



2.4 Examples of ESG factors are numerous and ever-shifting. They include:

| Environmental | Social | Governance |
|--|--|--|
| Climate change Resource depletion Waste Pollution Deforestation | Human rights Modern slavery Child labour Working conditions Employee relations | Bribery and corruption Executive pay Board diversity and structure Political lobbying and donations Tax strategy |

3. POLICY

3.1 The School will approach investment decisions, as far as possible, in line with the UN Principals for Responsible Investing (see Appendix A), recognising that doing so better aligns LSHTM as an investor with broader societal objectives.

3.2 The School will not make direct or, as far as possible, indirect investments in equities or bonds issued by companies, the major part of whose business activities are:

3.2.1 tobacco manufacture;



- 3.9
identify the nature of underlying assets.

4. PROCESS and APPLICATION

- 4.1 The School maintains an Investments Working Group with expert members to oversee the investment of endowment funds. The Investments Working Group reports to the Finance and Development Committee.
- 4.2 The School appoints independent professional investment advisors by competitive tender to advise its Investments Working Group and Finance Department.
- 4.3 The Investments Working Group
invested only in pooled investment vehicles managed by external fund managers.
- 4.4 The Investments Working Group will endeavour, as far as possible, to identify those managers who apply environmental, social and governance (ESG) criteria to their investment decisions, have a policy to engage with companies where ESG issues are a concern to financial sustainability, and seek to report to their investors on their engagement activities.
- 4.5 In the event of any investment of the School being found to be invested in funds or activities
mission and values and this policy, the Investments
Working Group will review the investment and reallocate funds as appropriate.