

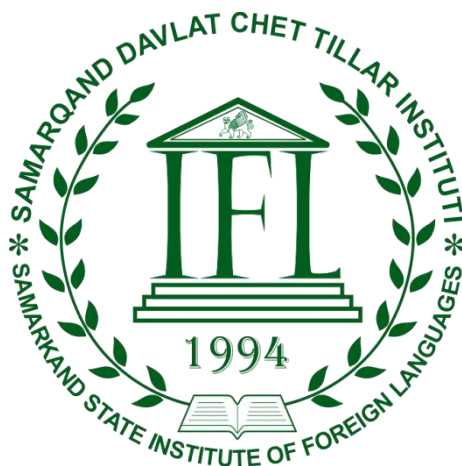
POLICY FOR SUSTAINABLE INVESTMENT

2023



**SAMARKAND STATE
INSTITUTE OF FOREIGN
LANGUAGES**





SAMARKAND STATE INSTITUTE OF FOREIGN LANGUAGES

POLICY FOR SUSTAINABLE INVESTMENT

Functional Category	The functional category of this policy is “Sustainable Investment”. This policy establishes guidelines and objectives for sustainable investment practices at Samarkand State Institute of Foreign Languages (SamSIFL). It outlines the institution's commitment to responsible investment, environmental stewardship, and ESG (Environmental, Social, and Governance) principles. The policy provides a framework for integrating ESG factors into investment decisions, supporting sustainable development, and promoting transparency and accountability in the Institute's financial practices.
Approval Date	2023
Effective Date	2023-2026
Policy owner	Rector
Policy Administrator	Vice-Rector for Financial and Economic Affairs
Last revision date	2023
Next revision date	2024

POLICY FOR SUSTAINABLE INVESTMENT

POLICY OVERVIEW

Samarkand State Institute of Foreign Languages (hereinafter SamSIFL or the Institute) is committed to managing its resources in a way that promotes decarbonization and biodiversity conservation. This policy sets out the objectives and parameters of the Institute's investment portfolios and describes how the Institute considers environmental, social, and governance (ESG) factors in its investments.

The investment policy of the Institute aims to achieve the following goals:

- Reduce the Institute's carbon footprint by 30% by 2030.
- Contribute to the conservation of biodiversity through investments in green projects.
- Support sustainable development by integrating ESG factors into all investment decisions.

The Institute considers the following ESG factors in its investments:

- Environmental factors such as greenhouse gas emissions, water use, and waste management.
- Social factors such as labor practices, human rights, and community impact.
- Governance factors such as corporate transparency, accountability, and ethical conduct.

The policy is based on the following principles:

- The Institute will invest in companies that are committed to responsible business practices.
- The Institute will invest in companies that are contributing to sustainable development.
- The Institute will be transparent about its investment decisions.
- The Institute will be accountable for its investment decisions.

The Institute's investment policy is regularly reviewed to ensure that it is in line with the Institute's sustainability goals and evolving best practices.

POLICY OBJECTIVES

The students and research scholars of SamSIFL are the future leaders of our society. The noble cause of environmental sustainability will be fulfilled through the education we provide to them. They will play a vital role in developing the technological and policy solutions required for effective outcomes in the future world. Eventually, the Institute has to play a role in changing the thought process of students, research scholars, and faculty towards environmental sustainability for the sake of global welfare. The Institute will achieve this by:

- Integrating environmental sustainability into the curriculum across all disciplines.
- Providing opportunities for students to conduct research on environmental sustainability.
- Supporting student-led initiatives on environmental sustainability.
- Engaging with the local community on environmental sustainability issues.

The Institute is committed to playing its part in addressing the global challenge of environmental sustainability. By educating and empowering its students and research

scholars, the Institute is confident that it can make a positive contribution to a more sustainable future.

SCOPE OF THE POLICY

To achieve this objective, the Institute has adopted policies that promote the well-being of society by reducing the impact on the environment. These policies reflect the institution's approach to tackling climate change and major global challenges. The sustainable investment policy will be reviewed by Vice-rector for financial and economic affairs on a regular basis, at least once per annum. To make the policy more effective, an Alumni representative from the Samarkand State Institute of Foreign Languages Students' Alumni Cell will be included in the committee. The following investment policy is applied to the Institute's endowments.

Key Principles of the University's Sustainable Investment Policy:

- Institute will invest in companies that have a positive impact on the environment.
- Institute will avoid investing in companies that have a negative impact on the environment.
- Institute will invest in companies that are committed to sustainable development.
- Institute will invest in companies that are transparent and accountable.

SamSIFL's sustainable investment policy is a key part of the Institute's commitment to sustainability. The policy helps the Institute to reduce its environmental impact and to promote sustainable development.

SUSTAINABLE INVESTMENT STRATEGY

The Institute is committed to ensuring that its portfolios are invested according to the highest ESG standards. The Institute's strategy recognizes that a responsible approach to sustainability and financial returns are not mutually exclusive, and that companies which embrace a sustainable approach to environmental and social issues are more effective stewards of long-term capital.

The portfolios will adhere to this strategy through a three-tier framework:

1. Investment: Exclusion Direct Investment

○The portfolios will not invest directly in companies which essentially deal in the following businesses:

- Tobacco - manufacture, distribution or retailing.
- Alcohol
- Gambling
- Coal and Tar Sands

Pooled Funds:

○When investing through pooled funds, investment decisions are made at the fund level. Therefore, when investing through pooling, the Institute analyzes the holistic ESG approach of the underlying fund manager and regularly reviews the fund exposures with its investment advisors.

