

Brunel University of London Ethical Investment Policy

Document Control

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1. Introduction

The University understands that being a socially responsible investor is about applying ethical, social and environmental principles to investment decisions and has therefore adopted this Ethical Investment Policy¹.

The University seeks to follow the guidance on ethical investment provided by the Charity Commission in its guidance document “Investing charity money: a guide for trustees” updated in August 2023.

2. General

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.

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.”

The University follows the key recommendations of CIPFA’s Treasury Management in the Public Services/Code of Practice and Cross-Sectoral Guidance Notes.

The University’s approach to Treasury Management is to ensure that it has sufficient liquid funds available to meet operational requirements at all times, and therefore no funds are invested in stocks, shares or other similar investment instruments. This means that the University is not exposed to directly investing with any companies that do not meet the institution’s ethical criteria.

The University publishes details of non-cash investments in its annual [Financial Statements](#) to ensure open and transparent communication with its stakeholders.

3. Ethical Considerations

The University aims to be a responsible investor. At present, in line with the University Treasury policy it does not invest in stocks, shares or other similar investments. 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. Each institution has a limit of funds that can be invested with them.

If this were to change in the future the University would need to change its current investment policy. The University will continue to be a responsible investor in the assets and markets in which it invests, and it takes seriously its fiduciary obligations. It will pursue this policy in order to protect and enhance the value of its investments by encouraging responsible corporate behaviour.

¹ For the avoidance of doubt, this policy does not cover any of the University’s other activities involving other organisations, such as collaborations and partnerships.

In deciding where to place directly invested funds, the University will aim to remain consistent with ethical values and its vision. In adopting the Ethical Investment Policy, the University demonstrates an approach to the investment of its funds that minimises the risk of funds being invested in areas which conflict with the University's core values, taking account of ethical, environmental, corporate governance and social issues.

It will not knowingly invest directly, indirectly (or through collective funds) in any arms companies or organisations in violation of international law, 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.

The University is also committed to helping protect and preserve the global environment and will therefore avoid investing directly in organisations that do not have policies to control and significantly reduce the risk of serious negative environmental impact. The University currently holds no investments as a beneficiary in extractor fossil fuel companies and will not undertake any future investments in these companies.

4. Compliance

In order to ensure compliance with this policy the University will continue to operate within the existing Treasury Policy, compliance with which is monitored by the Finance Committee on a regular basis.

The University will also allow members of the University staff and student community and other relevant stakeholders to engage with the Ethical Investment Policy by displaying it on the University's website with appropriate contact details.

5. Risk Management

The University's funds are invested in a portfolio of cash deposits that does not include equities, bonds, unquoted stocks, options or futures. 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.

Risk management is the prime criteria by which the effectiveness of the University's treasury management is monitored. The University takes a risk averse approach to investment and as such is not seeking to maximise returns but rather protect its investments by spreading them amongst high quality institutions.

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.

6. Review process.

The Ethical Investment Policy will be considered annually by the Sustainability Strategy 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.

The University encourages student participation and the Sustainability Strategy Committee and the Finance Committee include student representation, giving the opportunity for the student body to contribute to the ongoing development of the Ethical Investment Policy.