

**Ethical Investment Criteria**

The University is committed to investing in a socially and environmentally responsible manner that align with the University’s ethos and purpose.

The University’s requirement is that wherever practicable, investment of the University’s endowment funds should not be directly invested in companies that contravene this policy. The investment managers will actively screen investments to exclude companies materially[[1]](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-GB&rs=en-GB&wopisrc=https%3A%2F%2Fnewcastle.sharepoint.com%2Fsites%2FFinanceCommittee%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F028cf0895c6d46cd91fbeee08fd7e308&wdorigin=TEAMS-MAGLEV.teamsSdk_ns.rwc&wdexp=TEAMS-TREATMENT&wdhostclicktime=1750263957383&wdenableroaming=1&mscc=1&hid=9660A9A1-B039-D000-36B5-D5A0C1146AC0.0&uih=sharepointcom&wdlcid=en-GB&jsapi=1&jsapiver=v2&corrid=c9639167-25f8-192f-6611-62895dc8a1a9&usid=c9639167-25f8-192f-6611-62895dc8a1a9&newsession=1&sftc=1&uihit=docaspx&muv=1&ats=PairwiseBroker&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fnewcastle.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&afdflight=62&csc=1&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftn1) involved in:

* the production, cultivation, manufacture and sale of tobacco products.
* the exploration and extraction of fossil fuels.
* manufacturing or sale of armaments.
* the production or distribution of pornography.
* the operation of betting or gambling.

The investment managers also actively screen investments to exclude companies in violation of international law.

The University recognises that avoiding indirect association or connections to the above activities is currently unfeasible when investing in pooled funds and similar vehicles, this is because they represent an aggregated portfolio of investments. Whilst screening applies for the direct activities of the company, de minimus limits often apply as avoiding an industry entirely is sometimes not possible given the complex nature of business operations where companies often serve a wide array of industries due to the interconnected nature of the economy. Further, due to the complexity of global supply chains, economic interdependencies and multifaceted customer relationships completely avoiding any indirect association is impractical for pooled funds.

The University will only procure investment managers who are signed up to the United Nations Principles for Responsible Investment (UNPRI), encouraging membership of the Net Zero Asset Manager Initiative, and can report on the carbon footprint of publicly quoted companies within their portfolio to inform the University’s carbon accounting and climate action. Investment managers are encouraged to measure contribution towards the UN Sustainable Development Goals through their process and portfolios and report on progress. Investments are also expected to meet Financial Conduct Authority (FCA) Sustainability Disclosure Requirements (SDR) and have a Sustainability label.

The University, via Finance Committee (which includes Student Union representation) will actively engage with appointed investment managers on matters relating to its core values a minimum of once per year.

[[1]](https://ukc-word-edit.officeapps.live.com/we/wordeditorframe.aspx?ui=en-GB&rs=en-GB&wopisrc=https%3A%2F%2Fnewcastle.sharepoint.com%2Fsites%2FFinanceCommittee%2F_vti_bin%2Fwopi.ashx%2Ffiles%2F028cf0895c6d46cd91fbeee08fd7e308&wdorigin=TEAMS-MAGLEV.teamsSdk_ns.rwc&wdexp=TEAMS-TREATMENT&wdhostclicktime=1750263957383&wdenableroaming=1&mscc=1&hid=9660A9A1-B039-D000-36B5-D5A0C1146AC0.0&uih=sharepointcom&wdlcid=en-GB&jsapi=1&jsapiver=v2&corrid=c9639167-25f8-192f-6611-62895dc8a1a9&usid=c9639167-25f8-192f-6611-62895dc8a1a9&newsession=1&sftc=1&uihit=docaspx&muv=1&ats=PairwiseBroker&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc=%7B%22pmo%22%3A%22https%3A%2F%2Fnewcastle.sharepoint.com%22%2C%22pmshare%22%3Atrue%7D&ctp=LeastProtected&rct=Normal&afdflight=62&csc=1&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush#_ftnref1) Deemed to be 10% of group revenues. We include thresholds for transparency; we will work with our investment managers over time to reduce these thresholds, recognising that it would be difficult to invest with zero thresholds across all exclusions.

Details of the University’s investment portfolio will be published annually to allow for scrutiny by the wider University community. A breakdown of investments by sector is published quarterly on the Financial Disclosures webpages.

Executive Board will consider expressions of concern from within the University community related to specific companies or industry whose activities or values appear, on the basis of clear evidence, to be incompatible with the University’s core values and give grounds for serious concern. The following procedure will be followed:

1. Cases will normally only be considered if brought forward by representative bodies such as the Students’ Union, recognised trade union, or via recognised University’s governance committee structure.

1. The key criterion against which specific cases will be considered will be whether the activity complained of (and substantiated) is contrary to the University’s value systems either as reflected in the University’s Vision and Strategy or in regard to wider issues of social, environmental, ethical, and humanitarian concern. This would for example include, but not be limited to, human rights abuse, discrimination on grounds of race, gender or disability and serious and persistent environmental damage. Clear and substantiated evidence must be provided to support the specific case.

1. Cases shall be considered by Executive Board in the first instance. Executive Board shall consult the Chair of Finance Committee. Where appropriate the Chair of Finance Committee or the Executive Director of Finance shall raise matters with the investment managers.
2. Executive Board shall determine whether or not to recommend to Council:

(i) that there is no further action that the University needs to take or;

(ii) that, where legitimate concerns have been raised that are not considered sufficient for disinvestment, Executive Board shall instruct the University’s investment managers to raise concerns with the named company(ies) at the annual meeting of shareholders, or in some other appropriate manner, or to exercise a vote on the University’s behalf, or;

(iii) disinvest from the pooled fund completely recognising that it might not be possible to implement some changes until the renewal of the tender/contract for investment managers.

Finance Committee will be asked to make the financial consequences clear to Council. The decision of Council shall be final and will not be re‐considered for a period of at least two years.

**Updated 1st August 2025**