

<b>Date of approval:</b>	June 2024
<b>Approved by:</b>	Finance and Resources Committee
<b>Effective date:</b>	July 2024
<b>Date of last review:</b>	June 2024
<b>Due for review:</b>	June 2025

## Ethical Investment and Banking Policy and Procedures

### 1. SCOPE AND PURPOSE

- 1.1 The purpose of this policy is to ensure that due consideration is given to social, environmental, and corporate governance issues when investing the University's funds.

### 2. KEY RESPONSIBILITIES

- 2.1 The Finance and Resources Committee (FRC) is responsible for approving an Ethical Investment and Banking Policy.

### 3. LINKS TO OTHER BU DOCUMENTS

- 3.1 The policy is subordinate to the University's Treasury Management Policy (TMP)
- 3.2 Please also refer to the Code of Ethical Fundraising and Donors Charter

## Policy

### 4. Ethical Investment Policy

- 4.1 Bournemouth University (BU) may invest funds with third party organisations. Through the work of its fund managers, BU seeks to achieve a reasonable rate of return from a set of investments that have been selected prudently and in line with the TMP. The Ethical Investment Policy is intended to be entirely consistent with the duty to secure such returns from the investment of charitable funds.
- 4.2 Although BU routinely invests in cash deposits, this policy has been implemented so that any future investment in financial instruments or in corporate vehicles will consider the principles set out in this policy.
- 4.3 Wherever possible, and in accordance with Charity Commission guidelines, the University wishes to make such investments in ways that are consistent with the

mission and values of BU and avoiding investment in particular businesses which might result in conflict with its charitable aims.

- 4.4 When considering investment strategies, the FRC will consider the published guidance of the Charity Commission on ethical and socially and environmentally responsible investment of charitable funds and the University's statement of Corporate Social Responsibility (see below).

"BU seeks to demonstrate and promote the highest standards of integrity in its research, enterprise and professional practice activities, acknowledging and acting on the ethical, social and environmental issues that arise from these activities".

- 4.5 BU will take into consideration, available green and sustainability linked products when investing funds with third parties.

- 4.6 BU has identified the following areas in which it feels investment is inappropriate:

- Slavery
- Child labour
- Pornography and the sex industry

- 4.7 Extra consideration should also be given to investments in any of the following areas:

- Tobacco and related products
- Alcohol
- Armaments – particularly exporting.
- Companies engaged in controversial environmental activities, including fossil fuel extraction but seek opportunities to play a more active role in investing in low-carbon technologies. This is in support of the BU's Climate and Ecological Crisis Action Plan.
- Gambling (whether international, national, or local)
- Banks owed significant funds by third world countries.
- Companies which are in violation of international standards on the marketing of pharmaceutical or breast milk products

- 4.8 In recognition of the BU's commitments within its Climate and Ecological Crisis Action Plan, it will seek relevant and suitable opportunities to play a more active role in investing in low-carbon technologies. This could be through third parties or as part of our ongoing commitment to invest in waste reduction, renewable and low carbon technology on campus.

- 4.9 BU will consider representation from members of its community, including the student body, regarding matters that BU should not invest, or should disinvest, in specific companies.
- 4.10 To ensure open and transparent communication of investment processes and practices with its stakeholders and the public, BU commits, to publicly listing its investments annually.

## **5. Ethical Banking Policy**

- 5.1 BU seeks to access banking options which are more sustainable, recognising that there are challenges with the sustainability of day-to-day banking, and the limited options available in the market. BU is working to encourage improvements in the sustainability of the banks that it uses and looking to move deposits to greener options as they become available.
- 5.2 Ensuring the financial viability and sustainability of BU is an Office for Students (OfS) regulatory requirement (condition D). The creditworthiness of banking counterparties will not be compromised.

## **Procedures**

### **6. Review of Ethical Investment and Banking Policy**

- 6.1 To ensure compliance with this policy BU will consider the ethical implications alongside the commercial opportunities. The ultimate decision on investments and banking has been delegated to the FRC by the Board.
- 6.2 BU will monitor investments and banking to ensure ethical standards are maintained.
- 6.3 As part of the Annual Treasury Report, the FRC will receive an annual update on this Policy.

This will include details of the following.

- Specific investment, or divestment, and banking action taken on ethical grounds.
- Any requests from staff, students, or other stakeholders to review the policy itself.

- 6.4 The University Executive Team (UET) will be responsible for taking appropriate action to ensure that the policy is implemented effectively.
- 6.5 This policy will be presented for review by the FRC annually.
- 6.6 Students and staff can engage with this policy through the Student Sustainability Council and the termly Climate Assemblies. The Annual Policy update, referred to in 6.3, will also be made available to students and staff, as and when required.

Policy feedback is welcomed and can be made at: [sustainability@bournemouth.ac.uk](mailto:sustainability@bournemouth.ac.uk)