

AUB Code of Ethics: commentary

This document sets out responses to some frequently asked questions about the Code.

“You could say you were being fair, but it might not be particularly nice.”

Fairness and integrity is listed as a key principle of behaviour. But that doesn't mean it's the only consideration – we also have our EDI statement about treating people with respect, and our Code of Conduct, and our Disciplinary Policy.

Is the balance right? Is there as much on ethics as on ethical investment principles; would it be better to split the two different documents?

Once the document has been properly designed, there won't be the same sense of imbalance. The section on ethical investment is inevitably longer because there are no other supporting policies; but the two sections might, for instance, be published as two different tabs on a web page.

Who holds who to account and how?

With the exception of the Ethical Investment Principles, we don't believe that the Code of Ethics introduces new or additional expectations. The Code summarises the underlying principles expressed in the Strategic Plan and embedded throughout AUB policies. All staff and students are able to challenge instances of unethical behaviour. This will usually be through the relevant policy but, if that does not apply, through the respective grievance or complaints procedure.

The policy should reference how we evaluate our performance.

This is an interesting challenge. As there are no 'new' actions here – apart from the ethical investment principles – it's not obvious how we would do this, although there might be the potential to do this through other processes (eg questions in the staff survey relating to the key principles).

We probably don't want to be transparent about everything...

This is true of course – we have rigorous processes and behaviours around confidentiality in terms of GDPR against our data for example, and there are many processes which involve an individual's personal data which would not be shared.

In governance terms, transparency means that decisions are public and open to scrutiny; that the reasons behind decisions are given; and that the decision-making process is clear. It can be extended to mean that stakeholders are aware of how they can contribute to or influence the decision-making process.

It is this commitment which is set out in the Code.

How were the direct investment percentages decided – shouldn't some more be at zero?

The starting point for the direct investment percentages was the guidance on ethical investment set out by the Church of England for the Church Commissioners. This is very comprehensive, and was recommended by the Board.

It would be possible and legitimate to set the percentage at 0% for all the areas listed. The rationale for not doing so is as follows:

1. The Policy states that “All direct investments will be scrutinised in accordance with the ethical principles, and where necessary the Board of the Charitable Foundation will determine whether it deems investment is in accordance with the University’s ethical and sustainability priorities”. This means that any company with a minor engagement with practices AUB considers unethical would not be excluded immediately, but would be subject to scrutiny and would still be excluded unless there were powerful reasons for proceeding.
2. There could be a scenario in which a company previously generated 65% of its turnover from unethical activity, but has been reducing that steadily and is now down at 7%, committed to reaching 0%, and is operating in a carbon-neutral or even carbon-negative way. Might there be a case for limited investment, especially if it was aligned to other important AUB values?
3. There could be a risk of stipulating 0% as it may not be possible to establish this with certainty. AUB might suffer reputational damage if it made such a clear public commitment but it subsequently transpired that a company made a very small income from activity which would fall outside the principles.

There is no reference to the **Banking Policy**. This was suggested as a possible addition but the Board is already responsible for approving bankers, on the recommendation of the Vice-Chancellor, and there is no obvious need for an additional statement about this over and above the Code itself.