**Ethical Investment Policy**

The University’s Ethical Investment Policy forms part of the over-arching “University of Dundee Strategy to 2022”:

‘We will build upon our strong track record of improving environmental sustainability to minimize the negative impact we have on the world and its resources.’

**Introduction**

Sustainability is a key priority for the University and this extends to the sustainable investment of funds. To ensure that investments match the priorities and values of the University, an Ethical Investment Policy has been developed. This Policy is intended to support our aims to invest in a better global future by delivering strong returns through involvement in companies which demonstrate policies and practices which accord with the University’s missions and values as expressed in its strategy document “Strategy to 2022”.

**Investments**

The University will not knowingly invest in companies whose activities are in direct conflict with the values it publicly espouses. The University believes that to accord with its values when investing its funds, regard must be made to social, environmental, sustainability and governance issues.

The University invests directly in short term cash deposits, money market funds, index-linked government stocks, investment trusts and other unlisted equity investments. Endowment funds are managed by a third party Fund Manager and invested in accordance with the Ethical Investment Policy.

The primary purpose of the investment of endowment funds is to optimize returns in order to support the generation of sufficient revenue to meet the specific purposes for which the funding was given to the University.

**Ethical Investment**

This Statement provides guidance as to how the management of the Endowment Funds which is delegated to a third party Fund Manager should be exercised.

The University has committed to sustainable and ethical investments in the management of the Endowment Funds. In pursuing responsible investment the University endeavours to ensure that any third party Fund Manager follows the United Nations Principles of Responsible Investment and meets the Public Sector Equality Duty under the Equality Act 2010.

In addition, the University seeks to ensure the following ethical restrictions will be applied to exclude holdings in:

**Tobacco** – Any companies involved in producing and distributing tobacco products where revenues exceed 10% of global earnings and any companies involved in the manufacture of cigarettes and other tobacco products.

**Armaments** – Companies producing weapons and weapon systems, including cluster munitions and anti-personnel landmines. Companies whose main business includes the supply of strategic components (such as weapons guidance systems), military vehicles and services.
In making investment decisions the University expects its appointed Fund Manager to encourage good behaviour or discourage poor behaviour through the screening of investments. The Fund Manager should seek to eliminate exposure to the following areas:

- explicit environmental damage;
- institutional violations of human rights, including the exploitation of the workforce;
- discrimination of the individual;
- the manufacture of cosmetic products that are tested on animals.
- gambling
- pornography

Appointment of Fund Managers

Third party fund managers are appointed following a tender process which takes into account the social, environmental and ethical policies of the University. Fund managers are required to ensure that investments are made in line with the University’s Ethical Policy Statement and report on how compliance has been demonstrated.

Representation process

The Ethical Investment Policy is available on the University’s web pages, enabling members of the University community to have an opportunity to engage with the Policy. Staff and students are also given an opportunity to engage with this policy via their staff and student representatives at appropriate University Committees.

Review process

The Ethical Investment Policy will be subject to annual review, evaluation and monitoring process undertaken by Endowments Sub-Committee who will consider the policy and make recommendations for the Finance & Policy Committee to consider.