

Revised SRI Investment Policy (May 2018)

Cardiff University is committed to ensuring that it makes investment decisions responsibly and with integrity.

This policy for ethical investment has been developed to allow the University to pursue an ethical approach while minimising any negative effect on its investment returns and is mindful of the Charity Commission position that trustees have a duty to maximise returns on investments for charitable benefit.

In making investment decisions the University expects its appointed Investment Managers to encourage good behaviour or discourage poor behaviour through the screening of investments, either positively or negatively, and through the direct engagement with companies.

The University's investment policy prohibits the direct investment in companies based upon four parameters:-

- **Tobacco:** any companies involved in producing and distributing tobacco products where revenues exceed 10% of global earnings;
- **Armaments:** any companies producing weapons and weapon systems, including cluster munitions and antipersonnel landmines where revenues exceed 10% of global earnings. Companies whose main business includes the supply of strategic components (such as weapons guidance systems) and services are also excluded. Main business is any activity whose revenues exceed 10% of global earnings;
- **Code of Ethics:** any companies that do not have a Code of Ethics Policy as per EIRIS (Ethical Investment Research Service) guidelines (or similar); or such companies that display poor ESG (Environmental, Governance and Social) factors and show little sign of improving.
- **Fossil Fuels:** By 2021, the University will divest itself of its investment in companies involved in the extraction of any fossil fuels where revenues exceed 10% of global earnings.

Where investments are made by third party managers in pooled funds or similar vehicles, the University's requirement is that wherever practical, the funds in question should seek to avoid direct investment in companies that fall within the exclusion in the University's Socially Responsible Investment policy.

Governance

The University's Socially Responsible Investment policy is subject to regular review by Council through the Policy and Resources Committee and its Investment and Banking sub-committee. In addition, the Annual Report on Treasury Management will include a section on the application of the ethical investment policy to include the screening methodology used by its investment managers and any specific investment or divestment decisions taken on ethical grounds.

Way Forward II strategy

This policy supports the vision of the University to be a world-leading, research-excellent, educationally outstanding university, driven by creativity and curiosity, which fulfils its social, cultural and economic obligations to Cardiff, Wales, the UK and the world and also the achievement of the supporting Finance strategic aim of creating on average over the period to 2023 an annual operating surplus of at least M£30.

This policy applies to the investments of Cardiff University.

The funds of the Cardiff University Pension Fund do not belong to the University. The investment of these funds is the responsibility of the scheme's trustees.
