



## UArctic Investment Policy

### 1. Introduction

UArctic is committed to managing its financial assets in alignment with its values: Circumpolar, Inclusive, Respectful, Collaborative, Open and Influential. This policy outlines our approach to investing in a way that supports sustainable development, ethical standards, and the well-being of Arctic peoples and environments.

### 2. Investment Objectives

UArctic's investment strategy focuses on:

- **Sustainability:** Promoting ecological balance, social equity, and economic viability.
- **Ethical Standards:** Avoiding investments that harm the environment, society, or governance structures.
- **Financial Stability:** Ensuring stable and reasonable returns to support UArctic's mission.
- **Alignment with Values:** Reflecting UArctic's core values in all investment decisions.
- **Profit Goal:** Achieving an annual return of 2-6% on investments to maintain the value of funds and protect against inflation.

### 3. Ethical and Sustainability Guidelines

UArctic's investments must adhere to the following principles:

- **Environmental Sustainability:** Prioritize investments in renewable energy, clean technology, and sustainable practices. Avoid investments in fossil fuels, deforestation, and high-emission industries.
- **Social Responsibility:** Invest in entities that respect human rights, promote social equity, and support community development. Avoid entities involved in human rights abuses, discrimination, or unethical practices.
- **Governance:** Favor companies with strong governance, transparency, and respect for Indigenous rights. Exclude those involved in corruption or unethical conduct.

### 4. Investment Types

To balance ethical standards with financial stability, UArctic can invest in following investment types:

- **Direct Investments:** Invest directly in companies or projects that meet UArctic's ethical and sustainability criteria.
- **Indirect Investments:** Invest in mutual funds, ETFs, or other pooled vehicles that align with UArctic's guidelines.
- **Impact Investments:** Allocate funds to investments that generate measurable positive social and environmental impacts alongside financial returns, focusing on projects that closely align with UArctic's mission and values.



## 5. Risk Management

UARctic recognizes the importance of managing investment risks to ensure long-term financial stability and to protect its assets. Risk management practices include:

- **Diversification:** Spread investments across different asset classes, sectors, and geographic regions to minimize risk.
- **Regular Monitoring:** Continuously monitor market conditions and adjust the investment portfolio to mitigate risks associated with market volatility and economic changes.
- **Ethical and Reputational Risk:** Avoid investments in sectors or companies that could harm UARctic's reputation or contradict its ethical standards.

## 6. Liquidity and Cash Flow Management

To ensure smooth cash flow and maintain financial flexibility, UARctic will:

- **Maintain Liquidity:** Keep a portion of the investment portfolio in liquid assets that can be quickly converted to cash to meet short-term funding needs or respond to unexpected opportunities.
- **Quick Return Investments:** Allocate a portion of the portfolio to investments with shorter-term horizons and quicker returns to ensure funds are available when needed.

## 7. Monitoring and Reporting

To ensure compliance with this investment policy, UARctic will:

- **Regularly Review:** Assess the investment portfolio to ensure compliance with ethical and sustainability criteria, as well as with liquidity and profit criteria.
- **Report Transparently:** Provide annual reports on investment performance.

## 8. Governance and Oversight

The UARctic Board is responsible for the oversight and implementation of this investment policy. The Board's Finance Policy Advisory Group monitors regularly UARctic's investments, and reports to full Board annually. The Finance Policy Advisory Group reviews the policy regularly, and updates the policy when relevant. The changes in the policy shall be approved by the Board.

*Approved by the Board of UARctic on October 31, 2024*