

ETHICAL INVESTMENT AND BANKING POLICY

POLICY COVERSHEET

# Key Details

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| **POLICY TITLE** | Ethical Investment and Banking Policy |
| **DATE APPROVED** | 30 JUNE 2022 |
| **APPROVING BODY** | Management Board |
| **VERSION** | 1.1 |
| **PREVIOUS REVIEW DATES** | February 2020 |
| **NEXT REVIEW DATE** | February 2023 |
| **OUTCOME OF EQUALITY IMPACT ASSESSMENT** | *No major change* |
| **RELATED POLICIES / PROCEDURES / GUIDANCE** |  |
| **IMPLEMENTATION DATE** | 30 JUNE 2022 |
| **POLICY OWNER (JOB TITLE)** | David Llewellyn (Chief Officer (Resources)) |
| **UNIT / SERVICE** | Finance |
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# Version Control

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| **VERSION** | **DATE** | **REASON FOR CHANGE** |
| 1.0 | 01 February 2020 | First version |
| 1.1 | 30 June 2022 | Updating title, paragraph 3.2, addition of paragraph 3.9 |

# Policy Hub

## For further information on policies:

1. You can go to the Secretariat pages on InSite at [https://outlookuwicac.sharepoint.com/sites/Secretariat](https://outlookuwicac.sharepoint.com/sites/Secretariat/);
2. You can go to the Policy Hub at [cardiffmet.ac.uk/about/policyhub](https://www.cardiffmet.ac.uk/about/policyhub/); or
3. Contact [policies@cardiffmet.ac.uk](mailto:policies@cardiffmet.ac.uk).
4. **Scope & Purpose**

Cardiff Metropolitan University recognises the importance of ensuring that the investment of the University’s funds matches its priorities and values as stated in its strategies and operations. Having an explicit Ethical Investment Policy helps the University’s stakeholders to make this connection and provides the opportunity to influence positive change in corporate behaviour. This policy supports the University’s aim to invest its funds with due consideration for ethical, environmental, corporate governance and social issues.

This policy applies to all activities undertaken by (or on behalf of) the University its students, staff, governors, contractors and other stakeholders. It seeks to give all parties a voice in environment, sustainability and ethical matters via governance.

1. **Executive Summary**

The Ethical Investment policy is a strand of the University’s Sustainability Strategy and its Treasury Management Policy. Through the strategy, Cardiff Metropolitan University takes account of sustainability concerns and promotes the same behaviour in its partners and suppliers that Cardiff Metropolitan University practices. The policy sits within the University’s Ethics Framework.

The Ethical Investment Policy is one of a suite of policies, and should be read in conjunction with the following:

Financial Regulations

Treasury Management Policy

Environment & Sustainability Policy

Sustainability Strategy

The University’s Ethics Framework

The University invests its surplus funds and endowments with the objective of maximising the return on the investments whilst minimising the risks to the capital values. The University expects the selection, retention and realisation of all treasury investment to be done in a manner which is consistent with its investment objectives and legal duties. To this end, the University seeks assurance from its banking partners and investment fund managers that they satisfy its ethical requirements.

The University routinely invests surplus funds & endowments in**;**

* Third party organisations; these investments are managed by the University’s investment fund managers. Deposits are made in line with the guidance set out in the Treasury Management Policy.
* Short and long-term depositswith the University’s banking partners. Banks and building societies, will be researched to ascertain compatibility with the University’s Ethical and Sustainability Policies.
* Spin out companies which are established to strengthen research and to commercialise the Intellectual Property owned by the University.
* Charitable Bonds which are managed by established trust fund managers.

1. **Statement of Policy**
   1. To ensure open and transparent communication of investment processes and practices with its stakeholders and the public, the University commits, (commencing in 2020) to note all its investments in its Annual Financial Statements.
      * + The Financial Statements are publicly available on the University’s website (investments will be listed in the 2019/2020 statements & onwards).
   2. When deciding on the placement of its investments, the University strives to adhere to its stated values. As such it does not knowingly invest (including through collective funds), in companies or activities which are considered to be unethical, potentially detrimental to health (this includes alcohol, tobacco and gambling), threaten community and international stability, or contribute to the maintenance of poverty, abuse of children or other groups. This includes:
      * + All fossil fuel companies.
        + All arms companies.
        + All companies complicit in the violation of international law.
        + To screen out Border Industry companies
   3. The University will make an active commitment, where possible, to increase the amount of investment in positive environmental activities (including healthcare and the low carbon sector) and directly invest in on-campus renewable energy and minimisation of waste projects
   4. The University will engage in community investment and local sourcing, where possible, and seek investment opportunities with companies who have demonstrated a positive record of ethical performance.
   5. The University will ensure that where fund managers undertake the University’s investments that they operate, where possible, to socially responsible objectives, which are consistent with those of the University.
   6. The University will apply good practice in human rights when making investment decisions and consider the ethical implications of investments alongside the commercial opportunities. In doing so it will strive to ensure that corporate decisions and actions give due consideration to the global environment, its climate and biodiversity, engaging in best corporate governance.
   7. The University commits to have student representation on the Sustainability Committee.
   8. The University will publish the Ethical Investment Policy on the University website with appropriate contact details.
   9. The University commits to have student representation on the Resources Committee where investments are discussed.
2. **Roles, Responsibilities and Policy Review**
   1. The University holds a Sustainability Focus Group to provide an ongoing opportunity for the wider student body and staff community to engage with and challenge the University’s practices on the grounds of ethical investment and other sustainability issues.
   2. The focus group reports into the Sustainability Committee. To ensure effective engagement, all focus group feedback will be reviewed at the Sustainability Committee on a termly basis.
   3. The Sustainability Committee will review the Ethical Investment policy on an annual basis. The Sustainability Committee reports into the University’s Management Board and from there to the Board of Governors via Resources Committee.
   4. The Ethical Investment Policy is owned by the Chief Officer Resources (CO(R)) and is implemented by key University financial and legal staff under the CO(R)’s direction.
   5. The CO(R) will present the Ethical Investment and Treasury Management Policies to the Resources Committee for review in accordance with the University’s policy protocols. All amendments to the policy will require the final approval of the Board of Governors at which there is Student Union representation.
   6. By posting the policy on the University webpages the University continues to encourage staff, students and other stakeholders to engage with the policy.