

## News

# University outsources unethical



BRANDON SEAGER

## Rio Tinto

Among other claims, wildlife activists and NGOs alleged that the company was involved in the murder of RTI activist Shehla Masood in Bhopal, India in 2001.

Two years ago, a US federal appeals court revived a lawsuit seeking to hold Rio Tinto responsible for human rights violations and thousands of deaths linked to a Bougainville copper and gold mine it once ran.

## BP and Royal Dutch Shell

In 2012 Shell faced renewed criticisms from campaigners concerned about the human rights violations and environmental pollution.

In 2010, the BP rig Deepwater Horizon in the Gulf of Mexico exploded after a blowout, killing 11 people, and injuring 16 others. Before the well was capped, an estimated 4.9 million barrels of oil were leaked with 4.1 million barrels entering the Gulf waters.

## AstraZeneca

Company accused of doctoring research, corruption to profit from a nobel prize and mispricing.

The Washington Post reported in 2009, that AstraZeneca didn't publish the study's results or share them with doctors, even as it trumpeted less-rigorous studies with positive results.

### Neil Johnston NEWS EDITOR

MILLIONS of pounds from the University is reaching companies perceived as unethical, including some accused of child labour and human rights abuses.

The money is being invested through bonds directly held by the University and through the York Pension Trust.

The University refused to disclose the investments held by the pension fund, but documents obtained from Companies House reveal that the trust has tens of millions invested in bonds which hold multiple investments in companies including those that have been branded as unethical by interest groups.

The pension fund is not covered by the ethical investment policy but four members of the University council sit on the board.

It is normal for large companies to invest in bonds but not all organisations have ethical invest-

ment policies.

In 2009 the University passed a policy after it came under pressure for its investment in the arms trade.

Although very little money

“The University will not knowingly invest in companies whose practices pose a direct risk to individuals or groups, or who are inconsistent with the missions and values of the University”

The University's Ethical Investment Policy

from the University now reaches the arms trade, the bonds held by the University invest in a range of companies which have come under pressure from campaigners for the

way they have acted.

These include Rio Tinto, Total, BP and Shell, GlaxoSmithKline, and AstraZeneca.

Rio Tinto has been accused of having a poor environmental record and labour and human rights abuses.

BP and Shell, along with other energy companies, have been accused of environmental damage, while GlaxoSmithKline were recently accused of bribery.

AstraZeneca has been accused of mispricing, fraud, and failing to act properly for trial procedures of new drugs.

There is also a stake in AngloGold Ashanti a company accused of helping militia group in the Democratic Republic of Congo.

In 2007 one report commented on the company: “Local communities see little of the huge profits being made by AngloGold Ashanti but suffer from fear and intimidation and from the damaging impact of its mines on their environment, health and livelihoods.”



CI CHANCO

Money from the University has gone towards companies which use child labour

The University has stakes in the four bonds which have stakes in these companies.

These are the Cazenove EQ INC TR for Charities INST, the M & G Charifund Inc Units, First State

Global Emerging Markets Leaders 'B', and the Sarasin Socially Responsible 'P' Inst.

The companies highlighted all potentially break the University's ethical investment policy

# investments

## COMMENT

# York needs to take charge of where the money goes

Rosie Shields



**F**orced labour, dangerous drug trialling and fraud - three things any respectable company wouldn't invest in, or at least not a company you'd want to be associated with right? Well, it turns out we're all involved, with the University and York Pension Trust investing millions of pounds in just that.

Okay, so it's not unusual for large organisations to invest in bonds, and presumably they're doing it to better fund our University. I guess we have to imagine what life would be like if we didn't have this investment. I don't even want to

“Surely having bonds that invest in companies who partake in bribery and intimidation can't be following this policy”

think about that concrete jungle of ours getting any worse.

Nevertheless the way that money is earned has to be ethical does it not? Every JCRC rattles on about recycling, turning off your lights and saving water, so why shouldn't we be equally ethical with investments?

Actually I think we have a duty to. Acts such as child labour and human rights violations can't be condoned by any organisation, let alone

one whose aim is to promote learning, research, freedom of thought and innovation.

The University has actually been in trouble for unethical investment before and, after receiving complaints about it in 2009, they established an ethical investment policy which is meant to protect against such ventures.

The policy states that the University will not invest in anything that will 'directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the University'.

Now surely having bonds that then invest in companies who partake in bribery, environmental damage and intimidation can't be following this policy. Clearly the University knows that unethical investment is wrong and yet they're still doing it.

It simply isn't the case anymore that companies can't make money out of ethical investment.

The cause has so much media attention nowadays: Ethical Investment Week has only just passed.

Even Justin Welby the Archbishop of Canterbury has been in the spotlight talking about the need for change towards ethical investment.

