

Addendum to BNU's Investment Policy

Sustainable Investment Policy

Objective

The primary objective of BNU's investment policy is to achieve long-term financial returns in a manner consistent with its institutional values and public interest mandate. In pursuit of this objective, BNU shall integrate sustainability considerations into its investment strategy to reduce adverse environmental, social, and governance (ESG) impacts. The policy further seeks to support investments aligned with the United Nations Sustainable Development Goals (SDGs), climate change mitigation, and a just transition to a low-carbon economy.

1. ESG Integration and Exclusion Criteria

ESG factors shall be systematically incorporated into BNU's investment research, selection, monitoring, and reporting processes. Relevant considerations include, but are not limited to, climate risk, carbon emissions, resource use, labor practices, diversity and inclusion, governance integrity, and human rights. Investments shall be excluded from consideration where they are directly associated with sectors or entities involved in activities that pose significant harm to society or the environment. This includes, but is not limited to, fossil fuel extraction, tobacco production, weapons manufacturing, and child or forced labor. The exclusion list shall be reviewed on an annual basis to ensure continued alignment with international sustainability standards and BNU's mission.

2. Oversight and Accountability

Oversight of this policy shall be conducted by a designated ESG advisory body or committee, reporting to the relevant fiduciary authority within BNU's governance structure. This body shall be responsible for monitoring ESG performance, advising on inclusion and exclusion criteria, and ensuring that the investment policy remains consistent with applicable legal obligations, global best practices, and BNU's broader sustainability commitments.

3. Positive Screening and Impact Investing

BNU shall actively seek investment opportunities in sectors and issuers demonstrating high ESG performance. Priority shall be given to investments in renewable energy, sustainable agriculture, green technologies, and enterprises upholding strong ethical and governance standards. Where appropriate, BNU may allocate capital to impact investments that seek to generate measurable and beneficial environmental or social outcomes, particularly in areas relevant to its academic mission, including education, public health, social equity, and environmental conservation. The outcomes of such investments shall be assessed against predefined impact metrics and reported accordingly.

4. ESG Risk Management

ESG-related risks shall be treated as material financial risks and shall be incorporated into BNU's risk management framework. These may include, but are not limited to, climate-related physical and transition risks, water scarcity, governance failures, and socio-political instability. BNU shall utilize scenario analysis, stress testing, and external ESG data sources to evaluate and mitigate such risks within its investment portfolio.

5. Stewardship and Active Ownership

BNU shall exercise its rights as an investor to promote responsible corporate behavior and improved ESG performance. This includes engaging with investee entities on ESG matters, participating in shareholder resolutions, and voting proxies in accordance with established stewardship guidelines. Where engagement efforts are demonstrably ineffective and material ESG risks remain unaddressed, divestment may be considered in accordance with fiduciary duty and policy objectives.