

PARUL UNIVERSITY

R/Notification-SIP/02/2024-25

Office of the Registrar
June 15, 2024

NOTIFICATION

Sub: Sustainable Investment Policy

Ref: (i) Orders of the President

1. Purpose

Parul University recognizes that environmental, social and governance considerations can materially affect the long-term risk, return, resilience and reputation of investment portfolios. The University therefore commits to managing relevant investments in a prudent, transparent and sustainability-informed manner, consistent with fiduciary responsibility, financial prudence, legal requirements, donor conditions and the University's broader sustainability commitments.

The purpose of this Policy is to establish the University's framework for sustainable and responsible investment so as to:

- preserve capital and protect long-term institutional financial value;
- generate prudent risk-adjusted returns in support of the University's academic, research, scholarship and strategic priorities;
- maintain appropriate liquidity for operational, strategic and unforeseen institutional requirements;
- integrate material environmental, social and governance factors into relevant investment oversight and decision-making;
- reduce exposure to investments associated with significant environmental, social, ethical, governance or reputational risks; and
- strengthen transparency, accountability and continuous improvement in responsible investment practices.

2. Scope

This Policy applies to all relevant University-managed financial investments, reserve funds, corpus-related funds, designated funds and other investable funds under the authority of the University, to the extent permitted by applicable law, donor restrictions, funding conditions, fiduciary duty, investment structure and approval by the competent authority.

Where investments involve external advisory inputs, pooled structures, restricted arrangements or other structural limitations, the University shall seek alignment with this Policy to the maximum practical extent feasible.

This Policy shall be read together with other relevant institutional frameworks, including the Climate Action and Net-Zero Policy and related sustainability, governance and finance policies.

3. Definitions

ESG: environmental, social and governance factors that may materially affect the value, performance, risk profile, resilience or broader impact of an investment.

Responsible Investment: the systematic consideration of material ESG factors alongside financial factors in investment analysis, selection, monitoring, review and disclosure.

External Advisory Support: any external advisor, consultant, expert group, institution or equivalent support arrangement engaged by the University in relation to investment-related analysis, advisory inputs, diligence or oversight.

Material ESG Risk: an environmental, social, ethical or governance issue that may have a meaningful effect on investment value, regulatory compliance, stakeholder trust, institutional reputation or long-term portfolio resilience.

4. Guiding Principles

Parul University shall apply the following principles in relation to investments:

4.1 Fiduciary Responsibility

The University shall exercise prudent financial stewardship and make investment decisions consistent with its fiduciary responsibilities, legal obligations, financial sustainability and long-term institutional interests.

4.2 Long-Term Value Protection

The University recognizes that unmanaged environmental, social, ethical and governance risks may affect long-term financial performance and institutional credibility. Responsible investment shall therefore be approached as part of sound long-term value protection and resilience.

4.3 ESG Integration

Material ESG considerations shall be taken into account, wherever relevant and feasible, alongside financial and risk considerations in investment-related analysis, oversight and review.

4.4 Transparency and Accountability

The University shall maintain an accountable and transparent approach to responsible investment through appropriate governance, internal controls, documentation and periodic disclosure.

4.5 Continuous Improvement

The University shall progressively strengthen its responsible investment approach in line with data maturity, institutional capacity, evolving standards, applicable regulation and approved strategic priorities.

5. Core Investment Objectives

In managing investments, the University shall seek to maintain an appropriate balance between:

- Capital Preservation through prudent and well-governed investment practices;
- Return on Investment through appropriate risk-adjusted returns that support institutional priorities;
- Liquidity sufficient to meet operational and strategic requirements; and
- Risk Management through diversification, approved risk parameters and disciplined oversight.

6. Sustainable and Responsible Investment Approach

6.1 ESG Due Diligence

Before making, renewing or materially restructuring relevant investments, the University shall, to the extent feasible, consider material ESG risks and opportunities, including but not limited to:

- environmental impacts, pollution and resource-efficiency concerns;
- labour practices, workplace safety and human rights issues;
- ethics, anti-corruption and regulatory compliance risks;
- governance quality, transparency and oversight standards; and
- significant reputational, community or social concerns associated with the investment.

6.2 Risk Matrix and Sustainability Review

Relevant financial investments shall be assessed in accordance with approved risk parameters or a risk matrix established by the competent authority or designated committee. Investments falling within approved financial risk parameters shall, where relevant and feasible, also be evaluated for material sustainability performance and ESG-related considerations before final decision-making.

6.3 Designated and Restricted Funds

Funds received for a specific purpose, subject or designation shall be utilized in accordance with the applicable purpose, donor condition, grant requirement or legal restriction. Any redeployment of surplus or unutilized balances shall be undertaken only through a documented and appropriately authorized institutional process.

6.4 Fixed Assets and Sustainability Alignment

Investments in fixed assets, including land, buildings and infrastructure, shall be undertaken in a transparent manner and, where relevant, aligned with the University's sustainability principles and related institutional climate and sustainability frameworks.

6.5 Sustainability-Aligned Allocations

Subject to approved budgets, financial prudence and institutional priorities, the University may maintain or establish dedicated sustainability-aligned allocations, funds or financing mechanisms to support approved institutional sustainability objectives, resilience-related investments or related strategic initiatives.

6.6 External Advisory Support and Review

Where external advisors, consultants, expert groups, institutions or pooled investment structures are engaged, the University may, where relevant and practicable, consider factors such as:

- ESG integration capability;
- governance quality and transparency;
- sustainability-risk awareness;
- stewardship and engagement approach, where applicable; and
- alignment with the principles of this Policy.

