# **Responsible Investment Policy**

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| **Version number** | **Updates made** | **Updates/Reviews made by** | **Authorised by** | **Date** |
| Version 2016 | Original | Martin James | UAL Finance Committee | 2016 |
| Version 2018 | Updated ESG | Responsible Investment Group | Director of Finance | March 2018 |
| Version 2019 | Additional wording to the introduction section | Responsible Investment Group | Chief Financial Officer | January 2019 |
| Version 2020 | Reviewed. No updates made | Responsible Investment Group | Chief Financial Officer | May 2020 |
| Version 2021 | Reviewed. No updates made | Responsible Investment Group | Chief Financial Officer | June 2021 |
| Version 2022 | Introduction  Policy | Responsible Investment Group | Director of Finance | June 2022 |
| Version 2023 | Amended Principles/ membership/ league position | Andrew Aldrich | Director of Finance | June 2023 |
| Version 2024 | Updated membership | Andrew Aldrich | Director of Finance | May 2024 |
| Version  Feb 2025 | Updated membership TBC | Andrew Aldrich | Responsible Investment Group | Feb 2025 |

## **Introduction**

**“To change the world through our creative endeavour”**

This is the vision for UAL’s social purpose as articulated in the University Strategy. It arises from extensive consultation with staff and students and identifies a series of actions to ensure we ground our social purpose in the needs and views of our communities, specifying it, living up to it and making progress on it, through strong relationships across and beyond the University.

As the first signatory from the higher education sector to commit to the United Nations [Principles of Responsible Investment,](https://www.unpri.org/) the University demonstrates, its commitment to ethical, sustainable and responsible investment. This document outlines the investment policy guidelines for UAL’s endowments.

UAL leads major projects on environmentally sustainable fashion, arts and design, developing research, teaching and industry collaborations. We have taken notable steps forward and are ranked in 5th place in the [University Green League](https://peopleandplanet.org/university-league). We are proud to say that our direct carbon emissions have been reduced by over 50% since 2012. The University’s [Climate Action Plan](https://www.arts.ac.uk/about-ual/climate-action-plan) sets out the actions we take to achieve our 2040 net zero carbon emissions target.

## **Policy**

Where UAL invests its endowments, it will usually do so in shares or units of appropriately managed funds via a fund manager. In such cases:

* The University will adhere to the United Nations Principles for Responsible Investment (PRI), which incorporate key Environmental, Social and Governance issues into investment practices and includes divesting from fossil fuel companies, armaments companies and companies that have broken international law.
* All fund managers appointed by UAL will be signatories of the PRI and should have a visible policy in place which makes clear their adherence to Responsible Investment.
* The University will consult with appointed fund managers to ensure that PRI is reflected in the companies in which the fund has holdings.

The Responsible Investment Group monitor the performance of its fund managers, ([Jupiter](https://www.jupiteram.com/uk/en/individual/product-page/jupiter-ecology-fund-i-gbp-inc/) and [CCLA](https://www.ccla.co.uk/sites/default/files/7150%20CCLA%20COIF%20Ethical%20Investment%20Fund%20Annual%202020%20%289%29.pdf)) including their adherence to the principles below on an annual basis. Terms of Reference for the Group are available on request. [Fund summary information for Jupiter](file:///S:\Finance\CF%20-%20FINANCIAL%20ACCOUNTS\Responsible%20Investment%20Group\14%20Meeting%20-%20Feb%202025\Meeting%20Papers%20for%20Review\Responsible%20Investment%20Policy%20Feb%202025%20website%20version.docx). [Fund summary information for CCLA](https://www.ccla.co.uk/investment-solutions/fund/coif-charities-ethical-investment-fund).

* In the unusual circumstances that UAL holds investments directly, the University shall apply the following principles, to ensure investments contribute to UAL’s mission of creating a better world:
  1. As such it does not knowingly invest (including through collective funds), in companies or activities which are considered to be unethical, potentially detrimental to health (this includes alcohol, tobacco and gambling), threaten community and international stability, or contribute to the maintenance of poverty, abuse of children or other groups. This includes:
     + - All fossil fuel companies.
       - All arms companies.
       - All companies complicit in the violation of international law.
       - To screen out Border Industry companies

The University will make an active commitment, where possible, to increase the amount of investment in positive environmental activities (including healthcare and the low carbon sector) and directly invest in on-campus renewable energy and minimisation of waste projects.

The University will engage in community investment and local sourcing, where possible, and seek investment opportunities with companies who have demonstrated a positive record of ethical performance.

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| Environment | * No evidence of response to allegations of severe damage to ecosystems, natural habitats or populations of species. * No evidence of response to allegations of use of threatened species. * No evidence of opposition of any global climate change summit. * Has not been convicted of a pollution offence under [EPA 90](https://www.legislation.gov.uk/ukpga/1990/43/contents) or [RSA 93](https://www.legislation.gov.uk/ukpga/1993/12/contents) during the last three years. * Aspiration to invest in low carbon/renewable energy. |
| International Law | * No evidence of significant violation of international law |
| Developing world | * Has not broken the International Code on the Marketing of Breast Milk Substitutes. |
| Human Rights | * No evidence of response to allegations of breaches of core International Labour Organisation standards on child labour, forced labour, forced labour in the supply chain and other labour standards in its own operations, including violations of international law. |
| Armaments | * Does not produce cluster munitions systems. * Has not addressed allegations or indications of involvement in anti-personnel landmines. * Does not derive income from strategic military sales. * Exclusion of nuclear weapons. |
| Climate Change | * Does not derive income from the extraction, drilling or transportation of fossil fuels (coal, oil and other fuels). |
| High Interest Rate Lending | * Does not derive income from triple digit lending. |

## **Proxy Voting**

The University’s Fund Managers provide detailed and transparent disclosure of their Proxy Voting activity and UAL looks to Fund Managers to assess and monitor ESG risks and opportunities periodically over our investment holding period, which will include:

• Monitoring the investment environment:

company ESG updates, progress on issues and controversies, ongoing or emerging themes, company engagement.

• Pre-investment due diligence:

assessment of material ESG exposures, company engagement, reviewing third-party assessments.

• Investment period:

periodic review and monitoring of material ESG issues, dedicated and regular engagement with developing ESG companies, comprehensive thematic research.

The University will encourage fund managers to cast their vote in support of the University’s Policy on Responsible Investment ensuring ESG commitments are prioritised.

## **Ethical Banking**

When deciding on the selection of Banking arrangements for Loans, Investments and Retail services, the University strives to adhere to its stated values and will incorporate Environmental, Social and Governance considerations when evaluating future decisions.

## **Membership of the Responsible Investment Group**

Chief Social Purpose Officer - Polly Mackenzie (Chair)

Student Representative - Yvonne Yuan

Associate Director Estates Sustainability - Liam Rock

Associate Director Social Purpose Transformation - Monique Johnson

Director of Development - Andrew Paterson

Director of Finance - Alex Peacock

Associate Director of Finance - Felicity Nath

Head of Accounting Services - Andrew Aldrich