

Institute of Education

Ethical Investment Policy

As an institutional investor that takes seriously its fiduciary obligations, the Institute aims to be an active and responsible long-term shareholder of companies and markets in which it invests. The Institute pursues this policy in order to protect and enhance the value of its investments by encouraging responsible corporate behaviour.

Therefore, the Institute requires its funds managers to pay appropriate regard to relevant corporate governance, social, ethical and environmental considerations in the selection, retention and realisation of all fund investments. The Investments Committee expects this to be done in a manner which is consistent with the Institute's investment objectives and legal duties and has called on its funds managers to use their influence as an institutional investor to promote good practice by investee companies and by markets to which the fund is particularly exposed.

The Investments Committee expects the funds managers to undertake appropriate monitoring of the policies and practices on material corporate governance and social, ethical and environmental issues of current and potential investee companies.

The aim of such monitoring should be to identify problems at an early stage, and enable engagement with management to see appropriate resolution of such problems. The funds managers will use voting rights as part of this engagement strategy, where voting should be undertaken in a prioritised, value-adding and informed manner. Where collaboration is likely to be the most effective mechanism for encouraging company management to address these issues appropriately, the Institute expects its funds managers to participate in joint action with other institutional investors.

The Investments Committee monitors this engagement on a regular basis with the aim of maximising its impact and effectiveness. The Institute's governance, social, ethical and environmental policies are also reviewed regularly by the Council and, where appropriate, updated to ensure that they are in line with good practice.