

Responsible Investment Policy Statement



BATH SPA
UNIVERSITY

1. Purpose

- 1.1 Bath Spa University is fully committed to acting in a socially responsible manner. This policy sets out the principles for responsible investing that includes consideration of environmental, social and governance issues relating to all decisions regarding the University's investment portfolio.
- 1.2 This policy recognises the following:
 - 1.3 the fiduciary responsibility of the University's Board of Governors, as trustees of the University as an exempt charity, to maximise returns from the University's investments; and
 - 1.4 the University's commitment to academic freedom and, in this context, does not define the parameters for its research and business partnerships.
- 1.5 This policy statement covers all BSU investments including cash, short term deposits and longer term investments such as equities, bonds or other asset classes.

2. Background

- a. As a not-for-profit organisation, BSU aims to recycle any and all financial gains back into its activities particularly in the form of capital investment, in order to achieve its charitable aims of providing quality education and research and achieving a financially sustainable position to allow it to do so.
- b. BSU will sometimes look to divest or invest in property as part of its estate management which may mean that funds need to be held for a period of time to ensure from a financial sustainability perspective those funds are held in a way that protects them from erosion while plans are worked up for their use.
- c. BSU will look to protect against inflationary erosion by investing them either in short term treasury products (1-12 months), fixed income products (1-5 years), or equities (long term)
- d. BSU aims to use expert financial advisers and managers in order to ensure any investments are managed professionally and in line with responsible / ethical criteria it defines.

3. Environment Social and Governance (ESG) Issues

- 3.1 The University is particularly concerned about the following key ESG issues

and will adopt treasury and investment strategies that seek to minimise or, ideally, eliminate investments in companies or governments with behaviour leading to:

- Environmental degradation and climate change
- Human rights violations
- The exploitation of workers
- Race or sex discrimination
- Institutionalisation of poverty
- Tobacco production, cultivation and manufacture
- Manufacture of controversial weapons
- Giving or receiving of bribes

3.2 Where possible, exclusionary screening criteria will be used to address the above issues. Where it is not possible to define screening criteria for a particular issue, investment managers will be expected to report regularly to the Finance and Infrastructure Committee on ESG issues, engagement and voting activity.

3.3 In addition, the University does not intentionally invest directly (or through collective funds) in:

- Fossil fuel extractor companies, which is endorsed in the [Fossil Free Pledge](#)
- Companies in Violation of International Law
- Companies which manufacture banned Weapons
- Companies which have more than 10% of their revenue from the manufacture of arms (screened from direct equity investments).

3.4 This policy statement governs the University's investment strategy and treasury management policy which in turn governs how it manages its financial resources ethically using screening, exclusions and positive selection criteria.

3.5 The University will not accept donations from companies involved in or having connections with activities that conflict with the ethos of the University, such as

- Illegal activity
- Pornography
- Child labour
- Slavery
- Companies whose main purpose is testing products on animals
- Sex industry

- Tobacco and related products
- Gambling (whether international, national or local)

4. Responsible Treasury Management

- 4.1 Responsible Treasury Management is defined here as the management of all liquid and semi-liquid (i.e. short-term deposits) and the control of the associated financial, legal and reputational risks.
- 4.2 Bath Spa University's investment approach follows CIPFA's "Treasury Management in Higher Education: A statement of Best Practice" and security of funds is the University's highest priority.
- 4.3 The University restricts itself to placing funds in High Street Bank accounts that are approved based on Fitch Short-Term, Long-Term and Outlook ratings and does not place investments in market-based holdings.
- 4.4 If the University chooses to make investments other than in approved High Street Bank accounts, it will do so under the guidance of this policy and will include student representation.

5. Influencing Corporate Behaviour

- 5.1 As an investor, the University has three means of bringing pressure to bear on corporate behaviour:
- *Judicious acquisition*: where the University's investment managers Incorporate ESG issues into the investment decision-making process, including the use of screening criteria or exclusions.
 - *Divestment*: where the University's investment managers may divest of funds where the company is in fundamental breach of normative standards.
 - *Stewardship*: through the University's investment managers or through sector stakeholder groups that BSU are part of influence the ESG related strategies of the companies in which the University is a stakeholder both via proxy voting and investor engagement.

6. Reporting and Monitoring

- 6.1 The Finance and Infrastructure Committee is the body which monitors the University's investment portfolio. The Finance and Infrastructure Committee will meet regularly, in accordance with its Terms of Reference, to review the performance of each portfolio against targets and suitable benchmarks. BSU will utilise a range of sustainability metrics to assess the portfolio, which may

include ESG score, carbon score and UN SDG alignment.

7. Approval and Review

- 7.1 This policy is a living document and should be reviewed regularly by the Finance and Infrastructure Committee to ensure that it remains fit for purpose. Any proposed changes to this policy are subject to the approval of the Board of Governors.

Document Details

Responsible Office: University Executive

Responsible Officer: Chief Financial Officer

Approving Authority: Board of Governors

Date of latest approval: 16 July 2024

Effective Date: 16 July 2024

Related Policies and Procedures: Financial Regulations; Treasury Management Policy; Code of Ethical Fundraising; Modern Slavery and Human Trafficking Statement; Sustainable Procurement Policy

Supersedes: v. 16 February 2022

Next review due: July 2025