

Policy and Procedures Governing Sustainable Investments

This policy establishes how FU considers sustainability when allocating investment resources and how decisions, outcomes, and public disclosures are governed.

1. Purpose

To integrate environmental, social, and governance (ESG) considerations into prudent investment decisions; safeguard FU's financial sustainability; and demonstrate an evidence-based approach to responsible investment, including relevant QS expectations.

2. Scope

Applies to FU financial investments, managed funds, reserves and endowments where held, and capital investments in buildings, infrastructure, equipment, and technology. It covers staff, committees, and external managers involved in investment decisions. Routine purchases remain governed by the purchasing policy; funding and donation acceptance remain subject to the relevant policy.

3. Policy Statements

3.1 Responsible stewardship. FU shall assess ESG factors alongside financial return, security of capital, diversification, liquidity, whole-life cost, and institutional priorities. Sustainability claims shall be supported by evidence proportionate to the investment's scale and risk.

3.2 Sustainability priorities. Subject to approved budgets and financial appraisal, FU shall favour investments that demonstrably improve energy and water efficiency, renewable energy use, waste prevention, accessibility, sustainable transport, or other environmental and social outcomes.

3.3 Screening and exclusions. FU shall not knowingly make direct investments involving unlawful environmental harm, forced or child labour, corruption, or serious human-rights violations. Significant fossil-fuel exposure or other material environmental and social risks require enhanced due diligence, consideration of credible transition plans, and assessment of alternatives. Pooled funds shall be screened using available holdings and manager disclosures; information gaps and residual exposure shall be documented.

3.4 Integrity and transparency. Decision-makers shall declare conflicts of interest and withdraw from affected decisions. FU shall publish the approved policy or a clear explanation of how sustainability informs investments. Public statements shall distinguish intended benefits from verified results and protect confidential financial information.

3.5 Applicability. Where FU holds no financial investment portfolio, Finance shall record this fact and explain the policy's application to capital investments and future financial investments. Campus expenditure shall not be represented as a financial investment portfolio.

4. Definitions

- **Sustainable investment:** Allocation of capital that considers material ESG risks and benefits alongside financial objectives.
- **ESG:** Environmental impacts, social responsibilities, and governance practices relevant to a decision.
- **Whole-life cost:** Acquisition, operation, maintenance, and end-of-life costs over the investment's useful life.

- **Material risk:** A risk significant enough to affect financial performance, institutional obligations, or environmental or social outcomes.

5. Responsibilities

Role or office	Key responsibilities
President and competent governing authority	Approve policy and decisions within delegated or reserved powers; oversee significant exceptions and risks.
VPAF and Finance	Implement screening and financial appraisal; recommend investments; maintain the register; monitor managers and prepare annual reports.
DFaM IT Services and requesting units	Prepare business cases; assess technical impacts; implement approved projects; measure results and resolve deficiencies.
QA–IEA and QA–IEC	Verify evidence and policy effectiveness; review findings and recommend improvements. QA–IEA does not replace financial approval or operational ownership.

6. Procedures

6.1 Proposal. The requesting unit completes Annex 1, stating the investment purpose, amount, funding, alternatives, expected return or savings, ESG impacts, responsible owner, and intended outcomes.

6.2 Due diligence. Finance coordinates financial and ESG assessment with technical units and Legal Affairs where needed. Capital projects require whole-life costing and measurable environmental or social benefits. Financial products require assessment of issuer or manager practices, underlying exposure, charges, liquidity, and available ESG evidence. Significant risks require enhanced review before recommendation.

6.3 Approval. The authorized decision-maker records approval, conditions, or rejection before commitment of funds. Exceptions require documented justification, mitigation, and approval within delegated authority; no exception may permit unlawful activity. Reserved decisions shall be referred to the competent governing authority.

6.4 Implementation. Finance assigns a unique investment reference and records the approved amount, classification, assessment, conditions, owner, and evidence links in the central register. Contracts or manager mandates shall include proportionate sustainability and reporting requirements.

