



**London
South Bank
University**

EST 1892

Ethical Investment Statement

LSBU's Board of Governors have expressed their wish for LSBU to develop an ethical investment policy at the July 2016 Board Meeting. For example, to create a stand-alone policy which could introduce additional criteria and to explicitly state which types of sectors LSBU would/would not hold stocks and shares e.g. to screen-out fossil fuel investments.

This would only be the outcome following a detailed review of appropriate environmental, social and governance considerations [ESG], e.g. by migrating to a fund which had been ethically screened already (set-up as one with dedicated ESG criteria). In July 2015, LSBU's endowment fund was valued at £742k with almost all this capital invested in a range of shares, bonds and other assets.

These assets are held by a Fund Manager in a fund that has a basic Socially Responsible Investment Policy. The fund will not invest in companies manufacturing tobacco related products. In addition, they will avoid investment in companies with more than 10% of their turnover in:

- Alcohol Manufacture
- Armaments
- Gambling
- Pornography

The current Fund Manager is active in voting on company resolutions and will engage in direct dialogue with companies where appropriate regarding these matters.

The principle that underpins any decision related to this is that LSBU must fulfil its fiduciary responsibilities i.e. to ensure a prudent, responsible approach to investing and managing the University's money) when managing endowment funds.

Richard Flatman, Chief Financial Officer, August 2016