

University of York Statement on Responsible Investment

Investment Approach

This Statement sets out the policy approach taken by the University of York to the responsible investment of funds on our behalf, reflecting the University Strategy 2014-20 and our commitment to applying the highest ethical standards to all of our activities and making a positive contribution to a more sustainable world.

Currently, the University's funds are invested in a diversified portfolio of equities, bonds and property. We routinely invest funds with third-party organisations through the regular investment of surplus funds and endowments.

We will not knowingly invest in companies whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the University. In order to give effect to our commitment in this policy statement we will:

- Review on a regular basis whether any investment is contrary to our ethical principles
- Provide guidance on this policy for fund managers responsible for our investments
- Monitor the operation and effectiveness of our policy on an annual basis
- Consider representation from members of our University community with regard to amendments to this policy

We will make all reasonable endeavours to ensure that we operate our investment policy in a way that is consistent with the above commitments but which also has regard for the charitable fiduciary duties of the 'trustees' of the University, who are the members of Council as the University's governing body. Such duties include ensuring that investment returns are maximised where possible for the benefit of the University.

However, a responsible approach to investment does not amount to a sole focus on maximising investment returns at any cost. In considering their fiduciary role, factors which may be taken into account by trustees include the reputation and ethical credentials of any entities in which the University or our Fund Managers place University funds, particularly where this is judged as affecting the level of return to be generated by the investment. Council takes the wider view that effective environmental, social and corporate governance considerations can have a positive effect on the long term performance of investment portfolios.

Wherever possible, we wish to make such investments in ways that are consistent with the mission and values of the University as expressed in the University's Charter and the University's strategy. The University's Statement of Responsible Investment is based on the premise that our choice of where to invest should reflect the ethical values we espouse in public life.

Governance

Council, as our governing body and trustee board, is responsible for the formal approval of this policy statement following its recommendation by the University's Executive Board and Finance Committee.

Council delegates responsibility to its Finance Committee to oversee the University's treasury management framework and investment policy. Finance Committee is responsible for reviewing the implementation and continued fitness for purpose of the aims set out in this policy, taking advice from the Ethics and Governance Framework Committee (name TBC) of the Council on matters of ethical consideration.

Accountability on behalf of the University Executive Board for compliance with the policy rests with the Finance Director, in consultation with the University Executive Board.

The Council and the Finance Committee of the University includes representation from the student voice through the membership of Student Unions' sabbatical officers.

Types of investment

The University's primary investments are in the form of endowments. The objective of our endowment and investment fund is to grow the value of the fund and maintain the capital in real terms over the long term whilst providing an annual income yield.

Investment Commitment

We do not invest in tobacco companies and fossil fuels, and have instructed our Fund Managers to divest from any funds in such firms.

This does not preclude us from entering into partnerships with organisations, who may have a diverse operation, with a view to supporting research and development that could improve environmental sustainability and healthcare outcomes or further our charitable objectives in other ways.

We will also not make, as far as is knowingly possible, indirect investments in pooled funds, equities or bonds issued by companies engaged in the areas excluded above.

We will not knowingly invest in investment vehicles where it is not possible to identify the nature of the underlying assets and will seek appropriate disclosure on responsible and ethical investment from the entities in which we invest via our Fund Managers.

Fund Managers and treatment of investments contrary to the University's ethical and sustainability commitments

Our Fund Manager is Stanhope Capital Limited which has published its approach to ethical and responsible investment. <https://www.stanhopecapital.com/about/>

In the event of any investment we have made being found to be invested in funds or activities that are inconsistent with our ethical and sustainability commitments, Finance Committee will review the investment and request our Fund Managers to make adjustments.

Our Fund Managers will be required to engage regularly with the Finance Director and periodically report on the University's Investment Portfolio to the Finance Committee.

Exclusions from the scope of this Policy

The various pensions schemes in operation at the University of York are outside the scope of this policy as the funds do not belong to the University. This applies to the Universities Superannuation Scheme (USS), the NHS Pension Scheme for qualifying employees at Hull York Medical School (HYMS), the University of York Pension Fund and the People's Pension. The funds invested via these schemes are managed by the trustees of each scheme.

This Statement does not cover responsible and ethical partnerships, relationships and engagement with entities for research, teaching, learning, consultancy and enterprise purposes. The University's commitments and criteria in this regard are set out in the University Ethics Framework (being refreshed).

This Statement of Responsible Investment will be reviewed by UEB and the Finance Committee on an annual basis and formally reviewed by the Council every three years.

Approved by Council:	12 November 2019
Re-approval window:	November 2022
Policy Owner:	Registrar and Secretary (in conjunction with the Finance Director)
Policy contact:	Dr Adam Dawkins (Head of Governance and Assurance) for wider ethical matters and for liaison with the Treasury Manager, Finance Department.