

Ethical Investment

These criteria aim to encourage institutions to take a holistic approach to sustainability, recognising that how a university chooses to invest its funds can have a significant impact on wider social, environmental and humanitarian concerns, and should reflect the values and objectives of the institution and the values of its students, staff and stakeholders.

An institutional commitment to environmental sustainability should extend to a consideration of the environmental impact, and in particular the embedded emissions, of the institution's investments.

Of the 131 universities surveyed only 17 had an ethical investment policy in place. A large number of universities did not seem clear on what an ethical investment policy was and did not appear to have given the subject any consideration; others did not feel this was a question that was applicable, as they do not have investments.

Of the 17 with policies, there was a significant disparity in both the scope and quality of the policies.

The best policies, such as those of the University of Edinburgh, the University of St Andrews and the University of Oxford, included

- a clear commitment to consider environmental, social and governance alongside financial issues (i.e. not limiting the criteria for investment decisions to maximising financial returns);
- took a comprehensive approach to ethical investment, setting out a (non-exhaustive) list of the areas in which investments should reflect the values of the institution (rather than just focusing on);
- Considered a range of different approaches to investing ethically (i.e. positive screening, negative screening, shareholder engagement)
- were transparent about how and when investment decisions were taken;
- set out a clear process for regular review, with ongoing opportunities for staff, students and other stakeholders to engage with the policy.

These policies were all introduced after sustained student campaigns, and their formulation appears to have involved extensive discussion and stakeholder engagement.