston to be unethical.

#### 3.2. Policy application

The University routinely engages with third party organisations through the investment of surplus funds and endowment funds in line with the Investment Policy.

The University largely invests in major UK banks and financial institutions, and does not routinely invest directly in equities, with the exception of subsidiaries, spin-out companies and where specifically requested by a donor.

In order to ensure investments meet appropriate ethical values, the University will not invest directly in:

- the core activities of fossil fuel companies;
- activities that lead to environmental degradation;
- production of landmines, cluster bombs, nuclear and conventional weapons (arms companies);
- tobacco manufacture, alcohol, pornography, gambling;
- support of oppressive regimes, or those covered by International sanctions;
- anti-social sales and marketing practices relating to alcohol and tobacco; nor
- funds associated with violations of international conventions and norms in the areas of human rights, employment practices and climate change.

### 4. Communications

#### 4.1. Ethical Investment Statistics

Aston University has committed to, on the University website, publicly list all categories of investments on an annual basis. This will be in the form of a percentage of the University's funds invested by cash deposits and each type of invested funds, with a disclosure setting out the percentage of each fund invested in high carbon risk assets.

Carbon risk is generally defined as the carbon intensity and climate change risks associated with investment. External assessment has concluded that no specific carbon intensity or climate change risks arise from the general operations and activities of UK Clearing Banks.

#### 4.2. Public Statement

On an annual basis, in line with the publication of the above statistics, a statement will be published on the University's website by the Chief Operating Officer confirming the University's compliance with the Ethical Investment Policy.