



Responsible Investment Policy

Responsible Office	University Secretary's Office
Responsible Officer	University Secretary + PVC Finance & Instructure
Approving Authority	Board of Governors
Date of Approval	[16 February 2022]
Effective Date	16 February 2022
Related Procedures	Financial Regulations
Related University Policies	n/a
Amended (if applicable)	
Supersedes	(New)
Next review due	2023

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:

- a. 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
- b. the University's commitment to academic freedom and, in this context, does not define the parameters for its research and business partnerships.

2. Environmental, Social and Governance (ESG) Issues

2.1 The University is particularly concerned about the following key ESG issues and will adopt investment strategies that seek to minimise or, ideally, eliminate investments in companies with corporate behaviour leading to:

- a. Environmental degradation and climate change
- b. Human rights violations
- c. The exploitation of workers
- d. Race or sex discrimination
- e. Institutionalisation of poverty
- f. Tobacco production, cultivation and manufacture
- g. Manufacture of controversial weapons
- h. Giving or receiving of bribes

2.2 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 Financial Portfolio Committee on ESG issues, engagement and voting activity.

2.3 The University has endorsed the 'fossil free pledge' which is attached as **Annex A**.

3. Influencing Corporate Behaviour

3.1 As an investor, the University has three means of bringing pressure to bear on corporate behaviour:

- a. *Judicious acquisition*: where the University's investment managers incorporate ESG issues into the investment decision-making process, including the use of screening criteria.
- b. *Divestment*: where the University's investment managers may divest of funds where the company is in fundamental breach of normative standards.
- c. *Stewardship*: through which the University's investment managers influence the ESG related strategies of the companies in which the University is a stakeholder both via proxy voting and investor engagement.

4. Reporting and Monitoring

4.1 The Financial Portfolio Committee is the body which monitors the University's investment portfolio. The Financial Portfolio Committee will meet regularly, in accordance with its Terms of Reference, to review the performance of each portfolio against targets and suitable benchmarks.

5. Approval and Review

- 5.1 This policy is a living document and should be reviewed regularly by the Financial Portfolio 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.