

12. Institution of Civil Engineers

12.1 Aims and policies

The Institution of Civil Engineers (ICE) is a large professional body with over 90,000 members. [1] Its history dates back to when it was established in 1818. [1]

Statement of purpose and values

ICE's vision, as stated in a recent annual report, [1] is as follows.

“Our 2025 vision, as approved by the Institution’s Council in December 2012, is for ICE to be an organisation recognised and operating globally:

- *As the qualifying body for a broad spectrum of activity in the built environment.*
- *As an authoritative and independent voice because of its collective knowledge and emphasis on lifelong learning and respected for its advice because of the commitment members make to self-improvement to provide ethical solutions to societal problems at all levels and scales.*
- *Because its global membership is passionate about being members of such a rewarding profession and in inspiring the next generation.*
- *And is the organisation to which the world’s organisations and institutions turn to help identify and tackle the world’s global challenges.”*

Environmental policy

ICE has published a number of policy positions and submissions to consultations on a range of environmental issues.^a In particular, the organisation has a ‘Charter for Sustainable Development’ [2] which states:

“The Institution expects that:

- *every member should understand, foster and promote the concepts of sustainable development and the need to deliver projects with an appropriate balance between environmental, social and economic factors;*
- *its members should understand the contribution that other professions make to sustainable development;*
- *its learned society activities should promote continuing improvement in the sustainability of design, construction and maintenance of the built and natural environment;*
- *its members at all grades should receive education and training in the concepts of sustainability and inter related social, economic and environmental issues;*
- *its members should formulate, promote and disseminate views on sustainability issues associated with the built and natural environment. In carrying out this activity ICE should engage with Government, public authorities, other institutions and societies, the general public and other bodies and organisations in the UK and internationally;*

^a See, e.g., its policies on shale gas (<https://www.ice.org.uk/media-and-policy/policy/shale-gas-policy-position>) or energy storage (<https://www.ice.org.uk/media-and-policy/policy/electricity-storage-realising-the-potential>).

- *case histories of good practice should be collated and disseminated by the ICE;*
- *as a corporate body its own sustainability performance should be monitored and action taken to enhance this performance. A corporate sustainability policy and action plan should be drawn up and approved by Council.”*

The Institution of Civil Engineers was one of 24 UK-based professional and learned societies which endorsed the joint Climate Communiqué that was published in the run up to the 2015 intergovernmental negotiations (which led to the Paris Agreement). The communiqué called on national governments to take immediate action to avert the serious risks of climate change. [3]

12.2 Investments

Size and location of funds

ICE had investments totalling approximately £18.7 million, according to a recent annual report. [1] The breakdown by investment fund is given in table 12.1.

<i>Investment manager / Fund name</i>	<i>Amount in investment fund (£)</i>	<i>% of total investments</i>
HSBC ETFs Plc / S&P 500 UCITS ETF	1,835,000	9.8
Maitland Institutional Services Ltd / MI Somerset EMG	1,154,000	6.2
Majedie Asset Management Ltd / UK Equity Fund class x income	1,106,000	5.9
Artemis Fund Managers / US Select Fund Instl GBP inc	1,059,000	5.7
Capita Financial Managers / Trojan income o inc nav	1,010,000	5.4
Blackrock Fund Managers Ltd / Continental European Eqty tracker d acc	998,000	5.3
Aberdeen Fund Managers Ltd / Asia Pacific Equity inc nav	981,000	5.2
M&G Securities Limited / M&G Global Macro Bond inc	967,000	5.2
M&G Securities Limited / Property Portfolio i inc	938,000	5.0
Total	10,048,000	53.7

Table 12.1 – Investments by fund held by ICE [1]

The breakdowns of the main holdings of six of these funds are given in tables 12.2a-f, based on data listed publicly on the asset management companies’ websites.

<i>Asset name</i>	<i>% of fund total</i>
Apple Inc	3.7
Alphabet Inc	2.6
Microsoft Corp	2.6
Amazon.com Inc	1.8
Facebook Inc	1.7
Exxon Mobil Corp [F]^b	1.7
Johnson & Johnson	1.6
Berkshire Hathaway Inc	1.5
JPMorgan Chase & Co	1.5
General Electric Co [A]	1.3
<i>Total</i>	<i>20.0</i>

Table 12.2a – The top 10 holdings of the HSBC fund held by ICE [4]

<i>Asset name</i>	<i>% of fund total</i>
Royal Dutch Shell [F]	6.4
BP [F]	5.4
HSBC	4.8
Tesco	3.7
GlaxoSmithKline	3.3
Wm Morrison	3.1
Vodafone	3.1
BT	2.6
Barclays	2.4
Centrica [F]	2.3
<i>Total</i>	<i>37.1</i>

Table 12.2b – The top 10 holdings of the Majedie fund held by ICE [5]

<i>Asset name</i>	<i>% of fund total</i>
The Home Depot	4.1
Comcast A	4.1
Zoetis Inc	3.9
Alphabet Inc	3.8
Microsoft Corp	3.7
Liberty Broadband	3.5
Activision Blizzard	3.2
Anthem	3.1
T-Mobile US	3
Lam Research	2.7
<i>Total</i>	<i>35.1</i>

Table 12.2c – The top 10 holdings of the Artemis fund held by ICE [6]

^b [A] indicates companies which, in this report, are categorised as being part of the arms industry. [F] indicates companies which, in this report, are categorised as being part of the fossil fuel industry.

