

## Ethical Investment Policy

<b>Responsibility for Policy:</b>	Finance Director
<b>Relevant to:</b>	All LJMU staff.
<b>Approved by:</b>	Finance Committee , 19th June 2023
<b>Responsibility for Document Review:</b>	Finance Director
<b>Date introduced:</b>	June 2010
<b>Date(s) modified:</b>	March 2016, March 2018, June 2022, June 2022, June 2023
<b>Next Review Date:</b>	June 2024

### RELEVANT DOCUMENTS

### RELATED POLICIES & DOCUMENTS

- Treasury Management Policy
- Anti-Money Laundering & Terrorist Financing Policy
- Anti-Slavery & Human Trafficking Policy

## ETHICAL INVESTMENT POLICY

### 1. Purpose

The purpose of this policy is to demonstrate that Liverpool John Moores University sets out to invest its funds with due consideration for ethical, environmental, corporate governance and social issues.

### 2. Scope

The ethical investment policy applies to all staff, students and stakeholders of Liverpool John Moores University. It covers The University and all its subsidiary undertakings and sets out to incorporate an ethical approach to short-term deposits, investments and pension scheme investments.

The ethical investment policy requires a systematic, measured and continuous improvement approach, recognising that ethical investment must be meaningful and substantial.

The University invests funds in several ways:

Type of Investment	Explanation	Governance
General Funds	Surplus cash arising from the normal operations of the University, usually short-term in nature, managed to ensure working capital requirements are met, seeking a return while preserving capital.	Treasury Management Policy, Investment Policy
Endowments	Funds managed in accordance with any specified restrictions in use and/or in the preservation of capital or otherwise, determined by donors.  Endowments are either: - Permanent (where the capital must be preserved) or - Expendable (where the capital must be applied)	Investment Policy
Subsidiary Undertakings	Investments in subsidiary companies undertaking non-primary purpose activity, in order to protect the University's charitable	Case by case basis, as approved by the Board of Governors

	status and for the efficient arrangement of the University's tax affairs.	
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### **3. Definition of Ethical Investment**

Investing in businesses that demonstrate a morally positive and sustainable approach to the environment, governance and society.

### **4. Policy Statements**

This Policy should be read in conjunction with the Treasury Management Policy

The University routinely invests funds with third party organisations through the investment of surplus funds and endowments. It also makes investments in subsidiary, spin-out and joint venture companies and other related parties as these opportunities arise

In deciding on counterparties and companies in which to invest, the University aims to remain consistent with ethical values in pursuit of the mission and values of the University, its community and its wider stakeholder network.

The University does not intentionally invest directly (or through collective funds) in:

- Fossil fuel companies, arms companies or corporations complicit in the violation of international law.
- Organisations with high exposure to activities or substances, which are potentially injurious to health (including alcohol and tobacco),
- Organisations that derive significant turnover from gambling
- Organisations that could destabilise community cohesion and threaten international stability.
- Organisations which contribute to the development and maintenance of poverty, the abuse of children, the use of torture or other human rights abuses.
- Organisations which are clearly involved in the pornographic materials or adult entertainment services
- Organisations that are deemed to needlessly emit significant quantities of carbon into the atmosphere, or which do not take seriously the transition to a low carbon economy

The University is committed to helping protect and preserve the global environment and in terms of environmental sustainability, does not invest directly in organisations that do not have policies to control and significantly reduce the risk of serious negative environmental impacts.

In order to ensure compliance with this policy the University will

- consider the ethical implications of investments alongside the commercial opportunities.
- Allow members of the University staff and student community and other relevant stakeholders to engage with the ethical investment policy by posting the policy on the University web pages with appropriate contact details.
- Ensure that where fund managers undertake the University's investments that they operate to socially and ethically responsible objectives consistent with those of the University.

## **5. Short Term Deposits**

The majority of the University's Investments are surplus cash funds invested through deposits with UK Banks and Building Society counterparties as governed by the prevailing Treasury Management Policy and approved by the Finance Committee. The existing approved counterparties have corporate social responsibility values and objectives that are set out in their annual reports

## **6. Investments**

A list of all investments is included in the Financial Statements published annually. It is not the policy of the University to invest in equity holdings through the stock market.

The holdings are grouped as required by statute:

- Shareholdings in subsidiary undertakings,
- Other investments

## **7. Pension Scheme Investments**

The pension schemes used by the University 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.