

## Ethical Investment Policy

Sustaining and enhancing the wellbeing of people, places and the planet are amongst the most important challenges we face today.”  
UCLan Strategic Plan 2021-2028

### Introduction

Sustainability is one of the key priorities in the UCLan strategic plan that runs from 2021 until the institutions 200<sup>th</sup> anniversary in 2028. An organisation that grows and flourishes over such a long time period plans and adapts to changing circumstances and the same is therefore true of the approach to Treasury Management and investment of funds. To ensure that investments match the priorities and values of the University, the Ethical Investment Policy has been updated alongside the strategic plan.

This Policy is intended to support our Strategic Priority around sustainability and facilitate prudent investment in companies which demonstrate policies and practices that are in line with the University's values.

### Investments

The University will not knowingly invest in companies whose activities are in direct conflict with its values and so when investing its funds, attention will be paid to social, environmental, sustainability and governance issues.

Funds are managed by a third-party Fund Manager and will be invested in accordance with the Ethical Investment Policy.

The primary purpose of the investment of University funds is to optimize returns in order to support the generation of sufficient revenue to meet the specific purposes for which the funding was given to the University.

### Ethical investment

This Statement provides guidance as to how the management of the Funds which is delegated to a third-party Fund Manager should be exercised.

The University has committed to sustainable and ethical investments in the management of the Funds. In pursuing responsible investment the University

endeavours to ensure that any third party Fund Manager follows the [United Nations Principles of Responsible Investment](#) and meets the [Public Sector Equality Duty](#) under the Equality Act 2010.

In addition, the University seeks to ensure the following ethical restrictions will be applied to exclude holdings in:

## Tobacco

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.

## Fossil fuels

Companies involved in the extraction and/or distribution of fossil fuel reserves or the provision of fossil fuel related energy equipment and services. This includes all companies with the following Global Industry Classification Standard classifications:

- Oil, Gas and Consumable Fuels Industry
- Energy Equipment and Services Industry
- Diversified Metals and Mining Sub-Industry

In making investment decisions the University expects its appointed Fund Manager to encourage good behaviour or discourage poor behaviour through the screening of investments. The Fund Manager should seek to eliminate exposure to the following areas:

- explicit environmental damage
- institutional violations of human rights
- any discrimination of the individual
- the manufacture of cosmetic products that are tested on animals
- gambling
- pornography

## Appointment of Fund Managers

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

## Representation process

The Ethical Investment Policy is available on the University's web pages, 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 annual review and monitoring undertaken by the Chief Financial Officer who will consider the policy and make recommendations for the Resources Committee to consider.

The Ethical Investment Policy will be available on the University's website allowing students and staff to understand UCLan's approach.

Last Review Date: May 2022