



**AZERBAIJAN  
STATE  
UNIVERSITY  
OF ECONOMICS**

# SUSTAINABLE INVESTMENT POLICY

## **Section 1: Introduction**

### 1.1 Purpose

The Sustainable Investment Policy of Azerbaijan State University of Economics (UNEC) aims to guide the university's investment decisions in a manner that aligns with environmental, social, and governance (ESG) principles. It underscores UNEC's commitment to sustainable investing and responsible financial strategies that support long-term value creation while fostering positive impacts on society and the environment.

### 1.2 Scope

This policy governs all investment activities conducted by UNEC, including endowment funds, pension funds, and other financial assets managed by the university. It applies to all members of the investment committee, administrators, and stakeholders involved in investment decision-making processes.

## **Section 2: Guiding Principles**

### 2.1 Environmental Responsibility

UNEC commits to investing in companies and projects that demonstrate strong environmental stewardship, promote sustainability, and actively work to reduce their carbon footprint. Priority will be given to investments that contribute to renewable energy, resource efficiency, and environmentally responsible practices.

### 2.2 Social Impact

The university will consider investments that positively impact communities and society at large. Emphasis will be placed on supporting companies with fair labor practices, community engagement initiatives, and a commitment to social welfare improvement.

## 2.3 Governance and Ethics

UNEC will adhere to high standards of corporate governance and ethical business practices. Investments will be directed toward companies with transparent leadership, robust internal controls, and a commitment to maintaining ethical conduct across their operations.

### **Section 3: Objectives**

#### 3.1 Long-term Financial Stability

The primary objective of UNEC's sustainable investment approach is to achieve competitive financial returns while ensuring the preservation and growth of the university's financial resources for the benefit of current and future generations of students and stakeholders.

#### 3.2 Positive Impact

Through sustainable investments, UNEC aims to generate positive environmental and social impacts. The university seeks to contribute to the transition to a more sustainable and inclusive global economy.

#### 3.3 Education and Advocacy

UNEC will use its investments to foster sustainability awareness within the academic community and advocate for responsible investment practices both locally and internationally.

### **Section 4: Investment Criteria**

#### 4.1 Environmental Performance

Investments will be assessed based on their environmental performance, including greenhouse gas emissions, resource consumption, waste management, and efforts to mitigate environmental risks.

#### 4.2 Social Responsibility

The university will consider companies' social responsibility initiatives, including diversity and inclusion policies, employee welfare, and community development

programs.

#### 4.3 Corporate Governance

UNEC will prioritize investments in companies that maintain high standards of corporate governance, transparency, and accountability.

4.4 Compliance with International Standards Investments will adhere to recognized international sustainability standards and agreements, such as the United Nations Global Compact and the Principles for Responsible Investment (PRI).

### **Section 5. Reporting and Transparency**

#### 5.1 Performance Reporting

UNEC will provide regular reports on the performance of sustainable investments, including financial returns and ESG impact metrics.

#### 5.2 Transparency

The university will ensure transparency in investment decision-making, including disclosing the rationale behind specific investments and ESG considerations.