

Brunel University London Ethical Investment Policy

Introduction

1. The University understands that being a socially responsible investor is about applying ethical, social and environmental principles to investment decisions and has therefore adopted the Ethical Investment Policy.
2. The University seeks to follow the guidance on ethical investment provided by the Charity Commission in the Basic Principles and Detailed Guidance for the investment of charitable funds published in December 2004.

General

3. This policy should be read in conjunction with the University's [Treasury Policy](#), approved by the Council of the University, which sets out the basis on which investment activity is to be undertaken. The Treasury Policy details with whom and up to how much we can invest with any given institution based on their credit rating.
4. The University defines its treasury management activities as:

“The management of the University’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
5. The University follows the key recommendations of CIPFA’s Treasury Management in the Public Services/Code of Practice and Cross-Sectorial Guidance Notes.
6. The Treasury policy stipulates that the University cannot hold stocks and shares and therefore means that the University is not exposed to investing with any companies that do not meet the ethical criteria that the University seeks.
7. The University publishes details of non-cash investments in its annual financial statements to ensure open and transparent communication with its stakeholders.

Ethical Considerations

8. The University aims to be a responsible investor in the assets and markets in which it invests, and it takes seriously its fiduciary obligations. It pursues this policy in order to protect and enhance the value of its investments by encouraging responsible corporate behaviour.
9. In deciding on companies in which to invest, the university aims to remain consistent with ethical values and its visions. It will not knowingly invest directly (or through collective funds) in organizations with high exposure to substances which are injurious to health, destabilise community cohesion, threaten international stability, or contribute to the development and maintenance of poverty, the abuse of children and the use of torture.
10. The University’s current and recent investments consist of only short term deposits (up to one year) with only UK based Banks and Building Societies with the highest credit ratings with each institution having a limit of funds we can place with them.

Risk Management

11. Currently, the University’s funds are invested in a portfolio of cash deposits that does not include equities, bonds, unquoted stocks, options or futures.
12. In managing its cash resources, the university keeps in mind 3 elements:

- Security of cash deposited;
 - Maintenance of adequate liquidity to meet operational needs; and
 - Gaining an appropriate level of investment return.
13. Risk management will be the prime criteria by which the effectiveness of its treasury management will be monitored and the University being risk averse and as such is not seeking to maximise returns but rather protect its investments by spreading them amongst high quality institutions.
14. Since the complete avoidance of risk is neither appropriate nor possible, a balance must be struck with a keen responsibility for money held for charitable purposes.

Review process

15. The Ethical Investment Policy will be considered annually by the Environment Sub Committee, who will make recommendations for updates to its content to the University's Finance Committee. The Finance Committee will approve the Ethical Investment Policy as part of its review of the University's Treasury Policy.
16. The University encourages student participation and the Environment Sub Committee and the Finance Committee includes student representation, giving the opportunity for the student body to contribute to the ongoing development of the Ethical Investment Policy.

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