

APPENDIX 3

Ethics and Sustainability

Nottingham Trent University will act in an ethical and sustainable manner in considering how it invests its funds and to which commercial opportunities it pursues.

The University will ensure that its financial investments are undertaken in an ethical and socially responsible manner, and are fully aligned with the University's policies, principles and ways, including that of 'Embracing Sustainability'.

The University has therefore adopted an Ethical Investment Policy, which sets out the overall approach and expectation through which the University takes ethical, social, and environmental considerations into account across all of its investment activities.

The Policy forms part of the University's Treasury Policy and is reviewed on an annual basis by the University Strategy, Policy, Finance and Resources Committee; the President of the NTU Students' Union is a member of this committee. This review enables continual improvement and adapting its contents to reflect the evolving nature of institutional and societal needs and expectations within this area.

Guiding Principles

1. The University does not and will not intentionally invest directly (or through collective funds) in organisations whose primary business falls into any of the following categories:
 - a. Manufacture and/or sale of substances which are potentially damaging to health (including alcohol or tobacco):
 - b. Activities which directly cause environmental damage:
 - c. Activities within the fossil fuel sector (including oil and gas production):
 - d. Organisations complicit in the violation of international law, including the use of torture;
 - e. Activities which directly threaten international stability, including the manufacture and/or sale of arms/weapons;
 - f. Activities which directly contribute to the development and maintenance of poverty; and
 - g. Activities which involve the abuse of children.
2. The University will take steps, where possible, to increase the proportion of investments with positive societal outcomes (including those within the healthcare sector and those contributing to reductions in carbon emissions).
3. The University routinely invests funds with third party organisations through the investment of surplus funds and endowments. It also makes investments in spin-out companies and other related parties as these opportunities arise. All investments are made in accordance with the University's Treasury Management Policy and this Appendix 3 is embedded in that policy.
4. In deciding on counterparties and companies in which to invest, the University will not knowingly invest in organisations whose activities could be seen to discriminate and/or endanger individuals and/or groups of people, and/or whose activities are inconsistent with the policies, values and principles of the University, its community and/or its wider stakeholder network.

5. The University publishes a list of its investments (excluding cash and short term investments as defined in the financial statements) publicly and regularly on its website to ensure open and transparent communication with its stakeholders.
6. In order to ensure compliance with this policy the University will:
 - a) Consider the ethical and social implications of investments alongside those of commercial opportunities.
 - b) Allow members of the University 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.
 - c) Ensure that where fund managers undertake the University's investments, that they operate to ethically and socially responsible objectives consistent with those of the University.

Short Term Deposits

1. The bulk of the University's investments are through money market deposits with approved Banks and Building Societies as described in the Treasury Policy and approved by the Strategy, Policy, Finance and Resources Committee.
2. The Banks and Building Societies, when considered as counterparties, will be researched in advance so to ascertain their ethical investment policy and suitability/compliance with the University's Ethical and Sustainability Policy.

Investments

1. A list of all investments is included in the University's Accounts published annually on the University's website.
2. It is not the policy of the University to invest in equity holdings through the stock market. At present there are equity holdings as detailed in the Annual Accounts published annually on the University's website. In the main these are legacy holdings of minimal value resulting from the development of spin out opportunities by the University. In addition, the Student Success Fund invests in equity via the Cazenove Charity Sustainable Multi-Asset fund.
3. The holdings are grouped as required by statute:
 - a) Shareholdings in subsidiary undertakings
 - b) Other investments
 - c) Endowment asset investments.

Other Investments

The University also has holdings in 'spin out companies' set up to strengthen research and regional engagement; to maintain financial sustainability and develop intellectual property owned by or originating from the University.

Pension Scheme Investments

The University is a member of various multi-employer funds constituted as separate corporate bodies with their own boards of trustees and governance procedures. Consequently, the schemes' funds are invested entirely separately from those of the University.