



UNIVERSITAS  
DIPONEGORO

# Sustainable Investment Policy

**IN DIPONEGORO  
UNIVERSITY**

2024 

# Application

This policy applies to all stakeholders engaged in the investment decision-making process, including university management, financial officers, investment managers, and other relevant entities.

# Purposes

- Diponegoro University is dedicated to adopting responsible investment practices that balance financial returns with environmental, social, and governance (ESG) considerations. This policy provides a framework for integrating sustainability principles into investment decisions, in line with India's increasing focus on ESG standards in financial markets.
- Diponegoro University seeks to achieve long-term financial sustainability while generating positive social and environmental impacts. Through this policy, we outline our approach to evaluating investments, making informed decisions, and ensuring that our investment portfolio reflects the University's mission, values, and commitment to sustainability.



## **Policy statement**

Diponegoro University is committed to sustainable and responsible investment practices that embody our core values of environmental stewardship, social responsibility, and ethical governance. Our investment approach seeks to achieve strong financial returns while also making a positive impact on society and the environment.



# Key Objectives

## *1. Align Investments with Our Mission and Values*

The University commits to investing in opportunities that support environmental sustainability, social responsibility, and ethical governance. Investments will align with our core values (**noble, valuable**) and contribute to a more sustainable future

## *2. Maximize Long-Term Returns*

Financial sustainability is a priority for the University. By incorporating ESG factors into our investment analysis, we aim to identify opportunities that provide strong financial returns while creating positive societal impact. Our goal is to make well-informed decisions that safeguard the long-term strength of our investment portfolio, benefiting both the University and the wider community.

## *3. Manage risk*

ESG factors present both potential risks and opportunities. We integrate ESG considerations into traditional financial risk analyses—such as market and credit risk—to guide responsible investment decisions. Through comprehensive risk assessment, we aim to mitigate ESG-related risks while leveraging opportunities for sustainable growth.



# Investment strategy

## 1. Positive Screening

Diponegoro University prioritizes investments in companies that demonstrate strong ESG performance, with careful consideration of the following:

- **Environmental stewardship:** Commitment to resource efficiency, pollution reduction, and adoption of renewable energy.
- **Social responsibility:** Adherence to fair labor practices, active community engagement, and promotion of diversity and inclusion.
- **Corporate governance:** Emphasis on transparency, accountability, and ethical business conduct.
- **Sustainable supply chain management:** Responsible sourcing practices that minimize environmental and social impacts across the supply chain.

## 2. Negative Screening

We exclude investments in companies whose activities cause significant negative impacts and conflict with our sustainability objectives. These exclusions include:

- **Fossil fuels:** Depending on the University's investment priorities and risk tolerance, this may involve divestment from fossil fuel-related businesses or a preference for companies transitioning to clean energy.
- **Controversial weapons:** Companies engaged in the production or trade of controversial weapons.
- **Tobacco:** Exclusion of investments in the tobacco industry.
- **Human rights violations:** Companies with a documented history of severe human rights abuses are not considered for our investment portfolio.



# Investment Committee

The University's Investment Committee is responsible for overseeing the effective implementation of this policy. The committee consists of experts in finance, sustainability, and legal affairs, ensuring that ESG principles are embedded throughout the investment process—from defining objectives to evaluating and monitoring investments.



# Reporting

The University will regularly monitor the performance of its investments and report on progress towards sustainability goals. The report will include metrics on the ESG performance of the investment portfolio, the impact of investments on sustainability issues, and details of engagement activities with investee companies. These reports will be made available to stakeholders to ensure transparency and accountability



## **Review and Revision**

This policy will be reviewed on a regular basis to ensure its effectiveness, relevance, and alignment with evolving global standards on sustainability and ESG integration in financial markets. Revisions will be made as needed to reflect regulatory changes, market developments, and the University's long-term sustainability objectives.



Diponegoro University's Sustainable Investment Policy demonstrates our commitment to the responsible management of financial resources. By embedding ESG considerations into investment decisions, the University seeks to achieve strong financial performance while contributing to global efforts toward a more sustainable and equitable future. Through this policy, the University aspires to position itself as a leader in sustainable investment practices within India's higher education sector.