

SUSTAINABLE INVESTMENT POLICY

Effective Date: 24/03/2023

Reviewed Date: 24/06/2026

1. PREAMBLE

- 1.1 Sunway University recognises the importance of integrating environmental, social, and governance (ESG) factors into its investment decisions, consistent with its commitment to advancing the United Nations Sustainable Development Goals (SDGs) and values of the University.
- 1.2 The university is committed to pursuing sustainable investment practices that promote positive environmental and social outcomes while generating long-term financial returns.
- 1.3 The university supports Malaysia's aspiration to achieve carbon neutrality by 2050. In line with this, investment decisions shall progressively give preference to activities that support a low-carbon and sustainable economy, thereby avoiding investments in carbon-intensive energy industries, notably coal and fossil fuel.

2. OBJECTIVE

The objectives of the Sustainable Investment Policy are to:

- 2.1 Integrate ESG considerations into investment decision-making processes.
- 2.2 Support initiatives that promote environmental sustainability, social responsibility, and ethical governance.
- 2.3 Foster transparency and accountability in investment practices.
- 2.4 Align investment strategies with the university's mission, values, and long-term financial goals.
- 2.5 Progressively reduce investment exposure to sectors and activities that are significantly misaligned with the university's sustainability commitments, through review, engagement, and — where necessary — responsible exit.

3. PRINCIPLES

The following principles guide the University's approach to sustainable investing:

- 3.1 **Environmental Responsibility:** Prioritise investments in companies and projects demonstrating a commitment to environmental sustainability, including renewable energy, resource efficiency, and climate resilience.
- 3.2 **Social Impact:** Seek investments contributing to positive social outcomes, such as community development, diversity and inclusion, human rights, and labour standards.

- 3.3 **Governance Integrity:** Evaluate potential investments based on their governance practices, including transparency, accountability, ethical conduct, and adherence to regulatory standards.
- 3.4 **Financial Performance:** Consider ESG factors as integral components of risk management and long-term financial performance, seeking to maximise returns while minimising negative impacts on society and the environment.
- 3.5 **Portfolio Screening and Transition:** The university is committed to reviewing its investment portfolio through an ESG lens. Where investments are found to be significantly misaligned with the university's sustainability principles, the university will seek to engage with the relevant investee or fund manager to encourage improvement. Where engagement does not yield meaningful progress, the university will consider transitioning away from such holdings in a responsible and financially prudent manner.

4. INVESTMENT CRITERIA

In selecting investments, the University will consider the following criteria:

- 4.1 **ESG Integration:** Assess the environmental, social, and governance risks and opportunities associated with potential investments.
- 4.2 **Impact Measurement:** Evaluate the intended social and environmental impact of investments using appropriate metrics and benchmarks.
- 4.3 **Stakeholder Engagement:** Engage with investment managers, companies, and other stakeholders to promote ESG best practices and encourage transparency and accountability.
- 4.4 **Exclusion Screening:** The university shall avoid making new investments in sectors or companies whose core business activities are fundamentally at odds with its sustainability commitments. Areas of concern include, but are not limited to, thermal coal extraction, production of internationally prohibited weapons, and companies with sustained records of serious environmental or human rights violations. An Exclusion List shall be maintained and reviewed annually by the appointed oversight committee.

5. REPORTING AND ACCOUNTABILITY

- 5.1 The Financial Services Department will provide periodical reporting on the performance of sustainable investment initiatives, including assessments of environmental and social impact, financial returns, and adherence to policy objectives to the Sunway University Sustainability and ESG Committee (SUSEC).
- 5.2 The Sunway University Sustainability and ESG Committee (SUSEC) will provide oversight to ensure the implementation of the Sustainable Investment Policy and compliance with its principles and guidelines.

6. REVIEW AND REVISION

6.1 The Sustainable Investment Policy will be reviewed periodically to assess its effectiveness and relevance considering evolving ESG considerations, market dynamics, and regulatory requirements and development.

6.2 Revisions to the policy will be made as necessary to reflect changing circumstances and best practices in sustainable investing.

7. ROLES, RESPONSIBILITIES AND DELEGATIONS

Policy Owner	Financial Services Department
Approving Committee	SEG EXCO
Frequency of Review	2 years
Related Policies	Sustainable Procurement Environmental Sustainability Policy
Oversight Body	University Sustainability and Environment Committee (USEC)

8. LOG OF CHANGES AND REVIEWS

This policy shall be reviewed every 2 years by the Policy Owner.

Date	Clause	Brief Description of Changes
24/3/2023	—	Policy adoption
12/3/2024	7	Section 7 included to provide clarity on responsibilities
24/06/2026	All	Comprehensive review to align policy with Malaysia's sustainable finance context and global requirements. Key changes: • Preamble updated to reflect Malaysia's carbon neutrality commitment and Sunway's SDG mission; • new Clause 1.3 (low-carbon transition); • Clause 2.5 (Divestment from fossil fuel) added; • Investment criteria expanded with Clause 4.4 (Exclusion Screening); • Section 7 expanded; • Section 8 Review cycle amended from 3 to 2 years.