

# Sustainable Investment Policy

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1 <sup>st</sup> Revision amended on	IQAC Meeting held on 27 <sup>th</sup> October 2017
2 <sup>nd</sup> Revision amended on	IQAC Meeting held on 31 <sup>st</sup> March 2021
3 <sup>rd</sup> Revision amended on	IQAC Meeting held on 16 <sup>th</sup> June 2023
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## 1. INTRODUCTION:

B.S. Abdur Rahman Crescent Institute of Science and Technology (BSACIST) recognizes its responsibility to manage its investments in a manner that aligns with its commitment to environmental, social, and ethical principles. This Sustainable Investment Policy (SIP) outlines the framework for integrating sustainability considerations into BSACIST's investment decisions, ensuring that our financial resources contribute to a more sustainable future, particularly in the context of transitioning to clean and affordable energy. This policy is aligned with UN Sustainable Development Goal 7 (Affordable and Clean Energy).

## 2. PURPOSE:

This policy aims to guide BSACIST's investment activities to support environmental stewardship, social responsibility, and ethical governance, while also achieving competitive financial returns. It applies to all investment decisions made on behalf of the institute. This includes a commitment to divesting from carbon-intensive energy industries and reallocating funds to sustainable alternatives.

### 3. OBJECTIVES:

- **Environmental Stewardship:** Promote investments that support environmental sustainability, including renewable energy, energy efficiency, and conservation of natural resources.
- **Social Responsibility:** Encourage investments that contribute to social well-being, such as affordable housing, education, healthcare, and community development.
- **Ethical Governance:** Prioritize investments in companies with strong corporate governance practices, including transparency, accountability, and ethical conduct.
- **Financial Performance:** Achieve competitive financial returns while integrating sustainability considerations into investment decisions.
- **Risk Management:** Mitigate environmental, social, and governance (ESG) risks in the investment portfolio.
- **Transparency and Disclosure:** Maintain transparency in investment practices and disclose relevant information to stakeholders.
- **Divestment from Carbon-Intensive Industries:** Systematically divest from carbon-intensive energy industries, particularly coal and oil, in alignment with BSACIST's commitment to combating climate change.
- **Investment in Clean Energy:** Increase investment in renewable energy sources, energy efficiency technologies, and clean energy infrastructure.

### 4. INVESTMENT PRINCIPLES:

BSACIST's sustainable investment strategy is guided by the following principles:

- **Integration of ESG Factors:** Incorporate environmental, social, and governance (ESG) factors into investment analysis and decision-making processes.

- **Positive Screening:** Actively seek out investments that have a positive impact on the environment and society, with a particular focus on companies promoting affordable and clean energy solutions.
- **Negative Screening (Exclusion):** Avoid investments in companies involved in activities that are inconsistent with BSACIST's values, such as:
  - Fossil fuels (coal, oil, and gas) - *This is a primary focus of the divestment policy.*
  - Tobacco
  - Weapons
  - Activities that contribute to deforestation or environmental degradation
- **Impact Investing:** Allocate a portion of the investment portfolio to impact investments that generate measurable social and environmental benefits alongside financial returns, with a preference for projects related to clean energy access and innovation.
- **Shareholder Engagement:** Engage with companies in the investment portfolio to promote sustainable business practices and advocate for positive change, particularly encouraging companies to transition away from carbon-intensive activities.
- **Gradual Divestment:** Implement a gradual divestment strategy from coal and oil investments to minimize financial disruption and maximize the potential for reinvestment in sustainable alternatives.
- **Collaboration:** Collaborate with sustainable financial institutions and organizations to identify and support clean energy research, technology development, and infrastructure projects.

## 5. INVESTMENT GUIDELINES:

- **Asset Allocation:** Consider ESG factors when making asset allocation decisions, favoring investments that align with the SIP's objectives, including a higher allocation to renewable energy and clean technology sectors.
- **Investment Manager Selection:** Evaluate investment managers based on their ESG integration capabilities, track record, and commitment to

sustainable investing, with a preference for managers who actively support the transition to a low-carbon economy.

- **Due Diligence:** Conduct thorough due diligence on potential investments to assess their ESG risks and opportunities, including an assessment of their carbon footprint and alignment with BSACIST's divestment goals.
- **Monitoring and Reporting:** Regularly monitor the ESG performance of the investment portfolio and report on progress towards achieving the SIP's objectives, including tracking the reduction in carbon intensity and the increase in investments in clean energy.

## 6. IMPLEMENTATION:

- The Director (Finance), in consultation with the [Designated Department/Committee], will be responsible for implementing and monitoring this policy, including the divestment strategy and reallocation of funds to renewable energy.
- The committee will develop specific guidelines and procedures for integrating ESG factors into investment decisions, including a timeline for divestment from carbon-intensive industries.
- The committee will provide training and resources to investment staff on sustainable investing practices and the implementation of the divestment policy.

## 7. TRANSPARENCY AND DISCLOSURE:

- This policy will be made publicly available on BSACIST's website.
- BSACIST will disclose information about its sustainable investment practices and the ESG performance of its investment portfolio to stakeholders, including progress on divestment and investments in clean energy.
- BSACIST will communicate progress updates on the implementation of this policy to stakeholders through awareness programs and other communication channels.

## 8. ENFORCEMENT:

- Breaches of this policy may result in a review of investment strategies and potential disciplinary actions, as deemed appropriate by the [Designated Department/Committee].

## 9. POLICY REVIEW:

- This policy will be reviewed and updated periodically, at least annually, to ensure its effectiveness and relevance.
- The review will consider feedback from stakeholders, developments in sustainable investing practices, and progress towards achieving BSACIST's sustainability goals.

## 10. COMMITMENT:

BSACIST is committed to integrating sustainability into its investment decisions and using its financial resources to create a more sustainable future. This Sustainable Investment Policy reflects our commitment to environmental stewardship, social responsibility, ethical governance, and a transition to a clean and affordable energy future.



**REGISTRAR**