Sustainable Investment and Divestment Policy

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1. Purpose

This policy defines how NSUMT will align its financial investments with its climate and ethical commitments. Recognizing the environmental impact of certain financial decisions, NSUMT aims to reduce investment in high-carbon industries and actively support sustainable sectors that promote long-term resilience, research innovation, and national green priorities.

2. Objectives

The primary objective is to support the university's climate strategy—especially the goal of net zero carbon emissions by 2050—by ensuring all investment activity reflects environmental, social, and governance (ESG) principles. This includes both avoiding investments in carbon-intensive or environmentally harmful sectors and seeking out financial opportunities that actively contribute to sustainability.

3. Scope

This policy applies to all university-held financial assets, including investment funds, savings reserves, and externally managed accounts. It also guides financial decisions made within university-affiliated projects, partnerships, or initiatives where NSUMT holds influence over how funds are allocated.

4. Strategic Investment Approach

NSUMT will progressively reduce its financial exposure to fossil fuel industries, including coal, oil, and gas companies, as well as projects that contribute significantly to deforestation or environmental degradation. The goal is to fully divest from direct fossil fuel holdings by 2035, unless a company demonstrates a credible and science-based transition plan to a low-carbon future.

In place of such investments, the university will prioritize support for sectors aligned with sustainable development, such as clean energy, green technologies, sustainable construction, water management, and low-impact manufacturing. Investment decisions will also favor projects and companies with strong transparency, ethical labor practices, and accountability.

5. ESG Principles

All financial choices made under this policy will follow **ESG criteria**:

- **Environmental:** Preference is given to entities with low carbon footprints, sustainable resource use, and strong environmental stewardship.
- **Social:** NSUMT will avoid supporting companies with records of labor abuse, inequality, or community harm.
- **Governance:** Investments should demonstrate transparency, anti-corruption measures, board accountability, and compliance with national and international standards.

These criteria serve as a foundation for screening investment opportunities and guiding divestment decisions.

6. Oversight and Implementation

The Finance Department, working in coordination with the International Relations, is responsible for implementing this policy. A small advisory group may be appointed to review portfolio holdings annually and ensure compliance with this policy. Investment managers and partners working with NSUMT must also be informed of the university's sustainable investment criteria.

7. Review Process

This policy will be formally reviewed every two years to ensure continued alignment with national environmental policies, evolving climate science, and the university's strategic priorities. Amendments may be made as needed to strengthen impact or respond to financial sector developments.