

ETHICAL BANKING AND INVESTMENT POLICY



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Summary: <p>This document defines the University's policy on investment including how the University ensures that investments are diversified, financially safe, ethical, environmentally friendly and fit with the University's values.</p>	

STATEMENT OF ETHICAL INVESTMENT POLICY

Ethical banking and investment considerations form an integral part of the University's values. Through its ethical banking and investment policy, the University seeks a constructive engagement with the corporate world in order that responsible business practices and high standards of corporate behaviour are encouraged and supported. The University is mindful of the need to avoid undermining its beliefs and ethos by providing capital to activities that are materially inconsistent with its values.

The Ethical Banking and Investment Policy is subordinate to the University's Treasury Management Policy and Procurement Policy and Procedures and therefore, in accordance with the University's Treasury Management policy, surplus funds are invested with the overriding objective of avoiding risk rather than maximising return on investment. This is achieved by investing in low risk investments spread across a portfolio of investments.

The University of Winchester is supportive of companies that seek to develop their businesses successfully and sustainably in the interests of shareholders. The use of positive ethical criteria in assessing companies is firmly incorporated within the ethical banking and investment policy through a process of constructive engagement with business. Criteria have been identified across five broad areas as:

- responsible employment practices
- best corporate governance practice
- conscientiousness with regard to human and animal rights
- sustainable environmental practice
- sensitivity towards the communities in which business operates

Companies are monitored according to this Statement of Ethical Banking and Investment Policy and, where appropriate, by developing an on-going dialogue and engagement with them. Disinvestment will be recommended where it is considered that a company's activities fall outside of the University's values and/or the aforementioned five criteria.

The University will actively seek to invest in institutions that pledge to incorporate environmental, social and governance issues into investment analysis and decision-making processes, and to be active owners, across all asset classes. The University recognise climate change as a distinct ethical banking and investment issue and invest in line with a climate change policy.

The University expect companies in which they invest to manifest sustainable environmental practice (such as investment in sustainable technologies), fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human and animal rights, sensitivity towards the communities in which they operate and best corporate governance practice. The University may engage with investee companies to seek improvement in ethical standards in these areas.

Investment exclusions

The University seeks to manage its investments in an ethical and socially responsible manner and does not wish directly to profit from, or provide capital to, activities that are materially inconsistent with its values or strategic plan. Consequentially the University will never knowingly invest in companies with any link to the production of munitions, tobacco, pornography, gambling or any company that is primarily focused on coal or oil extraction or processing.

The University does not intentionally invest directly (or through collective funds) in fossil fuel companies, arms companies or corporations complicit in the violation of international law. This includes organisations with high exposure to activities or substances, which are potentially injurious to animal or human health (including alcohol and tobacco), that could destabilise community cohesion and threaten international stability

The University is committed to helping protect and preserve the global environment and in terms of environmental sustainability, does not invest directly in organisations that do not have policies to control and significantly reduce the risk of serious negative environmental impact. Nor does the University knowingly invest directly or indirectly in organisations that breach human or animal rights or that breach the Modern Slavery Act 2015.

The University of Winchester also reserves the right to avoid investment in companies whose management practices are judged to be unacceptable. Given the complexity of the University's purchasing, a number of companies will have business interests in areas the University seek to avoid, and these will be closely monitored to ensure they meet the University's broader criteria.

Indirect investments via pooled funds

The University are only able to invest in some assets, asset classes and investment strategies through pooled funds. Pooled funds are funds in which a number of different investors invest, such as the University's multi-employer pension funds. Because the ethical banking and investment policy cannot be applied fully, or at all, in investments in pooled funds and indirect vehicles, it is essential that parameters are set for the use of pooled funds and indirect vehicles.

Current Investment Activities

The University currently holds 100% of the issued share capital of Winchester Business School Limited and Winchester Management School Limited. All companies are registered in England and were dormant throughout the year.

The University has also made an investment in the Hampshire Community Bank whose values are aligned with those of the University.

The University also makes considerable investment in the University estate. Such investment is ethically routed, refurbishing older buildings to equip them with energy efficient lighting and heating. A number of the buildings have also been fitted with external cladding to increase the energy efficiency of the buildings. The objective of these investments is to reduce the University's dependency on fossil fuels and to improve the estates sustainability. The University has reduced its carbon footprint by more than 30% since 2006/7 and continues to target further reductions through investment in sustainable developments to the estate. Investment has also been made in three renewable energy installations within the estate.

Investment continues to be made in reducing the University's water consumption and waste production. We also continue to support Winchester Action on Climate Change (WinACC), providing annual funding and providing office space. We continue to maintain and improve our Fairtrade activities and collaborate with the Winchester City Fairtrade Network.