2. Environmental, Social and Governance (ESG) Integration:

○When investing directly or through pooled funds, the Institute requires its fund managers to:

- Integrate environmental, social, and governance (ESG) considerations into their investment analysis and decision-making processes.

- Engage on social and environmental issues and track this engagement through regular stewardship reporting to the Investment Committee.

- The Institute also upholds the principles of the United Nations Global Compact. These principles focus on acting in a manner consistent with our core human rights, labor, environmental, and anti-corruption responsibilities. The Institute expects its advisors and managers to act in a way that promotes positive behaviors and discourages negative behaviors through their investment screening and practices. The Institute will also look favorably upon investments with specific commitments regarding alignment with the UN Global Compact.

- The Institute will continue to review the pooled funds available and invest in those which adhere to the principles above.

3. Impact Investing:

- The policy commits itself to adopting investment strategies that aim to reduce and preferably eliminate negligent business behavior. This program will invest in organizations and sectors that may clearly aim to provide environmental and social return. Some of the moral, social, environmental, and governance issues which align with the three quantifiable Nationally Determined Contributions (NDCs) will encompass:

- Food & Agriculture
- Education
- Health
- Clean Energy
- Sustainable Transport
- Waste Materials
- Ecosystem Services
- Financial Inclusion

Acquisition:

SamSIFL will incorporate Environmental, Social, and Governance (ESG) factors into their criteria for selection.

Engagement:

When the Institute invests in a company that does not appear to be following sound ethical business practices or demonstrating adequate environmental stewardship, investment managers will attempt to persuade the company to act in a more socially and environmentally responsible manner. This can be done both legally and informally.

- Legally, investment managers can bring up problems at the Annual General Meeting (AGM) and exercise the voting rights of the Institute's shareholders. At the AGM, investment managers can ask questions of the company's management and vote against resolutions that they believe are not in the best interests of the company or its shareholders.

- Informally, investment managers can engage with the company's management on a one-on-one basis. This can be done through phone calls, emails, or meetings. During these conversations, investment managers can share their concerns about the company's ESG performance and ask for specific commitments to improve.

The goal of engagement is to work with the company to improve its ESG performance. If the company is not willing to make changes, the Institute may divest from the company.

Divestment:

Samarkand State Institute of Foreign Languages will assess the performance of companies that do not appear to be following sound ethical business practices or demonstrating adequate environmental stewardship before dissociating with them. The Investment Committee will then review the financial implications of divestment and make a recommendation to the Institute's Board of Trustees. The Board of Trustees will then make a final decision on whether or not to divest from the company.

The Institute will evaluate this Socially Responsible Investment Policy every two years. The evaluation will consider the following factors:

- The effectiveness of the policy in achieving the Institute's sustainability goals.
- The impact of the policy on the Institute's financial performance.
- The changing landscape of ESG investing.

The results of the evaluation will be used to make recommendations for improving the policy.

Plan of Action

The Institute has established an Environmental Conservation Committee (ECC) to achieve its sustainability goals. The ECC plays a significant role in setting the processes and practices to reduce environmental impacts, increase operating efficiency, and integrate sustainable thinking into operations for optimum utilization of available resources in the Institute and surrounding areas.

The ECC is composed of the University Leadership Team and cross-functional department heads, including academic, research, academic and research departments, administration, estates, and student services, as follows:

- Chair: Rector of the Institute
- Members:
 - Vice Rector for Academic Affairs
 - Vice Rector for Research and Innovations
 - Vice Rector for Financial and Economic Affairs
 - Department for cooperation with international rankings
 - Deans
 - Student Representative

The ECC meets regularly to review the Institute's progress on sustainability and to make recommendations for improvement. The ECC also works with other departments and units across the Institute to implement sustainability initiatives.

IMPLEMENTATION, AUDIT, AND COMPLIANCE

The Environmental Conservation Committee (ECC) will audit the processes planned and implemented under the Sustainable Initiative at regular intervals. The documentation of the audit reports and compliances will be prepared for further action.

The ECC will use the following criteria to assess the sustainability initiatives:

- The initiatives should be aligned with the Institute's sustainability goals.
- The initiatives should be effective in reducing the Institute's environmental impact.
- The initiatives should be efficient in terms of cost and resources.
- The initiatives should be sustainable in the long term.

The ECC will report its findings to the Institute Leadership Team. The Leadership Team will then make a decision on whether to continue, modify, or discontinue the sustainability initiatives.

INVESTMENT POLICY

Samarkand State Institute of Foreign Languages follows the following investment policy:

- An investment evaluation committee will be established, chaired by the Vice-rector for financial and economic affairs and composed of three members nominated by the Chairman. The committee will assess the surplus funds available for investment.
- The investment evaluation committee will evaluate the different secure investment options available for the Institute.
- The investment evaluation committee will present the investment options to the Chairman and Vice Chancellor for approval.
- After approval from the Chairman, final payment will be made within seven working days.
- Institute will not make any investment in trading of shares, mutual funds, or any other open investment where the risk factor is high.
- Institute will also not make any investment in fixed deposits (FDRs) other than those issued by nationalized banks.
- Institute will not pay any commission on investment.
- Institute will not make any investment in ventures of trustees where the trustee is involved directly or indirectly.

REPORTING:

The Institute will make available on an annual basis an impact report highlighting how the Institute is working to meet the framework set out within the Sustainable Investment Policy. The impact report will include the following information:

- Institute's progress in meeting its sustainability goals.
- The impact of the Institute's investments on the environment and society.
- The challenges and opportunities that the Institute faces in meeting its sustainability goals.
- Institute's plans for the future.

The impact report will be made available to the public on the Institute's website. The report will also be sent to the Institute's stakeholders, including students, faculty, staff, alumni, and donors.