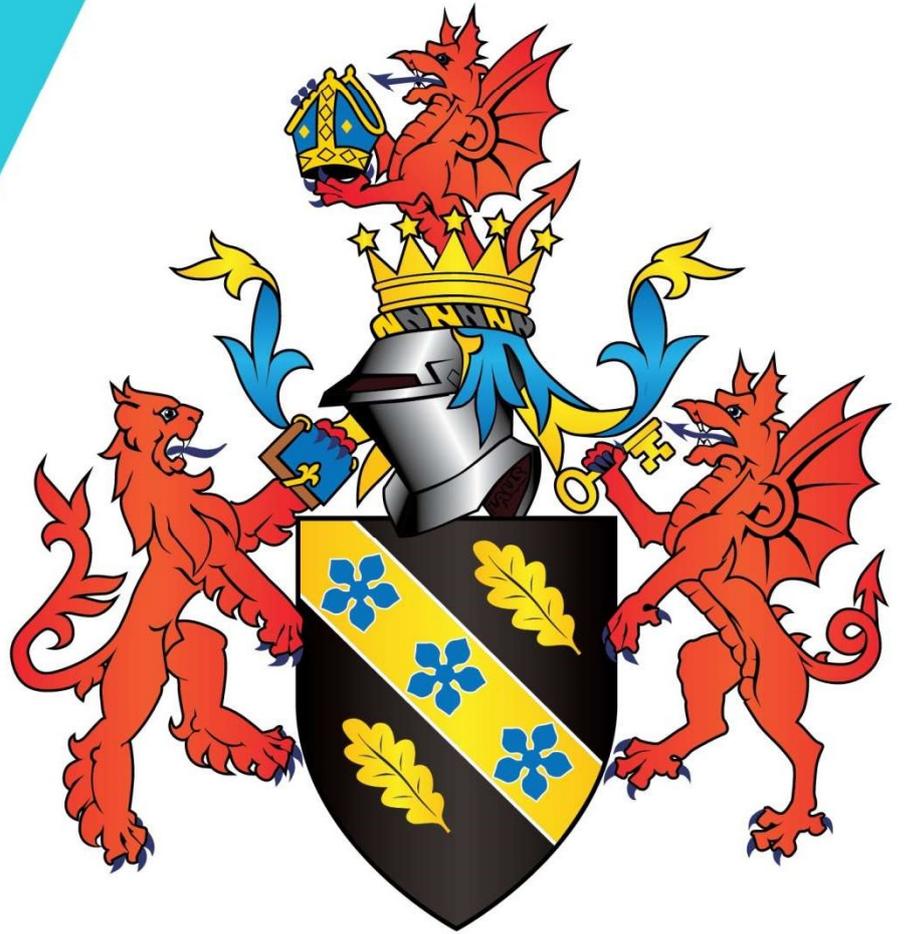




Prifysgol Cymru  
Y Drindod Dewi Sant  
University of Wales  
Trinity Saint David



# Ethical Investment Policy





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## **1. Introduction**

The University's Ethical Investment Policy reflects the ethical values of its students, staff, local, regional, national communities and all our other stakeholders regarding investment decisions

## **2. Purpose**

The University welcomes donations from alumni, corporate benefactors and other supporters. In order to enable the educational purpose of these donations to be achieved, the University will from time to time invest surplus funds and endowments with third party organisations.

Additionally the University will from time to time invest in companies that align with the strategic direction of the University.

The Ethical Investment Policy sets out the way that the University shall consider the ethical, social, economic and environmental consequences of its investments.

The Ethical Investment Policy carries equal weight to other investment policies within the University.

## **3. Scope**

This policy applies to the full scope of its investment portfolio, typically this will cover the investment of Endowment funds into portfolios of share capital and direct investment into companies by the University.

The policy takes into account the published guidance of the Charity Commission on ethical and socially responsible investment of charitable funds

The policy focuses solely on direct investments made by the University and does not extend to non-investment related teaching and learning, research, enterprise or other corporate activities and services.



