

RSPH SUSTAINABLE INVESTMENT POLICY STATEMENT

Sustainable Investment Policy Statement

The Royal Society for Public Health (RSPH) believe that environmental, social, and corporate governance (“ESG”) issues, including climate change risks, present financially material risks and should therefore be considered as part of the investment process. We believe that we should work to ensure that the organisations in which we invest are not inconsistent with our organisational values, and that we should, as appropriate, reflect the expectations and focus of our members in this regard.

We recognise that there may be practical limitations to this intent, both in terms of the practical insights we and our fund manager(s) can have into the activities and practices of all investments in a cost-effective manner, and because of the way in which we invest (such as through passive investment in all companies in a particular index).

RSPH believe that we cannot simply rely on our investment manager(s) to evaluate relevant ESG issues in the selection, retention, and realisation of investments. Rather, we must be proactive in evaluating how our investment manager(s) have identified and managed material ESG risks, and how effectively they have delivered stewardship of the assets in which they invest, as part of our ongoing assessment of, and performance dialogue with, them.

We expect our investment manager(s) to give ESG considerations due priority alongside investment returns and risk, not least because the integration of ESG into investment decision-making is a cost-effective way of improving financial returns. We seek to ensure that our investment manager(s) are capable of integrating relevant ESG factors into their approach, including those of most relevance to RSPH’s organisational values.

RSPH believe that engagement (including the exercise of voting rights) is an effective means of helping to manage ESG risks. However, its efficacy can be limited, and other actions should be considered alongside engagement (for example, disinvestment or escalation of engagement, if necessary). RSPH may look to engage with its investment manager(s) and may encourage divestment from investments that are failing adequately to respond to the concerns raised through engagement.

RSPH encourage their investment manager(s) to invest actively in ways that support the social determinants of health. We recognise that opportunities for such investment are yet to be fully developed and we do not wish to constrain our investment manager(s) approach significantly, but we have a clear ambition to move towards becoming a more health-focused investor in the future.

We will continue to keep under consideration the extent of our instruction to exclude certain sectors or activities from investment. At present this exclusion applies – to the extent that this can be reasonably put into effect – to direct investment in companies involved in the production of tobacco, alcohol and high fat, high sugar processed food and soft drinks, indiscriminate weaponry and those whose core business is in gambling. RSPH agree that engagement is a more suitable approach than exclusion for certain sectors, and will seek an understanding from our investment manager(s) of their activities in terms of engagement in relation to other social determinants of health. As the consequences of climate change are of material importance to RSPH and material to human health, this should be considered within the investment process. However, our current view is that this issue should be best addressed through active engagement rather than exclusion.