<i>Asset name</i>	<i>% of fund total</i>
Unilever	5.4
Royal Dutch Shell [F]	3.8
Imperial Brands	3.5
GlaxoSmithKline	3.4
Lloyds	3.4
Compass	3.2
AstraZeneca	3.0
National Grid	2.9
Reynolds American	2.7
Experian	2.7
<i>Total</i>	<i>34.0</i>

Table 12.2d – The top 10 holdings of the Capita fund held by ICE [7]

<i>Asset name</i>	<i>% of fund total</i>
Nestle SA	3.8
Roche Holding par AG	2.9
Novartis AG	2.9
Total SA [F]	1.8
Siemens AG	1.7
Sanofi SA	1.7
Bayer AG	1.6
Banco Santander SA	1.5
BASF [F]	1.4
Anheuser Busch	1.4
<i>Total</i>	<i>20.7</i>

Table 12.2e – The top 10 holdings of the BlackRock fund held by ICE [8]

<i>Asset name</i>	<i>% of fund total</i>
Aberdeen China Opportunities Fund	10.2
AG - Indian Equity Fund	9.6
Aberdeen Singapore Equity Fund	8.5
Samsung Electronics (Pref)	4.9
Jardine Strategic Holdings	4.7
Aberdeen Indonesia Equity Fund	3.9
TSMC	3.7
Aberdeen Thailand Equity Fund	3.5
AIA Group	3.2
Rio Tinto [F]	2.7
<i>Total</i>	<i>54.9</i>

Table 12.2f – The top 10 holdings of the Aberdeen fund held by ICE [9]

We found more limited information for the other three funds listed in table 12.1. Regarding the fund, Maitland Institutional Services Ltd MI Somerset EMG, it was not possible to determine which fund this was as there were a number of funds listed by Somerset Capital

Management LLP with similar names. However, none of these funds appeared to exclude any companies on ethical grounds. [10] The fund, M&G Securities Limited M&G Global Macro Bond inc, was invested in bonds with the majority (62%) being from government. [11] The fund, M&G Securities Limited Property Portfolio i inc, was invested in UK commercial property, with no apparent ethical exclusions. [12]

In summary, considering all the data above on known investments, that gave us knowledge on about 15% of ICE's total investments. Of those known investments, we calculated that approximately 10% was invested in companies which were part of the fossil fuel sector and 1% was invested in arms sector. However, it was difficult to draw conclusions about whether this level was representative of all the investments held in the arms sector, as these corporations tend to be smaller than those in other key sectors, such as energy, finance or communications, and hence do not appear so frequently in lists of 'top' assets.

General investment policy

ICE's general policy on investments was outlined in a recent annual report [1] as follows.

“There are no restrictions on the Charity’s power to invest, and the investment policy of the Institution is to seek the maximum return over the medium term having due regard to risk. The Institution is active in ensuring that a socially responsible and ethical approach is followed by the investment management funds through which monies are invested, either requiring managers to be signatories to the UN’s Principles for Responsible Investment (UNPRI) or by ensuring their approach is consistent and compatible with UNPRI... Investments are allocated to specific funds within agreed asset allocation ranges, and their performance is regularly reviewed against appropriate benchmarks.”

Ethical investment policy

We note that within its investments policy above, ICE stated that it was “active in ensuring that a socially responsible and ethical approach” was followed by the investment managers it used. To this end, it required that their practices to be compatible with the United Nations’ Principles for Responsible Investment. [13] These are six principles of investment that cover ESG (environmental, social, and corporate governance) issues:

- *“Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.*
- *Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.*
- *Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.*
- *Principle 4: We will promote acceptance and implementation of the principles within the investment industry.*
- *Principle 5: We will work together to enhance our effectiveness in implementing the principles.*
- *Principle 6: We will each report on our activities and progress towards implementing the principles.”*

However, ICE did not elaborate on whether this meant any specific investments were excluded on ethical grounds. The institution did not respond to our request for further information on their investments.

