

Ethical Investment Policy

A statement from the Academy of Medical Royal Colleges

February / 2020

The Academy's role in healthcare

The Academy of Medical Royal Colleges (the Academy) is the coordinating body for the UK and Ireland's 23 medical Royal Colleges and Faculties. We ensure that patients are safely and properly cared for by setting standards for the way doctors are educated, trained and monitored throughout their careers.

Healthcare is complex and increasingly there are issues where a cross-specialty perspective is needed. It's our job to ensure this work is done effectively and then acted upon by policy makers, regulators and clinicians. This unique position gives us a leading role in the areas of clinical quality, public health, education and training and doctors' revalidation.

Given this unique role, it is crucial for the Academy to have a clear and defensible position on the ethical investment of the funds it has available for investment.

Key ethical considerations to investment

The Academy is actively seeking to minimise investment in key areas of ethical concern:

- **Health effects of climate change.** In 2014, the Academy stated that *'The World Health Organisation and the Lancet commission stated in 2009 that climate change is 'the biggest threat to global health in the 21st century' Climate change can and will increasingly affect health in the UK. Services need to be adaptable to the health conditions that will be caused or affected by these changes.'* The Academy recognises the impact of fossil fuels on climate change
- **Tobacco.** The Academy recognises the significant and well known harmful impact on health of smoking
- **Alcohol.** In 2012, the Academy stated that *'The use of alcohol and other drugs is widely recognised as a major public health challenge with wide-reaching social and economic consequences. In the case of alcohol, the challenge is increasing, with average levels of consumption, and numbers of those drinking dangerously and harmfully, on the rise. The impact on the NHS is extensive, causing over a million hospital admissions per year, and affecting a wide range of services'*
- **Arms.** The Academy recognises the significant and obvious health impacts of arms investments.

Investment provider

In Summer 2019, the Academy Board of Trustees met with Churches, Charities and Local Authorities Investment Management (CCLA) and another investment provider to discuss investment options. In September 2019 the Academy Trustees agreed to retain investment of all funds available for investment purposes in CCLA's COIF Charities Ethical Investment Fund. The Academy will meet with CCLA on an annual basis from summer 2019.



The Academy chose CCLA as its investment manager on the understanding that it avoids investment in tobacco companies, alcohol producers, and companies with significant involvement in armaments, gambling and pornography.

The CCLA states that, from 1 December 2019, its COIF Ethical Investment Fund will become 'fossil free' which means that after this date, this fund will not *'invest in any company which generates more than 10% of their revenue from the extraction of thermal coal, oil and gas.'* The Ethical Investment Fund will also *'continue to restrict investment in companies in other sectors with high carbon footprints, such as electrical utilities, where we anticipate that they do not comply with the Paris Agreement. As with all CCLA funds, the Ethical Fund will benefit from our engagement programme on climate change and invest in "low carbon" opportunities.'*

The Academy through its relationship with CCLA is actively seeking to minimise investment in areas of concern.