

Ethics for USS

The campaign petition asks the Universities Superannuation Scheme to undertake three important steps – steps that will embed the voice of members into scheme decision-making and ensure our pensions are not invested in the manufacture of controversial weapons.

1. Adopt an explicit policy not to hold investments in companies that have any involvement with weapons banned under the Controversial Weapons Convention.

Controversial weapons are weapons made illegal in international law under the Inhumane Weapons Convention, and weapons covered by standalone Conventions such as those prohibiting chemical weapons, biological weapons, nuclear weapons, anti-personnel mines and cluster munitions. These weapons are designated as controversial due to their indiscriminate and disproportionate impact on civilians, often after conflicts have ended.

The effect of these weapons in conflicts from Yemen to Aleppo is well documented and appalling. That's why investors from AXA to HSBC have taken steps to exclude these companies from portfolios. We are calling for USS to step up and do the same.

2. Adopt a new ethical policy to sit alongside its responsible investment policy.

USS have a responsible investment policy which commits them to integrating generic environmental, social and governance issues into their investment decisions. While useful, this policy does not reflect specific member concerns. We therefore ask that USS undertake a regular survey of members' views, from which they develop an ethical investment policy. This approach would embed member voice into decision-making, while retaining the primacy of financial returns in investment decisions.

3. Establish an annual forum event open to members of the scheme (including retired and deferred members).

Companies hold annual general meetings in order to inform shareholders about the health of the business: why shouldn't pension funds do the same? A number of schemes already hold annual members meetings, and without fail have reported positively on the experience. For members, these meetings provide an opportunity to hear from directors about how their retirement savings are being allocated and why. As members increasingly bear the risk – as moves from defined benefit and towards defined contribution arrangements continue – it is only more important that schemes inform members about their investments.

The petition is available here: <https://secure.shareaction.org/uss-weapons>

Find out more about the Ethics for USS campaign online at: <https://shareaction.org/uss/>