KARUNYA INSTITUTE OF TECHNOLOGY AND SCIENCES

KITS/SIP/2025/01

Sustainable Investment Policy

KITS/SIP/2025/01

Sustainable Investment Policy

PREAMBLE

Karunya Institute of Technology and Sciences (KITS) recognizes that investment decisions play a critical role in shaping environmental sustainability, social responsibility and long-term Institutional resilience. As a value-driven higher education Institution, KITS is committed to responsible stewardship of its financial resources through the integration of Environmental, Social, and Governance (ESG) principles into all investment practices.

KITS affirms that sustainable investment is essential to supporting its broader mission of advancing education, research, and societal well-being, particularly in the key thrust areas of food, water, healthcare and sustainable energy. The Institute seeks to align its investment strategy with national priorities, global sustainability frameworks and ethical financial practices, ensuring both financial returns and measurable positive impact.

RATIONALE

The formulation of this policy is driven by the following considerations:

- Sustainability Imperative: Investment decisions significantly influence environmental and social outcomes.
- National & Global Alignment: Supports India's NDCs, UN SDGs and ESG frameworks.
- Responsible Financial Stewardship: Ensures ethical, transparent and accountable investment practices.
- Institutional Leadership: Positions KITS as a responsible and sustainability-focused Institution.
- Risk Management: Addresses long-term environmental and social risks in investment portfolios.
- Regulatory & Accreditation Compliance: Aligns with UGC, AICTE, NAAC, ISO, QS, THE frameworks.

EXECUTIVE SUMMARY

This policy establishes a structured framework for sustainable investment at KITS by:

1. Integrating ESG criteria into all investment decisions
2. Promoting investments with positive environmental and social impact
3. Avoiding investments in environmentally or socially harmful sectors
4. Ensuring transparency, accountability and ethical governance
5. Aligning investments with SDGs and Institutional sustainability goals
6. Establishing monitoring, reporting and continuous improvement mechanisms

PURPOSE AND SCOPE

Purpose

The objectives of this policy are to:

- Integrate ESG principles into Institutional investments
- Promote sustainable and responsible financial practices
- Support investments aligned with SDGs and climate goals
- Ensure ethical, transparent and accountable investment decisions
- Balance financial returns with long-term sustainability impact

Scope

This policy applies to:

- All Institutional funds, endowments, and investment portfolios
- All departments and decision-making bodies involved in investments
- External fund managers, advisors and financial partners
- All financial decisions with environmental, social or governance implications
- Institutional collaborations and funded projects involving financial investments

DOCUMENT CONTROL & REVISION HISTORY

Policy Title	Sustainable Investment Policy
Reference Number	KITS/SIP/2025/01
Version	1.0
Issue	02
Policy Created on	July 2022
Revision History	Revised on 29th August 2025 (28th IQAC Meeting).
Responsible Executives	Vice-Chancellor, Registrar and Finance Officer
Responsible Office	Registrar's office, Finance Office & Internal Quality Assurance Cell (IQAC)
Policy Review Frequency	Policy shall be reviewed every three years, or earlier if required by UGC, AICTE or other regulatory authorities.

The policy is described in the following articles

ARTICLE 1

STATEMENT OF POLICY

KITS commits to adopting a sustainable, ethical and transparent investment approach that integrates ESG considerations into all financial decisions.

Key commitments include:

- Integration of sustainability into investment governance
- Avoidance of environmentally and socially harmful investments
- Promotion of responsible and impact-driven investments

- Transparency in investment performance and reporting
- Long-term value creation aligned with sustainability goals
- Allocation of funds for internal sustainability projects such as renewable energy, green buildings, water systems, and campus infrastructure
- Financial Commitment: KITS shall allocate dedicated financial resources, where feasible, to support sustainable and ESG-aligned investment initiatives and ensure progressive transition toward responsible investment practices.

