



Socially Responsible Investment Policy Effective from March 2023

1. Purpose

To describe the University's approach to long term investments and the procedure under which requests to change investments can be made.

2. What is covered by the policy?

The University's long-term investments in stocks, shares and government bonds.

3. Who is does the policy apply to?

This is a general policy for anyone to understand the University's approach.

4. Roles and responsibilities

The Executive Director of Finance oversees University investments reporting to Finance Committee. The Registrar oversees the procedure whereby investments may be challenged.

5. Policy

The University is an educational charity and its long-term investments comprise endowment assets. The University's endowment assets are invested with the main objective of maximising the benefit from those funds in accordance with the donors' wishes and with reference to the public benefit of the University; to advance education, learning and research.

The University is committed to investing in a socially and environmentally responsible manner. It does not permit investment in:

- tobacco related companies.
- companies making revenue from extraction and production of fossil fuels.
- companies manufacturing armaments.

The University is working towards aligning its approach to investments with its commitments to social and environmental justice, including its Climate Action Plan and wider sustainability objectives.

Current measures include:

- Only procuring investment managers who are signed up to the United Nations Principles for Responsible Investment (UNPRI) and encouraging membership of the Net Zero Asset Manager Initiative.
- Only procuring investment managers who will provide the University with reports on the carbon footprint of publicly quoted companies within their portfolio to inform the University's carbon accounting and climate action.
- Actively engage with appointed fund managers on matters relating to its core values a minimum of once per year.

Additional requests for not investing in individual companies should adhere to the procedure described below.

The University's investments are managed on behalf of Council by Finance Committee which appoints investment managers. Finance Committee normally meets five times a year and a report from each meeting is submitted to Council. The investment managers submit quarterly reports to each meeting of Finance Committee and attend one meeting per year.

6. Related regulations, statutes and policies

Financial Regulations

<https://www.ncl.ac.uk/internal/finance/policies/index.htm>

7. Procedure to implement the policy

Details of the University's investment portfolio will be published annually to allow for scrutiny by the University community. A breakdown of investments by sector is published quarterly on the Financial Disclosures webpages. Executive Board will consider expressions of concern from within the University community related to specific companies or industry whose activities or values appear, on the basis of clear evidence, to be incompatible with the University's core values and give grounds for serious concern. The following procedure will be followed:

1. Cases will normally only be considered if brought forward by representative bodies such as the Students' Union or a recognised trade union, or via the University's committee structure.
2. The key criterion against which specific cases will be considered will be whether the activity complained of (and substantiated) is contrary to the University's value systems either as reflected in the University's Vision and Strategy or in regard to wider issues of social, environmental and humanitarian concern. This would for example include, but not be limited to, human rights abuse, discrimination on grounds of race, gender or disability and serious and persistent environmental damage.
3. Cases shall be considered by Executive Board in the first instance. If brought forward by the Students' Union, the President shall be asked to attend for discussion of that item. Executive Board shall consult the Chair of Finance Committee. Where appropriate the Chair of Finance Committee or the Executive Director of Finance shall raise matters with the investment managers.
4. Executive Board shall determine whether or not to recommend to Council:
 - (i) that there is no further action that the University needs to take or;
 - (ii) that, where legitimate concerns have been raised that are not considered sufficient for disinvestment, Executive Board shall instruct the University's investment managers to raise concerns with the named company(ies) at the annual meeting of shareholders, or in some other appropriate manner, or to exercise a vote on the University's behalf, or;
 - (iii) whether to change the instructions to the investment managers stated on page one of this policy recognising that it might not be possible to implement some changes until the renewal of the tender/contract for investment managers.

Finance Committee will be asked to make the financial consequences clear to Council. The decision of Council shall be final and will not be re-considered for a period of at least two years.

8. Monitoring and reporting on compliance

What will be monitored? Frequency Method Who by Reported to

The investment portfolio performance is reviewed quarterly and the investment portfolio strategy is reviewed annually by Finance Committee.

9. Failure to comply

The University would dispense with the services of the investment managers concerned.

Document control information

Does this replace another policy? No.

Executive sponsor: Executive Director of Finance

Policy owner: Executive Director of Finance

Policy author: Executive Director of Finance

Person(s) responsible for compliance:

Executive Director of Finance

Equality, Diversity and Inclusion Analysis:

Does the policy have the potential to impact on people in a different way because of their protected characteristics? No

If yes or unsure please consult the Diversity Team in People Services for guidance

Initial assessment by: John Hogan **Date:** 15/8/18

Key changes made as a result of Equality Impact Assessment

Document location

N/A