

KING'S COLLEGE LONDON ETHICAL INVESTMENT POLICY

The Council of Governors of King's College London are the trustees of the College's investments and are ultimately legally responsible for the proper investment and safekeeping of these funds. They have delegated this responsibility to the College's Finance Committee which has set up an Investment Sub-Committee to oversee investment policy and manage performance.

The College's ethical investment policy will have consideration to its duty to invest in a way that furthers the purposes of the College. This will normally be achieved by seeking the maximum return from a portfolio of investments which have been selected prudently.

The College Trustees will aim to operate an ethical investment policy in accordance with Charity Commission guidelines which will:

- Avoid direct investments in businesses that would for practical reasons conflict with the aims and objectives of the Charity;
- Avoid direct investments that might hamper the Charity's work, either by making potential beneficiaries unwilling to be helped because of the source of the Charity's money, or by alienating supporters. This requires trustees to strike a balance between the likely cost of lost support if the Charity were to hold the investments and any risk of financial under-performance if those investments are excluded from its portfolio.

In the light of the above Charity Commission guidelines the College will:

- Not make any direct investment in tobacco shares as this would be inconsistent with and would conflict with the College's research into cancer. When investing in pooled funds, the College will keep the investment in tobacco as close as practically to zero as possible and monitor exposure regularly. Where faced with equivalent pooled options, the College will prefer a pooled fund that excludes tobacco;
- Aim to divest from all fossil fuel investments by the end of 2022 subject to there being no significant impact upon financial risks and returns used to support academic activities;
- Increase the commitment to investments with socially responsible benefits from the present aim of 15% to an aspiration of at least 40% by 2025 subject to there being no significant impact upon risks and returns;
- Notify managers of its ethical policy. It will also collect and review the ESG statements and responses from managers on an annual basis. When selecting investment managers, the College will evaluate the manager's capabilities in ESG as a factor in the hiring decision;
- Consider becoming a signatory to the United Nations Principles for Responsible Investment (UNPRI).

At King's we believe that the successful management of environmental, social and governance (ESG) issues is fundamental to creating value for investors. Companies that are successful in avoiding ESG risks tend to outperform in the longer term.

We expect our investment managers to engage with companies through the judicious and transparent use of voting rights and informal dialogue to encourage better management of ESG risks and opportunities.

This should include consideration of key ESG issues such as: Climate Change, Ecosystem Services, Environmental Management, Labour Standards, Human Rights, Public Health, Corporate Governance, Business Ethics and Sustainability Management and Reporting, including those companies in supply chains.