



Issues Paper: Reviewing the ANU Socially Responsible Investment (SRI) policy

About the SRI policy

ANU holds investments to help fund academic endowments, scholarships and prizes and to provide for the superannuation of University employees. These investments need to deliver an appropriate return to ensure these obligations to students and staff can be met into the future.

In 2013, ANU became one of the first universities in the world to adopt a [Socially Responsible Investment \(SRI\) policy](#). The policy seeks to ensure a socially responsible approach is maintained through the process of determining where ANU makes investments, and that potential social harm or benefit is considered as part of investment activities. This includes avoiding investment opportunities that are likely to cause substantial social injury. All ANU investments are covered by the SRI policy.

How is the SRI policy applied?

ANU does not choose individual stocks, it appoints investment managers to manage investments on its behalf. All managers engaged to invest on behalf of the University must comply with the ANU SRI policy, which includes a list of negative screens (where managers may not invest on behalf of ANU).

The SRI policy currently includes negative screens against coal, gambling, pornography and tobacco. If a company derives more than 20 per cent of its revenue from these activities, ANU will not invest in it. The policy also sets targets for lower carbon intensity across the portfolio compared to the benchmark.

Additionally, ANU reports on securities that support socially beneficial outcomes, which include, leaders in gender equality, biodiversity risk and energy transformation. ANU aims to increase its weighting to these companies over time and relative to the respective benchmarks.

The University reports annually to the ANU Council on its compliance with the SRI policy and these reports are published on the [ANU website](#).

Changing expectations in our community

ANU is proud to be a leader in socially responsible investment and of the positive results the SRI policy has achieved in terms of both financial and societal benefit. At the same time, our community's expectations around what socially responsible investments mean in practice are evolving and expanding.

When the SRI policy was first adopted in 2013, ANU and its community had a strong focus on environmental and sustainability goals, including decarbonisation and climate change. Over the last decade, community concern has evolved and it is timely to review the SRI policy to ensure it remains fit for purpose in 2024.

Recent advocacy from our community has helped to draw attention to a lack of clarity in the SRI policy on revenue derived from the manufacture and sale of technology with military applications. This is not just an issue for ANU but across the university sector.

Changing community sentiment requires new considerations for the University's investment portfolio. As an example, consider the important role investors play in shaping the use of artificial intelligence in a responsible manner. Without responsible oversight and development, the use of generative artificial intelligence may amplify bias and cause individual, societal and environmental harms.

Community consultation

On 14 June, the ANU Council endorsed a joint recommendation by the Vice-Chancellor and the ANUSA President to review the SRI policy. This review includes consultation with ANU staff, students and alumni. Staff and students can provide their views on the SRI policy at the [following link](#). Alumni will also be invited to provide their views. The closing date for comments is 17 July 2024.

As part of the review, ANU will also:

- Examine current negative and positive investment screens informing the SRI policy.
- Examine potential additional negative and positive investment screens that may potentially inform the SRI policy in the future.
- Seek expert advice on how best to define social harm in terms of modern investment practices and how ANU can integrate this into the SRI policy.
- Review the University's Long-Term Investment Pool (LTIP) to examine what, if any, current investments might be perceived as causing social harm.

The review will be overseen by a working group drawing on broad representation from across ANU. The findings of the review, including consolidated feedback from the University's community, will be presented to ANU Council for consideration at its August meeting.