UNIVERSITY OF LINCOLN

ETHICAL INVESTMENT POLICY

POLICY COVER SHEET

Purpose of Policy:	*The purpose of this policy is to demonstrate that the University sets out to invest its funds with due consideration for ethical, environmental, corporate governance and social issues.*
Applicable to:	*This policy applies to all staff, students and stakeholders of the University of Lincoln and sets out to incorporate an ethical approach to short-term deposits, equity investments, endowment funds and pension scheme investments.*
Owner:	*Chief Financial Officer*
Author:	*Iain Waite, Senior Finance Manager*
Approval Body:	*Board of Governors*
Consultation Process:	*The policy has been developed and reviewed in accordance with the and in conjunction with sector best practice.*
Date of approval:	*July 2014*
Date of implementation (if different from date of approval):	*July 2014*
Review date:	*2023 as part of the annual review of the Treasury Management Policy*
Version:	*1.0*
Contact for further information:	*Iain Waite, Senior Finance Manager* *iwaite@lincoln.ac.uk*

1 Introduction

1.1 This Policy should be read in conjunction with the University's Treasury Management Policy.

1.2 The University routinely transacts with third party organisations through the investment of surplus funds and endowments. The University also makes investments in 'spin-out' companies and may invest in other bodies as commercial opportunities arise.

1.3. It is the intention of the University to make investments in ways that are both consistent with the Mission and Values of the University, and with the 'Statement of Financial Guiding Principles' set out in the Financial Regulations.

1.4 The University acknowledges that it cannot influence the ethical investment policies of many large institutions, such as banks.

2 Ethical Investment

2.1 In deciding on counterparties, companies and other bodies in which to invest, the University will remain consistent with its 'Code of Ethics'.

2.2 In order to achieve this, the University will use its best endeavours not to invest in companies whose activities could be seen to endanger individuals or groups of people, or whose activities are inconsistent with the Mission and Values of the University, its community and its wider stakeholder network.

2.3 The University will use its best endeavours not to invest, directly or through collective funds, in organisations with activities or operations which:

- are injurious to health;
- may destabilise community cohesion;
- may threaten international stability;
- may contribute to the development and maintenance of poverty;
- may contribute to the abuse or exploitation of children through working practice or by any other means; or
- contribute to any form of illegal activity under UK law or other legal jurisdiction.

2.4 In order to ensure compliance with this policy, the University shall:

- fully consider the ethical implications of investments alongside the commercial opportunities;
- carry out appropriate levels of due diligence, either internally or through professional advisors, on all investment opportunities and activity;
- allow members of the University community to engage with the Ethical Investment Policy by ensuring the policy is publically available;
- ensure that where external fund managers undertake the University's investments that they operate to socially responsible objectives consistent with those of the University; and

  review this policy as part of the regular review of the University's Treasury Management Policy.

3 Further Information

3.1 Further details of the University's routine investments are set out in Appendix A.

3.2 For further information and clarification on any point of this policy please contact the Chief Finance Officer.

Appendix A

1 Short Term Deposits

1.1 The majority of the University's investments are money market deposits with UK Banks and Building Societies as described in the Treasury Management Policy and approved by the Board of Governors.

1.2 The banks and building societies, when considered as counterparties, are required to provide details of their ethical investment policy.

2 Equity Investments

2.1 A list of all equity investments is included in the University Financial Statements which are published annually. The Financial Statements are available on the University's website.

2.2 It is not currently the University's policy to invest in equity holdings through the stock market.

2.3 The University also has holdings in 'spin-out' companies set up to exploit intellectual property owned by or originating from the University.

3 Endowment Funds

3.1 Endowment funds are held in a separate bank account with the University's clearing bank and are therefore subject to scrutiny under section 1.2 of this Appendix.

4 Pension Scheme Investments

4.1 The University pension schemes 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. The University will place reliance on the individual pension schemes' own ethical policies and practices.