



**BAKU
ENGINEERING
UNIVERSITY**

SUSTAINABLE INVESTMENT POLICY

**Approved by Rectorate
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INTRODUCTION

Baku Engineering University (BEU) has developed a Sustainable Investment Policy aimed at integrating the principles of Environmental, Social, and Corporate Governance (ESG) into its investment activities. This document highlights the university's commitment to ethical financial practices and investment strategies that contribute to long-term sustainable development and have a positive impact on the environment and society. BEU places significant importance on training qualified specialists in the fields of ecology and chemical engineering, responding to current challenges of sustainable development and global environmental issues.

CORE PRINCIPLES OF THE POLICY

- **Environmental Responsibility:** BEU aims to invest in projects and companies that actively work on reducing carbon footprints, promoting sustainability, and demonstrating high standards of environmental management. Priority is given to investments in resource conservation, renewable energy, and environmentally friendly practices.
- **Social Impact:** The university supports investments that benefit local communities and society at large. Support is provided to companies that adhere to ethical labor standards, engage in community life, and strive to enhance social well-being. Moreover, BEU promises to not invest in companies, corporations or entities that are involved in activities that cause severe environmental harm (coal production; severe pollution), violate human rights (child labor exploitation), or demonstrate systemic governance failures (corruption and bribery).
- **Corporate Governance:** BEU upholds high standards of corporate ethics and governance, investing in companies with transparent leadership, reliable internal controls, and a commitment to ethical conduct.

OBJECTIVES OF THE POLICY

- **Positive Impact:** BEU aims for its investments to have a favorable social and environmental impact, contributing to the transition towards a more sustainable global economy.
- **Long-Term Financial Stability:** The university seeks to ensure financial stability for future generations by aiming for competitive financial returns while preserving and enhancing its financial resources.

MAIN INVESTMENT AREAS

1. Environmental Research and Innovations

- Investment in projects related to plastic waste recycling, including the creation of biodegradable materials and the improvement of recycling technologies.
- Development and implementation of eco-friendly materials, including those based on cellulose.
- The application of ionic liquids in sustainable chemical production and the synthesis of heterocyclic compounds, which helps reduce toxicity and improve energy efficiency in chemical processes.

2. Digitalization and Infrastructure

- Implementation and development of digital systems for document management, human resources, student information, and educational processes, which help reduce paper use, improve transparency, and enhance management efficiency.
- Development and implementation of technologies to integrate climate change components into educational programs and research projects.

3. Education and Student Engagement

- Support for scientific projects by students, master's and doctoral candidates focused on addressing sustainable development and ecological issues.
- Collaboration with scientific laboratories and industrial partners to implement research projects in plastic waste recycling, the development of innovative biomaterials, and the application of ionic liquids.

4. International and Regional Initiatives

- Participation in international and regional projects aimed at integrating climate education and sustainable technologies.
- Collaboration with environmental organizations and governmental bodies to scale up innovative projects and secure funding.

INVESTMENT CRITERIA

- **Environmental Indicators:** Assessment of climate impact, waste management, and resource consumption. This indicator will be measured using ESG indicators such as GHG Emissions; Energy Consumption and Efficiency; Water Management; Waste Management and Recycling; Biodiversity and Land Use.
- **Social Responsibility:** Attention to societal and social commitments, including policies on equality and diversity, as well as welfare programs. These criteria will be measured through workforce diversity and inclusion; workplace Health and Safety; Employee Relations and Labor Practices; Community Engagement.
- **Corporate Governance:** Preference for companies with high standards of transparency, accountability, and effective corporate governance. These criteria will be measured through Board Structure and Independence; Executive Compensation; Business Ethics and Anti-Corruption; Compliance and Risk Management; Data Privacy and Cybersecurity.

GOVERNANCE AND OVERSIGHT

BEU will establish a Sustainable Investment Committee consisting of senior management, academic staff and outside experts. The committee will be charged with ESG approval, monitoring, evaluation and publication of periodic reviews. This policy applies to all relevant investment decisions of BEU and will be reviewed periodically to reflect evolving sustainability standards and institutional priorities.

MONITORING AND REPORTING

ESG performance of made investments will be evaluated periodically (annually or semiannually). BEU will publish summary annual reports on sustainable investment activities.

CONCLUSION

Baku Engineering University's investment strategy is focused on integrating sustainable development principles into its scientific and educational activities. By involving students and young scientists in ecological research, the university is developing innovative technologies that can significantly contribute to solving global environmental challenges. With the support of the government, industry, and scientific partners, BEU will continue to expand its projects and become a leader

in sustainable development and environmental innovation.