There are now whole banks set up to tackle the issue and help organisations and even individuals invest more sustainably.

Triodos is a bank aimed at financing organisations through food and farming as well as renewable energy sources. Their ethos is simple - invest in others when you invest in yourself.

If other institutions and organisations can do it then why can't

York? Not only are there investment programmes now which protest against the bad, there are actually those which actively support the good too.

So rather than merely investing in companies who don't use child labour, you can now invest in companies that are actively doing some-

“York needs to seriously consider what they are giving their name to, especially as an institute of thought and research”

thing to improve working conditions. And these aren't hard to find either: they are increasingly mainstream companies. The University has no excuse.

Universities all over the country are signing ethical investment policies and endeavouring to support respectable companies. In fact, Cambridge is currently leading the way with their plans, publicised last week, to promote sustainable investment with the help of top investment firms.

York needs to seriously consider what they are giving their name to, especially as an institute of thought and research. How can we still be giving millions to these dishonest companies?

We desperately need to change this disparity between ethical consumption and ethical investment. We wouldn't buy something which we knew had been made using forced labour, so why do people still invest in it?

### Philip Morris and BAT

In 2009, a BBC investigation found evidence in Nigeria, Malawi and Mauritius of British American Tobacco targeting cigarette marketing at children, circumventing bans on advertising and raising the profile of cigarettes in countries where doctors warned of potential epidemics of smoking-related diseases.

Philip Morris has faced criticisms for its human rights record. In 2009, Human Rights Watch documented the abuse and exploitation of many migrant workers employed by farm owners in Kazakhstan, who are under contract with and supply tobacco to Philip Morris.

### GlaxoSmithKline

The corporation has never been short of controversy but most recently faces allegations of bribery in China.

Police allegations made initially in July uncovered a developed system of bribery between officials and doctors in an attempt to boost sales in the country.

Staff at GlaxoSmithKline have since confessed to charges of bribery and tax law violations

### Khon Kaen Sugar Industry

In 2010, Cambodian rights groups urged the European Union to investigate what they said were human rights violations.

While in July a report in The Guardian alleged that the company was complicit, along with the Cambodian government, in the eviction of people from their land, arson and theft.

Villagers interviewed by the paper claimed they had their homes and property destroyed and land taken, were subjected to physical violence and that one of them was killed during the process of land clearance for plantations.

which states: “The University will not knowingly invest in companies whose activities include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the University.”

The University has, however, defended its position with a spokesman saying: “We believe that the bonds held by the University are in keeping with the ethical investment policy.”

They did acknowledge though that others may have a different view: “However, we recognise that individuals and groups may hold different views about the ethics of various companies and industrial sectors. We are happy to listen to representations about this from student groups.”

The University refused to answer direct questions over whether they were concerned if funds reached companies which use child labour or abuse human rights.

They also failed to answer ques-

tions over whether they thought using bonds made them unaccountable for the investments made in them.

Although not covered by the Ethical Investment policy the pen-

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YUSU President  
Kallum Taylor

sion fund has links to companies mired in controversy.

As well as many of the same companies the University has invested in directly, funds from the pension trust also reach a range of controversial companies.

The University's pension fund has a £31,486,005 stake in the Schroders ISF QEP Global Blend

which has investments in a range of companies.

This includes tobacco giants Philip Morris, and British American Tobacco (BAT), mining company Anglo American and Freeport-McMoRan, gold companies and a range of oil and gas companies as well as Colgate-Palmolive and Khon Kaen Sugar Industry (KSL).

Philip Morris has been accused of failing to protect human rights of its workers while BAT has faced criticism over lobbying and criticism for the way it advertised to young people overseas.

Anglo American has been accused of breaching human rights and damaging environmental practices by campaigners and interest groups.

Freeport-McMoRan runs a mine in Indonesia that has been linked to alleged environmental and human rights abuses.

The toothpaste maker Colgate-Palmolive has been heavily criticised for its poor environmental record.

KSL was recently accused of



**The University holds bonds with each of these investment companies. Although some of the bonds have a descriptor claiming they are ethical they still have investments in companies accused of child labour, human rights abuses and environmental damage.**

using child labour on its plantations in Cambodia, and supplies the sugar company Tate & Lyle, who the University also has investments in through bonds.

Finally the bond has investments in Aerospostale, a clothes company that has been found to use forced labour for cotton production.

In total the pension fund has over £2million of investments going towards companies which may not be seen as socially responsible.

The University says the pension scheme is obligated to invest in the best interest of members rather than on ethics.

YUSU President, Kallum Taylor commented: “I can't comment on the moral rights and wrongs of the companies which the University invest in - that's for our members to decide.

“However, there must surely be a 'point' to having an ethical investment policy - one which goes well beyond just ticking the box. That it's even being questioned says something.”