Responsible investment considerations may form part of periodic advisory review, institutional decision-making and documented oversight processes, where applicable.

6.7 Restricted or High-Risk Exposures

The University shall seek to avoid, limit or progressively reduce exposure, where feasible and approved by the competent authority, to investments materially associated with:

- severe or repeated environmental non-compliance;
- serious human rights abuses or exploitative labour practices;
- corruption, bribery, fraud or persistent governance failure;
- unlawful or prohibited products or activities; or
- other activities identified through approved institutional review as materially inconsistent with the University's values, legal obligations or sustainability commitments.

Any detailed exclusions, thresholds or phased restrictions may be issued separately through approved annexures, committee decisions or implementation guidelines.

6.8 Stewardship

Where the structure of holdings permits, the University may encourage responsible stewardship practices through appropriate channels, including engagement, monitoring and escalation in relation to material ESG concerns.

6.9 Alignment with Climate Policy

The University's investment approach shall remain aligned, where relevant and feasible, with the principles and transition direction set out in the Parul University Climate Action and Net-Zero Policy. Detailed greenhouse gas targets, decarbonisation pathways, climate disclosures and operational net-zero commitments shall be governed by that Policy and related institutional disclosures, and are not duplicated in this Policy.

7. Governance and Accountability

7.1 Investment Committee

Parul University shall designate an Investment Committee or equivalent competent body to oversee implementation of this Policy. The Committee shall be responsible for:

- reviewing investment matters in line with this Policy;
- considering material ESG-related risks and opportunities in investment oversight;
- reviewing implementation progress and responsible investment practices;
- considering recommendations on restrictions, exclusions or enhanced due diligence where needed;
- reviewing annual reporting and public disclosure relating to responsible investment; and
- recommending updates to this Policy to the competent authority where required.

7.2 Committee Composition

The Committee should include appropriate representation from finance, institutional leadership and other relevant functions. The University may include or consult external members with expertise in investment, finance, governance, sustainability or ESG-related matters. Detailed membership may be notified separately through office order, committee constitution or annexure.

7.3 Operational Responsibility

The Finance function and designated authorities shall support implementation of this Policy through appropriate controls, documentation, review processes and reporting arrangements.

8. Reporting, Disclosure and Transparency

The University shall aim to make publicly available, through the University website, annual report, sustainability report or another approved public institutional platform:

- a summary of its responsible investment approach;
- key governance arrangements;
- material implementation updates; and
- such other disclosures as may be approved by the competent authority and considered appropriate for public transparency.

The University shall maintain transparent investment practices through regular internal reporting on relevant portfolio performance and responsible investment implementation, subject to confidentiality, legal, donor and practical limitations.

9. Responsible Communication and Anti-Greenwashing

The University shall avoid overstated, misleading or unsubstantiated claims regarding the sustainability characteristics, impact or alignment of its investments.

Where information is partial, provisional, restricted, evolving or subject to methodological or structural limitations, the same shall be acknowledged through appropriate explanatory notes or disclosure statements.

10. Compliance, Exceptions and Practical Limitations

Implementation of this Policy shall remain subject to:

- applicable laws, regulations and statutory requirements;
- donor restrictions, grant conditions and legal obligations;
- approved institutional budgets and financial priorities;
- market availability, data quality and investment-structure limitations; and
- decisions of the competent authority of the University.

Where full alignment is not immediately feasible due to structural, legal, financial or data limitations, the University shall seek progressive improvement to the extent reasonably practicable.

11. Review

This Policy shall be reviewed annually for implementation relevance and may be fully revised every three years, or earlier if required due to regulatory changes, institutional priorities, governance decisions or evolving responsible investment practice.

12. Approval and Publication

This Policy shall come into effect upon approval by the competent authority of Parul University. The approved Policy shall be made publicly accessible through the official University website or another approved public institutional platform.

By Order


Registrar

To,

- 1) Dean, Doctoral Studies and Research
- 2) Deans of Faculties
- 3) Principals/Directors of Colleges/ Institutes
- 4) Director (IQAC)
- 5) Managing Director (Global), Industrial Collaborations; Academic Strategies
- 6) Academic Directors
- 7) Dean, Students' Welfare
- 8) Controller of Examinations
- 9) Chief Librarian
- 10) Director, CDC / PIERC / CIRR / OIA/ AFMC / RDC/ Marketing / CDOE/ EDP / CEC / Alumni Association / Events Cell / Centre for Human Resources Development/ Security/ Physical Education and Sports/ Internship Cell/ Staff and Students Welfare Cell/ ICT Cell/ Learning and Academic Enrichment/ Faculty Updation (CSE/IT/CA)/ CMIE/ Partnerships (Institutes of National Importance)/ SCOPE

- 11) Chief Finance and Accounts Officer
- 12) Central Administration
- 13) Accounts Section
- 14) Students' Section
- 15) Head, Central Administration / Accounts / Purchase/ Transport/ MIS / Students' Section

Submitted to,

1. The President
2. Dr.Parul Patel, Vice President (Student Affairs and General Administration) and Chairperson, Admissions Committee, Parul University
3. Dr. Geetika Madan Patel, Vice President (Quality, Research and Health Sciences), Parul University
4. Dr. Komal Patel, Vice President (Medical and Paramedical Sciences), Parul University
5. The Provost