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| Policy owner: | Director of Finance |
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Ethical Investment & Banking Policy 2023

1. **Introduction**
2. Sustainability is a key priority for the University and this extends to sustainable investment and banking. The University’s Sustainability policy was approved by the Board in March 2023 <https://www.chi.ac.uk/app/uploads/2021/09/Environmental-Policy-2021.pdf>
3. This policy replaces the Ethical Investment Policy that was last approved by the Board of Governors in June 2010 and sits within the overarching Treasury Management Policy <https://www.chi.ac.uk/about-us/policies-and-statements/finance/>
4. The policy is intended to support the University’s aims of ethical investment (as and when funds are available) and ethical banking.
5. The University is committed to ensuring that all investment decisions are made responsibly with the primary guiding principle of generating funds, through income and/or capital growth, to further the work of the University.
6. The University places a high level of importance on operating in an ethically responsible manner and will consider environmental, social and governance (ESG) issues when making investment decisions, accepting that this may have implications on the level of returns possible.
7. The scope of this policy focuses solely on direct investments made by the University, and therefore does not extend to non-investment related teaching and learning, research, pension scheme investments, enterprise or other corporate activities and services.
8. Finance and Resources Committee will monitor and review the policy no less than every five years, with responsibility for implementation delegated to the Director of Finance.
9. Day to day responsibility shall reside with the Head of Financial Control who will inform the Sustainability, Environment and Energy Management Advisory Group (SEEM) of any new investments undertaken and the ESG assessment.
10. The Ethical Investment and Banking Policy will be available on the University website, with appropriate contact details, enabling members of the University community to have the opportunity to engage with the Policy.
11. **Ethical Investment** **and Banking**
    1. Within the boundaries of the treasury management, acceptable levels of risk and return, and within the required approvals of Finance and Resources Committee, the University will consider the ethical implications of investment alongside the commercial opportunities.
    2. When selecting the University operational banking partner and debt funder, a tender process will take place considering ESG policies. The outcome of the tender process and a recommendation will be brought by the Director of Finance to Finance and Resources Committee and the Board for approval.
    3. Any investments need to be within the permissions of the HSBC facility agreement dated 2nd December 2022. Currently, the acquisition of shares or securities are not permitted.
    4. It is not the policy of the University to invest in equity holdings through the stock market. The only direct investment in equities held are in the University wholly owned subsidiary company Chichester Enterprise Limited (CEL) whose investment and banking activities are also bound by this policy.
    5. Investments made directly by the University will be restricted to short-term money market deposit accounts aligned with the University Treasury Management Policy schedule of short-term investment criteria. Currently all investments are made via short-term money market deposit accounts.
    6. Should the University seek to invest in areas other than short-term money market deposit accounts, permission would need to be sought from HSBC. If permission was granted, a tender process would take place to establish a third-party fund manager which would consider ESG policies. The outcome of the tender process and a recommendation will be brought by the Director of Finance to Finance and Resources Committee and the Board for approval.
    7. When selecting a banking partner for operational banking and debt funding, and in the event of requiring a third-party fund manager, the University will seek to engage with sustainable companies and establish restrictions on some types of investments, including: fossil fuels, armaments, companies which are known to be complicit in the manufacture of tobacco, alcohol, pornography and gambling, support oppressive regimes, and companies with violations of international conventions and norms in the areas of human rights and climate change.