

## **ETHICAL INVESTMENT POLICY**

Circulation

Manchester Metropolitan University Policy Website  
Staff, students, other University stakeholders and public

### **1. Purpose of Policy**

- 1.1. The purpose of this policy is to demonstrate that Manchester Metropolitan University sets out to invest its funds with due consideration for ethical, environmental, corporate governance and social issues.

### **2. Scope and Approach**

- 2.1. The ethical investment policy applies to all staff, students and stakeholders of Manchester Metropolitan University and sets out to incorporate an ethical approach to short-term deposits, investments and pension scheme investments. The ethical investment policy requires a systematic, measured and continuous improvement approach, recognising that ethical investment must be meaningful and substantial.

### **3. Roles and Responsibilities**

- 3.1. This policy will be owned by the Director of Finance and implemented by key University Financial, Legal and Investment personnel under the guidance of the Director of Finance to ensure their activity is in line with the purpose of this policy.
- 3.2. The Policy will be reviewed and reported on by the Director of Finance annually at the University Finance and Resources Committee and as appropriate within the Annual Environmental Sustainability Statement, in order to increase the scope of communication and understanding of the University's commitments to Ethical Investment.

### **4. Definition of Ethical Investment**

- 4.1. Investing in businesses that demonstrate a morally positive and sustainable approach to the environment, governance and society.

### **5. Executive Summary**

- 5.1. In accordance with the University's Corporate Strategy, the Ethical Investment Policy will be implemented and wherever possible, will be adhered to.
- 5.2. The policy states that the University will seek to invest, be that; short term deposits, investments or pension scheme investments, in companies and countries that demonstrate a morally positive approach to the environment, governance and society.

## **6. Statement of Policy**

- 6.1. This Policy should be read in conjunction with the Treasury Management Policy, and once adopted will be embedded as a schedule to that Policy.
- 6.2. The University routinely invests funds with third party organisations through the investment of surplus funds and endowments. It also may make investments in spin-out companies and other related parties as these opportunities arise.
- 6.3. It is the intention of the University to make investments in ways that are consistent with the mission and values of the University, and its corporate strategy.
- 6.4. The University appoints a Fund Manager to ensure that short-term investments remain consistent with the values set out in the Treasury Management Policy. In order to achieve these aims, the University will aim to place all short-term investments in financial institutions whose investment values reflect those set out in the University Treasury Management Policy (section 6.6).
- 6.5. The University publishes a list of its investments as part of the annual reporting process, to ensure open and transparent communication with its stakeholders.
- 6.6. The University does not intentionally invest directly (or through collective funds) in fossil fuel companies, arms companies or corporations complicit in the violation of international law. This includes organisations with high exposure to activities or substances, which are potentially injurious to health (including alcohol and tobacco), that could destabilise community cohesion and threaten international stability.
- 6.7. The University is committed to helping protect and preserve the global environment and in terms of environmental sustainability, does not invest directly in organisations that do not have policies to control and significantly reduce the risk of serious negative environmental impacts. Stakeholders can make representations about sector/companies that breach this ethical investment policy by contacting the University's Financial and Legal Services Department.
- 6.8. In order to ensure compliance with this policy the University will:
- 6.9. Consider the ethical implications of investments alongside the commercial opportunities.
- 6.10. Allow members of the University staff and student community and other relevant stakeholders to engage with the ethical investment policy by posting the policy on the University web pages with appropriate contact details.
- 6.11. Ensure that where fund managers undertake the University's investments that

they operate to socially and ethically responsible objectives consistent with those of the University.

## **7. Short Term Deposits**

7.1. The majority of the University's Investments are surplus cash funds invested through money market deposits with UK Banks and Building Society counterparties as governed by the prevailing Treasury Management Policy and approved by the Finance and Resources Committee. The existing approved counterparties have corporate social responsibility values and objectives that are set out in their annual reports.

## **8. Investments**

8.1. A list of all investments is included in the University's Financial Statements, which are published annually.

8.2. It is not the policy of the University to directly invest in Equity holdings through the stock market. At present, there are investments as detailed in the Accounts published annually. In the main, these are legacy holdings of minimal value resulting from the development of spin-out opportunities by the University.

8.3. The holdings are grouped as required by statute, and comprise;

- i. Investment in subsidiary and associated companies
- ii. Loans to related parties
- iii. Other investments

## **9. Pension Scheme Investments**

9.1. The pension schemes used by the University are multi-employer funds constituted as separate corporate bodies with their own boards of trustees. Consequently, the schemes' funds are invested entirely separately from those of the University.

## **10. Policy Review**

10.1. This policy will be reviewed and monitored by University Finance and Resources Committee on behalf of the Board of Governors (which includes student body representation) and reported upon in the annual reports and accounts of the University, and through its Annual Environmental Sustainability Statement.

10.2. The University will review comments made in relation to this policy by staff, students and other stakeholders to ensure effective engagement with the

Ethical Investment Policy.

**11. Version Number and Approval Dates**

Version	3	Author Name & Job Title	John Cunningham, Director of Finance
Approved Date	04/11/15	Approved by: (Board/Committee)	Finance and Resources Committee
Date for next Review:	November 2018		