



BSBI's Ethical Position Statement

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Approved by & date:	Investment Committee, 6th Sept 2022
Approved by & date:	Board of Trustees, 6th Sept 2022
Next review due:	Autumn 2025 (three year review interval)

Purpose

The purpose of this Ethical Position Statement (EPS) is to set out BSBI's position regarding ethical investing.

BSBI's Ethical Position Statement

1. The continued delivery of BSBI's charitable objectives is intrinsically linked with ensuring the protection and future health of the natural environment.
2. While there are no legal, Charity Commission (CC) or Scottish Charity Regulator (OSCR) requirements to adopt an ethical investing stance, Trustees recognise the importance of BSBI investing in a socially responsible manner which promotes the protection and health of the natural environment. Also, this environmentally aware approach is increasingly being expected by the world at large. This aim is carefully balanced with the desire to optimise Total Return from investments to secure the work BSBI does.
3. Practical measures taken in pursuit of these ethical aims are below. This list is not exhaustive:
 - a. BSBI has close links and communication with its investment managers, Brewin Dolphin (BD), including monthly & quarterly reporting, ad hoc advice, trustee training and annual face to face meetings.

- b. BSBI's money is invested under BD's Stewardship Policy which, through active engagement, promotes good corporate governance BD is a responsible steward of the assets held on behalf of BSBI; this is demonstrated by voting on company resolutions and evidenced by engagement with company management and fund managers on key issues including good governance and environmental considerations.
- c. BD has a strong understanding of BSBI's charitable objectives to which it actively endeavours to align BSBI's portfolio over time.
- d. Affirmative investment actions, includes for eg. The holding of investments in:
 - i. Impax Environmental Markets
 - ii. Syncona, which invests in Life Sciences, owned by Wellcome Foundation
 - iii. Investing in the pursuit of clean energy
 - iv. Limiting investment in fossil fuels; As at March 2022, ~4% of BSBI's portfolio is in companies dealing in fossil fuels compared with ~8% benchmark.
- a. Trustees keep abreast of CC's ethical investing advice, eg. CC14 and other matters reported in the media, such as changing perceptions and expectations. In particular, Trustees await with interest CC's important upcoming update of CC14 in response to the recent *Butler-Sloss* High Court case which is expected to clarify that charities can adopt investment policies and approaches with ethical and social considerations, even where this will lead to a lesser financial return on such investments.
- b. BSBI asks BD to incorporate environmental, social and governance (ESG) considerations, alongside robust financial analysis within their investment process. Additionally, BSBI asks its Investment Manager to be a signatory to the UN Principles of Responsible Investment (UNPRI).

Status, Date Effective & Next Review

This Statement should be read alongside section 8 - Ethical Investment Policy, of **BSBI's Investment Policy Statement (IPS) dated 7th September 2021.**, noting that at the next review of the IPS in Autumn 2024, the aims of this EPS will be incorporated within the IPS.

This Statement is effective immediately & remains in effect until its next triennial review, or earlier review if appropriate.