12.3 School education programmes

ICE provides a number of different education resources for school pupils and teachers. We found that the majority of ICE's resources did not appear to involve other organisations. Two materials that did involve the London Transport Museum, Transport for London and **Bechtel [A]**. Bechtel is a huge US-based engineering corporation, whose annual military sales total more than \$3 billion [14] and is involved with the US nuclear weapons programme (see appendix 21). ICE also promotes resources from other organisations, including: Tomorrow's Engineers^c; NOVA (run by PBS and funded by David H. Koch Fund for Science^d); Arup; careerplayer; Living With A Changing Coast; EngTechNow; and University of Buffalo. [15]

In addition to these resources, ICE runs a free exhibition aimed at school children and others called the 'Infrastructure Learning Hub'. [16] It is "the UK's first learning centre to focus on engineering achievements and understanding global challenges." It received 23,000 visitors in its opening year, and was "made possible with the financial support of our Founding Partners": **AECOM [A]**; Atkins; Costain; Garfield Weston Foundation; John Laing; John Laing Charitable Trust; Kier; Mace Foundation; Mott Macdonald; Ramboll; Vinci Construction; and WSP. AECOM is a large US-based engineering company with annual military sales of \$2 billion, [14] and some of its work is involved with the US nuclear weapons programme (see appendix 21). One in 12 (8%) of the founding partners were classified as arms corporations and none as fossil fuel corporations.

12.4 Events and sponsorship

ICE offers event sponsorship opportunities to external organisations, covering conferences, seminars and webinars. [17] We carried out a survey of 72 events organised by the institution and listed on its website. [18] We found only four events that declared any sponsorship. The sponsors were: Farrans; **AECOM [A]**; Constructive; WSP Parsons Brinckerhoff; aurecon; and landlease.

12.5 Corporate membership

ICE has 'corporate partners'. [19] They "work closely with ICE to enhance the professional development of their employees and benefit from exclusive access to a range of ICE and civil engineering events and activities." At the time of writing, seven companies were listed as corporate partners: **AECOM [A]**; Amey; Bam Nuttall; Costain; Kier; Morgan Sindall; and Skanska. One in seven partners (14%) was part of the arms sector and none were part of the

^c Tomorrow's Engineers is a programme run by EngineeringUK. For more information, see appendix 7.

^d It is worth noting that the Koch brothers, Charles and David, have a history of funding ideological climate change sceptic organisations. [21]

fossil fuel sector. However, we were unable to find more details of the scheme via ICE’s website.

12.6 Other corporate links

In addition to the sponsorship opportunities discussed so far, ICE offers several ways for outside organisations to advertise in their media outlets: ICE’s main website; ICE’s recruitment website, ICERecruit.com; other ICE Group websites; Civil Engineering Journal; and ICE member email newsletters. [17] However, we were unable to find details about the logistics and pricing of the advertising among its publicly published materials.

ICE’s official members’ magazine is *New Civil Engineer*. [20] However, we found the financial links between the magazine and the ICE to be unclear, as it was published by EMAP Publishing Limited. However, the magazine was still linked to the institution through the overlap of members of the editorial advisory board and individuals involved with ICE, as well as by being sent to all members of ICE.

12.7 Overall assessment

Reviewing the information in this case study, we have given The Institution of Civil Engineers the assessment as shown in tables 12.7a and b.

	<i>Investments</i>	<i>School education programmes</i>	<i>Events</i>	<i>Other</i>
Involvement with arms corporations	Medium	Low	Low	Medium
Involvement with fossil fuel corporations	Medium	None	None	None

Table 12.7a – Corporate involvement ratings for The Institution of Civil Engineers

	<i>Ethical issues covered in this study</i>
Positives	<ul style="list-style-type: none"> • Extensive environmental policies • Investment policies incorporating UN principles
Negatives	<ul style="list-style-type: none"> • Some financial links with corporations working in the arms sector • Significant investments in fossil fuel companies • Ethical investment policy did not appear to exclude any arms or fossil fuel companies

Table 12.7b – Positives and negatives for The Institution of Civil Engineers

We found that ICE’s record on transparency was mixed. It published information on about half of its investments and, following research into the publicly available data via fund managers, this led to only 15% of its investments being revealed. While it appeared to be open about the sponsors of its school education programmes and its events, as well as its corporate partners, we could find no publicly available information on the level of sponsorship funding that it received from these activities.

In terms of environmental and ethical investment policies, the institution performed rather better. It had both a general environmental policy guiding the actions of its professional members – called the Charter for Sustainable Development – and issue-specific policies. Furthermore, its investments were made in accordance with the UN Principles for Responsible Investment. However, we could find no clear evidence that this investment policy restricted ICE’s investments in the arms or fossil fuel sectors.

We found financial links between ICE and corporations which we classified as part of the arms sector in most areas of concern to this study. Also, given that ICE’s ethical investment policy did not exclude arms corporations, coupled with important gaps in the available data on investments (see section 12.2), such links were likely to be significant in this area as well. One possible mitigating factor was that all the direct financial links we found were with large companies whose arms-related work seemed to be a comparatively small proportion of their activities – and civil engineering tends not to be directly concerned with arms technologies anyway. Nevertheless, having Bechtel – an engineering company with annual military sales of over \$3 billion, and involved in nuclear weapons work – as a sponsor of school education materials (see section 12.3) does not seem to be a particularly positive decision.

We found no direct links between ICE and the fossil fuel industry in its school education programmes, events sponsorship or corporate partners. However, based on the limited amount of publicly available data, we found that the institution had significant investments in fossil fuels. There were also indirect links through the Tomorrow’s Engineers and NOVA education programmes.

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