



Ethical and Sustainable Investment Policy

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1.0 STATEMENT

City University Malaysia (City U) incorporates sustainable investing, which tackles possibilities and risks associated with environmental, social and governance (ESG) challenges as part of its long-term investment strategy. City U tracks the managed funds it invests in using ESG ratings, which include carbon footprints, proxy voting reports and evaluations of conformity with UN sustainable investment guidelines.

This indicates that City U is dedicated to making the gradual and thoughtful shift away from investments in fossil fuels or tobacco or liquor firms while also making sure that City U keeps expanding its financing base, which is crucial for our future. We have engaged an external fund manager to make sure that City U's investment pool is allocated to morally righteous and suitable investments within a framework of responsibility regarding climate risk and wellbeing risk. This decision is to allow us to comply with the "National Energy Transition Roadmap".

The Finance Committee actively monitors and reports on City U's updated investment strategy in order to ensure a consistent financial return with sustainable investment. The return on the investment is aligned with the sustainable goals of the University. These investment tenets include lowering risk, producing strong investment returns and being sustainable.

2.0 SUMMARISED POLICY

2.1 Environmental Sustainability

City U is dedicated to integrating sustainability into its operations through practical steps that take into accounts not just our people, policies, and research, but also the physical environment in which we operate. This is consistent with the UN Global Compact which addresses issues related to the environment, labour, human rights, and anti-corruption.

A significant portion of our research is concentrated on one or more facets of sustainability, where its practical implementation holds promise for improving lives and producing more sustainable results.

The curriculum across all disciplines, the planning and building of our on-campus surroundings, and campus administration are also gradually incorporating sustainability principles.

2.2 Sustainable Investment Policy

Our investment team is guided by Sustainable Investment Principles, which make sure that our portfolio minimizes activities that have a significant influence on climate change or wellbeing. These include fossil fuel involvement and screening for issues related to public health and wellbeing.

We convince that long-term investment capital will be created and preserved through a sustainable investing method because:

1. ESG considerations may materially affect long-term risk and return results;
2. Climate change leads to systematic risk, given the possible financial effects of the related shift to a low-carbon economy and the physical impact of various climate scenarios; and
3. Active ownership helps to realise long-term shareholder value and upholds a stakeholder expectation that the company would manage its capital well.

The administration of the investment in the University Yayasan Fund is likewise subject to our sustainable investing principles.

3.0 PRINCIPLES

When making investment decisions, City U will make an effort to make sure that environmental, social, and governance (ESG) factors are taken into account in addition to financial ones.

Our areas of focus are:

1. Climate change;
2. Sustainable development
3. People's wellbeing.

We have advised our external fund managers to exclude investment in companies that are involved in:

4. Carbon-intensive fossil fuel;
5. Tobacco production;
6. Liquor production.

The university will use general donations to fund research, scholarships, and other significant initiatives that could have a long-term positive influence on the lives of students and our community.

Donor-specific funds are allocated to the institution according to the declared goals of the donor (e.g., scholarships, bursaries, research, facilities, special projects, etc.). Donations designated for the "university's highest priority" go toward areas that the institution determines are most in need of assistance and are in line with its strategy.

4.0 INVESTMENT GUIDELINES

CityU makes investments in which it does not hold a direct stake through a “pooled funds” arrangement. Funds that are pooled and invested collectively by a variety of investor types are known as pooled funds.

Our fund manager will advise us on an appropriate international equity product that fits our requirements and is committed to evolving further over time.

CityU is of the opinion that investment returns must be consistent with our investment objectives. These investment principles include lowering risk, producing strong investment returns and being sustainable.

5.0 MONITORING AND REVIEW

The Ethical and Sustainable Investment Policy is owned by CITYU Finance Department. The policy will be reviewed annually, targets and consumption reported to the CITYU Executive Sustainability Office committee.