NEW COLLEGE OXFORD: RIP STATEMENT

1. Premise

In adopting a Responsible Investment Policy, Fellows are mindful of their primary responsibility as charity trustees. They have a fiduciary responsibility to maximise the assets of the charitable corporation in fulfilment of its charitable objectives. In doing so, they must also recognise that charities have a responsibility to behave in a way which conforms to socially acceptable principles, and a RIP statement is considered a prerequisite for so doing, and for influencing the broader debate.

When adopting this statement, the College is concerned:

i) To reconcile these two responsibilities in a thoughtful way

ii) Through the adoption of some guiding principles and, where necessary, some screening and engagement, to contribute to the minimisation of social and environmental harm that otherwise the College via its investments might inadvertently cause.

iii) To engage with the investment managers in all aspects of responsible investments.

iv) To exercise its discretion by being mindful of the principles set out below whenever making decisions.

2. Principles

The College Investment Strategy will be guided by the four key principles within the UN Global Compact:

i) **Human Rights**: Businesses in which the College invests should support the protection of internationally proclaimed Human Rights, and demonstrably ensure that they are not complicit in any human rights abuses.

ii) **Labour**: Businesses in which the College invests should uphold freedom of association and recognition of the right to collective bargaining; seek the elimination of all forms of forced and compulsory labour; pursue the abolition of child labour; and aim at the elimination of discrimination in respect of employment and occupation.

iii) **Environment**: Businesses in which the College invests should support a precautionary approach to environmental challenges; undertake initiatives to engender a greater environmental responsibility; and discourage the development or deployment of environmentally harmful technologies

iv) **Anti-corruption**: Businesses in which the College invests should work against corruption in all its forms, and must (as a minimum) comply with all relevant international laws (including, but not limited, to the UK Bribery Act, the US Foreign Corrupt Practices Act, and the OECD Anti-corruption Convention).

The above principles should guide the College's selection of investment/fund managers. The College will not invest via managers which do not have clear policies and screening mechanisms to ensure their compliance with these principles in the selection of businesses in which they in turn invest. Nor does the College intend to invest directly in businesses or in property projects which contravene these principles. In the case of property projects, it will seek to operate within the principle of "net environmental gain."

3. **Practice**

i) The College will take as its starting point the standards of Responsible Investment adopted by the University of Oxford, and as implemented by OUEM. It is noted specifically that investment restrictions are placed on businesses that are active in the manufacture and distribution of cluster munitions, in coal and oil-sands extraction and in tobacco products. It is further noted that the Congregation of the University of Oxford recently extended restrictions on direct investments and funds to the whole fossil fuel industry including, but not limited to, the Carbon Underground's top 200, and that this extension has been duly ratified by the University Council.

ii) In selecting active investment/fund managers, the College will require demonstration of a credible track record on Environmental, Social and Governance (ESG) matters, and the manager's performance and attitude in relation to ESG issues will be assessed using recognised comparative data sets, aiming for a manager eligible for selection by the College to be performing in the upper quartile on ESG broadly, and in the upper decile on the Environmental aspect of ESG. While Passive Funds represent a more difficult challenge, the intention is, similarly, to seek to assess them against appropriate benchmarks. These data sets and criteria will be set out and agreed in a subsequent paper.

iii) The College, via the Endowment Committee, will review annually its investment/fund managers on all aspects of performance including adherence to ESG matters and the principles set out above.

iv) Following such a review, divestment from a fund or portfolio will be triggered by:

- Any uncorrected breach by the manager of the four guiding principles (Item 2 above).

- Any breach by the manager of the restrictions or exclusions adopted by the University of Oxford (Item 3.i) above).

- A problematic voting record on the part of the manager at the AGMs of businesses in which the manager invests where the manager unjustifiably abstains or votes contrary to the four key principles and/or exclusions/restrictions.

- Any other factors that, at the discretion of the Endowment Committee, it may take into account in evaluation of manager performance, it being noted that managers are appointed and terminated by Governing Body on the recommendation of Endowment Committee.

v) Where the College detects a material breach by a manager of the above principles and restrictions there will be a six-month consultation in which the manager should seek to correct the breach, or demonstrate a commitment to so doing, following which a decision will be made about the future of the investment.

vi) Where the College is investing in a manager which imposes time restrictions on withdrawals (e.g. OUEM) it will seek to influence the investor by both direct and indirect engagement. In the case of OUEM the indirect engagement will take place through the Conference of Colleges, by the ability to make representations through Conference, to the University's Investment Committee, which has been strengthened to include ESG oversight, and ultimately to Council.

4. **<u>Proactivity.</u>**

i) The College will use its best endeavours to monitor best practice in the evolving context of ESG. As a responsible investor, it will seek to be cognisant of various initiatives which debate and explore different aspects of best practice, including such organisations as the Charities' Responsible Investment Network. It does so in the spirit of wishing to inform further its discretion in reviewing its progress against the adopted principles.

ii) The College supports the Oxford Martin School's work to encourage climate conscious investment.*

It notes that OUEM is working in partnership with the Oxford Martin School to help the development of methodologies which will assess the rule of Net Zero Carbon in investment portfolios ("Oxford Net Zero"), and will seek to keep informed of these discussions.

5. **<u>Policy</u>**

Within the framework of the College's Investment Strategy and in addition to the principles above generally informing our policy, the College will, subject to the fiduciary responsibility upon the Fellows and Charity trustees, specifically consider allocating a proportion of its funds (initially a target of 2.5%) to investments which will achieve "ESG bite" as "impact investments", with an explicit aim of delivering an environmental or social solution or impact, either on its own account or through other investment vehicles.

* Oxford Martin School, 'Principles For Climate Conscious Investment'.

1 Commit to reaching zero emissions from their business activities
2 Develop a plausible and profitable net zero business model
3 Set out quantitative mid-term targets compatible with their net goal

January 2025