## **4. Policy**

### **4.1 Responsibilities**

The Sustainability and Environmental Team have ownership of the Ethical Investment Policy.

Day to day operative of the policy is through the Ethical Investment Plan which is owned by the Director of Financial Services

### **4.2 Overview**

The University seeks constructive engagement with private and public sectors, the purpose of which is to maximise both public benefit and financial sustainability.

In alignment with this the University seeks to make investments in ways that are consistent with its values and strategy.

The University will strive to invest in companies where the activities of the company are ethically consistent to its educational and research objectives. In doing so the University will take account of social, environmental and ethical considerations in the selection, retention and deselection of its investments

### **4.3 Ethical Investment Plan**

The University's commitment to this policy is through the enactment of its Ethical Investment Plan. The Plan is reviewed on an annual basis to ensure alignment with the University's Sustainability Plan.

The ownership of the plan is with the Director of Financial Services, its primary objectives are to:

- Not knowingly undertake new investments in arms companies or corporations complicit in violation of international law.
- Divest from fossil fuel companies by prioritizing draw down from existing funds invested in fossil fuel companies when funding upcoming capital investments.
- Review this policy and progress against the Ethical Investment Action Plan at least annually at the Resources Committee.
- Consider representation from members of the University community, including the student body, through the University committee structure, regarding matters that the University should not invest, or should disinvest, in specific companies.
- Issue guidance for fund managers responsible for the University's investments.
- Provide clear processes by which stakeholders can make representations about companies and sectors that breach the Ethical Investment Policy.
- Increase, where viable, the percentage of investments that are placed in socially and environmentally responsible funds.



#### **4.4 Investment Portfolios**

The University does not directly invest in listed company shares, rather these are managed by the University's assigned fund managers.

For the year to July 2022 the University uses Close Brothers Asset Managers as its fund manager.

The University has a long standing and permanent investment strategy with its fund manager that is fully aligned with this policy.

##### **4.4.1 Portfolio review**

The Director of Financial Services will review the investment portfolios on an annual basis to ensure that the policy is adhered to.

The review will be based on the July portfolio reports and a confirmation of compliance will be made to the Sustainability and Environmental Team

#### **4.5 Direct Investments**

The University will from time to time invest funds into companies that align to its objectives. These companies will typically be young companies and are not listed.

In making investment decisions of this nature the University will consider the companies commitment to sustainability and its alignment to the ethical objectives of the University.

The University will not invest in any company that has demonstrated a negative record or approach to ethical performance and environmental sustainability.

In line with the Ethical Investment Plan the University will not invest in any company that is linked to arms, fossil fuels or that is in violation of domestic or international laws

The University assigns preference to social enterprises, companies with good employment practices, showing respect for human rights, embedding corporate responsibility into their day-to-day operations, aiming to reduce their ecological impact and contributing to the wider community.

As well as conventional factors we also consider the extent to which a company understands and manages the social and environmental threats and opportunities it faces. This additional perspective enables us to identify companies which are ideally suited to meeting the challenges of the future.



#### **4.6 Impact on Investment Policy**

The University's investment policy sets out an intention to maximise the return to the University of its investments.

This return is defined as both a financial return and in a wider social benefit context.

The Ethical Investment Policy is therefore aligned to the general investment policy of the University where its application may result in lower potential financial returns to alternative investment opportunities.

#### **5. Monitoring**

Adherence to the Ethical Investment Policy is maintained through an annual review of existing investments and oversight by the Director of Financial Services on any new investments made in the year.

An annual confirmation report is made to the Sustainability and Environmental Team by the Director of Financial Services

#### **6. Misuse of Policy**

Non adherence to the policy will be reported to the University's Resources and Performance Committee and University Council .

The University will consider action to remedy non adherence, action may include full and immediate divestment where the breach of policy is fundamental and engagement to companies has been unsuccessful.



