



Swansea University
Prifysgol Abertawe

ETHICAL INVESTMENT & BANKING POLICY

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Version Control:

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| Owner | Chief Financial Officer |
| Version number | 1.0 |
| Date of approval | 16 November 2023 |
| Approved by | Finance & Strategy Committee |
| Effective date | 16 November 2023 |
| Date of next review | November 2024 |

1. Introduction

Swansea University is committed to achieving zero carbon emissions by 2040 as defined in the [Swansea University Sustainability Strategy 2021-25](#) and has committed to carbon neutrality in buildings by 2035.

In support of this Strategy, the University will ensure all investment and banking decisions are made responsibly, balancing maximising growth, risk, whilst also investing in an ethical manner.

2. Scope

This policy applies to all financial investments made by the University or its subsidiaries (including endowment funds) whether held directly or indirectly through pooled investment arrangements.

3. Principles

The University seeks to adopt an ethical and sustainable approach to its investments, by integrating environmental, social and governance (ESG) factors into its investment and banking decisions. It aims to do this by applying the following principles to decisions relating to investment or banking:

- (i) The University will not invest in organisations where the investment might conflict or be inconsistent with its values
- (ii) The University will seek to balance the ethical and sustainable characteristics of its investments with the financial objectives of security of capital and return on investment as set out in the Treasury Management Policy
- (iii) Charity Commission guidance on investment matters will be followed by the university at all times
- (iv) The University expects its Fund Managers and bankers to take account of ESG considerations in the selection, retention and realisation of investments

4. Policy

The University will support investment which is aligned to the Sustainable Development Goals (SDG). This includes, but is not limited to, investing in organisations demonstrating the following attributes:

- (i) Existence of policies and controls to protect communities and local people to prevent human rights abuse and discrimination
- (ii) Existence of policies and controls to protect the environment to prevent environmental damage, loss of biodiversity and habitats
- (iii) Demonstration of a positive approach to individuals, communities and environmental performance
- (iv) Development of environmental technologies to reduce the impacts of polluting or destructive industries and climate change

Investment in the following non-exhaustive list of ethical themes will either be excluded or restricted to companies who derive less than 10% of their income from a particular theme:

- (i) Climate change, defined as:
 - Extraction of coal, oil/tar sands, other fossil fuels

- Electrical utilities not aligned with Paris Agreement NDC
- (ii) Armament and nuclear weapon manufacture for sale to military regimes
- (iii) Tobacco manufacture, production and cultivation (excluded)
- (iv) Adult entertainment (excluded)
- (v) Gambling, with the exception of the National Lottery and charitable lotteries (excluded)
- (vi) Animal testing of cosmetics
- (vii) High interest rate lending (excluded)
- (viii) Lack of commitment to environmental sustainability defined as:
 - Absence of a published, monitored climate change plan
 - Absence of a published, monitored plan to reduce plastic waste

5. Governance and reporting

5.1 The Finance & Strategy Committee, which includes a student member of Council, is responsible for reviewing and approving the University's Ethical Investment and Banking Policy.

5.2 Any member of the University (staff, students and alumni) may make representations to the University with respect to specific investments that they regard as being contrary to the University's values or objectives. Such representation should be made to the Chief Financial Officer setting out an evidential based case. The Chief Financial Officer will present such cases to the Finance & Strategy Committee for consideration.

5.3 A list of investments made or held throughout the previous academic year will be prepared by the Chief Financial Officer and presented to the Finance & Strategy Committee in the November following the end of the academic year. This list will also be published on the University website.

5.4 The Policy will be reviewed on an annual basis.