

Responsible Investment Policy



Policy owner	Finance Office	Approval date and body	Governing Authority, 26 June 2025
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1. Purpose

UCD is Ireland's global university, an inclusive community and a driver of positive action for social responsibility and sustainability, and these attributes will be evident **across our actions**. Responsible investment is a positive action that UCD should undertake to help create a more equitable, ethical and sustainable future for all, especially our students. It encompasses considerations of social justice, ethical conduct, governance and environmental impact. Responsible investment can make a positive contribution to the world alongside our education and research as well as mitigate risks to our financial investments. Equally, responsible investment will help us to action the do no significant harm principle.

This policy ensures that Environmental, Social and Governance considerations are embedded in our investment processes, alongside more traditional financial considerations. The policy does not override other policies, specifically the Treasury Management Policy. This policy alongside other policies, such as the Sustainable Procurement Policy, is important in helping UCD to live out its ambition to be a positive and responsible societal actor and meet net zero by 2040.

2. Scope

UCD limits the scope of this financial item to stocks, bonds, investment and money market funds, it excludes research projects. The vast majority of our investments represent Treasury Funds and so are necessarily (relatively) short-term and in particular instruments only. UCD typically does not hold equity investments and so has limited opportunity to directly influence via our investments.

The interpretation of all University investments includes UCD wholly owned subsidiaries, and excludes spin-in or start-up campus companies of which UCD is only a partial shareholder. Environmental, Social and Governance considerations apply fully to these included investments.

Any new relevant commercial activity or investment will be subject to this responsible investment policy. As per current practice, governance of military or dual use items occurs through Export Control Legislation, overseen by the DETE, & our internal compliance programme.

3. Definitions

Entities earning greater than 40% of their revenue from weapons or military equipment will be classified as weapons or military manufacturers. UCD may rely on assurances from an entity itself and/or expertise, research and information provided by well-established financial data providers in making this assessment.

4. Principles

In investing responsibly we will be guided by:

1. UN Principles for Responsible Investment.

UCD will become a formal signatory to the principles.

The principles are set out below and further information is available at www.unpri.org

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.

2. UN Sustainable Development Goals (SDGs).

Sustainability is a key behaviour and action within our University strategy and integrated into much of our teaching, research and operational activity. It is appropriate to embed this behaviour in our investment processes and decisions.

3. EU Sustainable Finance Disclosure Regulation (SFDR).

This provides a clear regulatory context for much of our investment in Money Market Funds and sovereign bonds. Further information is set out in [Appendix 1](#).

5. Approach to responsible investing

We will seek to:

utilise EU Sustainable Finance Disclosure Regulation Article 8 or above products when investing in Money Market Funds. Such funds 'have a sustainable investment objective' (Article 9) or 'promote social and/or environmental characteristics, and may invest in sustainable investments, but do not have sustainable investing as a core objective' (Article 8);

consider Sovereigns' Principal Adverse Impact (PAI) indicators when investing in Sovereign Bonds, only investing in sovereigns in the top 50%. These indicators are set out in the EU SFDR and are linked with the principal 'do no significant harm';

select sustainable products where suitable when investing e.g. Green Bonds, Green Deposits and named Sustainable Money Market Funds. Suitability includes meeting our Treasury Management Policy's requirements;

consider the UN SDGs in our direct equity investments and in our ownership of subsidiaries;

ensure that any equity funds we invest in are guided by similar principles;

implement the [Code of Governance for Subsidiary Companies of Irish Universities](#) in our governance of subsidiaries; where exceptions occur they will be reported in the Annual Governance Statement to the Audit & Risk Management Committee of the Governing Authority;

communicate our ESG expectations and encourage the development of further sustainable investment products **when engaging with counterparties and intermediaries**;

not invest directly in weapons or military manufacturers and use our best endeavours to ensure that such companies are screened out of our MMF investments.

6. Reporting

The Bursar will report annually to the Finance, Remuneration and Asset Management Committee of the Governing Authority (FRAMC) on the location of all university investments.

UCD will disclose all financial ties to FRAMC, with all partner countries including stocks, bonds and investment funds subject to potential commercial data sensitivities and data incompleteness due to system limitations.

Annual Sustainability Reporting on investments will also include:

EU SFDR classifications and disclosures of our Money Market Funds e.g. setting out the screening processes of the MMFs;

EU SFDR Indicator Reporting by Sovereigns for the countries we have invested in. Reporting will include the mandatory indicators and the other indicators;

Our activities and progress towards implementing the UN Principles for Responsible Investment;

The carbon footprint of our investments, including bank deposit counterparties, subject to data availability;

7. Roles and Responsibilities

The Bursar will be responsible for the implementation of this policy on approval by the Governing Authority.

8. Appendix 1 – EU Sustainable Finance Disclosure Regulation

SFDR Product Classifications (for MMFs)

Three different product categorisations result from EU SFDR:

"Article 6" products either integrate financially material environmental, social and governance (ESG) risk considerations into the investment decision-making process, or explain why sustainability risk is not relevant, but do not meet the additional criteria of Article 8 or Article 9 products.

"Article 8" products promote social and/or environmental characteristics, and may invest in sustainable investments, but do not have sustainable investing as a core objective.

"Article 9" products have a sustainable investment objective.

There are additional requirements for a 'named' fund ie one using ESG or Sustainable as part of the fund name as outlined in the ESMA Naming Guidelines. A 'sustainability named' Article 8 fund would typically be considered to be broadly equivalent in sustainability terms to an Article 9 fund.

SFDR Sovereign Bonds

SFDR requires the disclosure of Principal Adverse Impact indicators, which are divided into "mandatory indicators" and "additional indicators." The SFDR requires Sovereigns and supranationals to report on 2 mandatory indicators and opt in to disclose other indicators from a list of additional indicators.

Indicators applicable to investments sovereigns and supranationals	
Mandatory Indicators	Other Indicators
Greenhouse Gas (GHG) intensity Investee countries subject to social violations	Average income inequality score
	Average freedom of expression score
	Average human rights performance
	Average corruption score
	Non-cooperative tax jurisdictions

Indicators applicable to investments sovereigns and supranationals	
	Average political stability score
	Average rule of law score

9. Version History

Version	Description	Date
1	Initial version, reviewed by FRAMC 10 June 2025, approved by GA 26 June 2025.	June 2025.