6.5 Monitoring and escalation. Owners update Annex 2 at least annually and more frequently for material risks or approval conditions. Material breaches or adverse impacts shall be reported promptly to VPAF, with immediate escalation of critical matters to the President. Finance recommends corrective action, engagement, reallocation, or exit following an assessment of costs, contractual obligations, and risks.

6.6 Reporting and publication. Finance prepares an annual implementation report for VPAF and the appropriate governance body. QA–IEA checks traceability and relevant QS evidence. The designated website administrator publishes the approved policy and approved public summary; publication dates and the accessible URL are retained.

7. Non-Compliance

Unauthorized commitments, omitted screening, unmanaged conflicts, or inaccurate reporting shall be referred to VPAF for investigation and corrective action. Any disciplinary action shall follow applicable FU procedures and due process. Findings shall identify an accountable owner, deadline, and closure evidence.

8. Quality Assurance and Continuous Improvement

Finance and QA–IEA shall review implementation annually. Internal measures shall include the proportion of new investments screened before approval, overdue corrective actions, and actual results against project baselines and targets. Financial portfolio values and capital expenditure shall be reported separately. QA–IEC shall review systemic findings and recommend improvements; these internal measures shall not be presented as prescribed QS indicators.

9. Related Documents

FU financial delegations and investment rules; purchasing, inventory, sustainability and asset disposal policy; risk management, conflict-of-interest, data governance, and records-retention requirements; institutional strategy. QS sources and supporting forms are listed on the following page.

10. Review Cycle

Review every three years from approval, or earlier following changes in investment activities, material risk, applicable requirements, or QS methodology. The policy owner proposes revisions through the established governance process.

Annex 1 Investment Assessment and Approval Record

Complete before commitment. Attach the business case and supporting assessments. Form code to be assigned by QA–IEA.

Required field	Entry or attached evidence
Investment reference and owner	Reference: _____ Unit and owner: _____
Proposal and financial appraisal	Purpose and type: _____ Amount and funding: _____ Return or savings; whole-life cost; liquidity; alternatives: attach appraisal.
ESG screening	Environmental and social impacts; governance risks; exclusion check; indirect exposures and information gaps: attach findings.
Targets and monitoring	Baseline: _____ Target and date: _____ Data source: _____ Risk mitigation and reporting frequency: _____
Review and decision	Finance and technical reviewers: _____ Date: _____ Conflicts declared and managed: _____ Approve / Approve with conditions / Reject / Refer Authority, signature, date and conditions: _____

Annex 2 Investment Monitoring and Corrective Action Record

Complete for each review period and link to the original investment reference. Form code to be assigned by QA–IEA.

Required field	Entry or attached evidence
Reference and review period	Investment: _____ Owner: _____ Period and date: _____
Performance and evidence	Approved amount / actual expenditure or value: _____ Baseline/target / actual result/variance: attach results. Calculation method and evidence location: _____
Risks and corrective action	Finding and residual risk: _____ Action/owner / due date/escalation: _____
Review and closure	Finance review and date: _____ Closure decision and evidence: _____ QA–IEA verification where reviewed: _____

Records control. Finance retains the authoritative register, assessments, approvals, contracts, monitoring reports, and corrective-action records in the approved repository. QA–IEA accesses linked evidence for assurance. Apply authorized access, version control, and FU’s approved retention schedule; suspend disposal where an audit, investigation, or legal hold applies.

QS Alignment and Source References

QS Stars includes sustainable investment, procurement, and donations or funding policies within environmental operations. QS Sustainability Rankings ES4.2 assesses a publicly available policy or explanation of sustainability in investments. This policy supports the investment element; scores remain subject to QS assessment and the applicable cycle.

QS Environmental Sustainability — ES4.2: <https://support.qs.com/hc/en-gb/articles/8568859719708-Environmental-Sustainability>

QS Stars Environmental Impact: <https://www.topuniversities.com/qs-stars/qs-stars/rating-universities-environmental-impact-qs-stars>