ARTICLE 2

SUSTAINABLE INVESTMENT STRATEGY

2.1 ESG Integration

All investments shall be evaluated based on:

- Environmental impact (climate, energy, resources)
- Social responsibility (labour, community, equity)
- Governance practices (ethics, transparency, accountability)

2.2 Exclusionary Screening

KITS shall avoid investments in:

- Fossil fuel-intensive industries
- Tobacco and harmful substances
- Weapons and unethical sectors
- Activities violating environmental or human rights norms

2.3 Positive & Impact Investing

KITS shall prioritize investments in:

- Renewable energy and green technologies
- Sustainable agriculture and food systems
- Water conservation and healthcare solutions
- Social enterprises and inclusive development initiatives
- Support for student-led startups, incubation centres, and entrepreneurship initiatives aligned with sustainability and ESG principles

2.4 Risk–Return Balance

Investment decisions shall balance:

- Financial performance
- ESG risk considerations
- Long-term sustainability impact

2.5 Active Engagement

KITS shall:

- Engage with companies on ESG practices
- Support responsible corporate governance
- Promote sustainable business practices

ARTICLE 3

GOVERNANCE AND IMPLEMENTATION

- Implementation and oversight of this policy shall be carried out by the competent authority, comprising the Vice-Chancellor, Registrar and Finance Officer
- Integration of sustainable investment practices with the Finance Office and Internal Quality Assurance Cell (IQAC)
- Investment decisions shall be reviewed and approved by the competent authority in alignment with ESG principles and institutional priorities
- Selection of ESG-compliant fund managers and financial partners
- Alignment with institutional sustainability, climate change, and related policies
- Periodic review and approval of investment strategies by the competent authority
- Conflict of Interest: All individuals involved in investment decisions shall disclose any potential conflicts of interest, and such cases shall be managed in accordance with institutional ethical and governance guidelines
- Capacity building and awareness programmes on ESG and sustainable finance for stakeholders

ARTICLE 4

ROLES & RESPONSIBILITIES

- Vice-Chancellor: Strategic oversight and policy approval
- Registrar: Compliance and documentation
- Finance Officer: Investment planning and execution
- IQAC: Monitoring, reporting, and benchmarking
- Competent Authority (Vice-Chancellor, Registrar, Finance Officer): Final decision-making, approval and oversight of sustainable investment practices
- External Advisors: Compliance with ESG principles

ARTICLE 5

MONITORING, REPORTING AND REVIEW

- Annual Sustainable Investment Report
- ESG performance tracking of investment portfolio
- Percentage of ESG-compliant investments in total portfolio
- Periodic disclosure of sustainability and ESG performance of investments, where appropriate
- Periodic audits and compliance checks

- Setting of periodic ESG targets and benchmarks for improving the sustainability performance of the investment portfolio
- Benchmarking with global sustainability frameworks (QS, THE, SDGs)
- PDCA-based continuous improvement

ARTICLE 6

GRIEVANCE REDRESSAL AND APPEALS

Stakeholders may submit concerns regarding investment practices to the Registrar. All grievances shall be addressed within defined timelines with non-retaliation assured.

ARTICLE 7

VIOLATIONS AND ENFORCEMENT

Non-compliance with this policy shall attract corrective actions, including:

- Review of investment decisions
- Withdrawal or reallocation of investments
- Disciplinary or contractual action (if applicable)

Severe violations may be escalated to regulatory authorities.

References

1. UN Sustainable Development Goals (SDGs), Agenda 2030
2. United Nations Environment Programme Finance Initiative (UNEP FI) – Principles for Responsible Investment and Sustainable Finance
3. Principles for Responsible Investment (UN PRI), United Nations-supported initiative
4. Securities and Exchange Board of India (SEBI) – Business Responsibility and Sustainability Reporting (BRSR) Framework
5. World Bank – Environmental and Social Framework (ESF)
6. Reserve Bank of India (RBI) – Guidelines on Sustainable Finance and Green Initiatives
7. OECD (The Organisation for Economic Co-operation and Development) – Guidelines for Multinational Enterprises on Responsible Business Conduct
8. India's NDCs (2022), MoEFCC
9. National Action Plan on Climate Change (NAPCC)
10. ESG Investment Frameworks (Global Best Practices)
11. UGC Green Campus Guidelines
12. AICTE Sustainability Guidelines
13. ISO 14001 & ISO 50001 Standards
14. QS Sustainability Rankings
15. THE Impact Rankings

Definitions

- Sustainable Investment: Investment approach integrating ESG factors into decision-making
- ESG (Environmental, Social, Governance): Criteria used to evaluate sustainability performance

- Impact Investing: Investments generating measurable social/environmental benefits
- Exclusionary Screening: Avoidance of harmful sectors in investment
- Carbon Risk: Financial risk due to climate-related factors

ANNEXURE I - ESG Investment Screening Framework

Criteria	Indicators
Environmental	Emissions, energy use, resource efficiency
Social	Labour practices, equity, community impact
Governance	Transparency, ethics, compliance

ANNEXURE II – Negative (Excluded) Investment Sectors

- Fossil fuels
- Tobacco
- Weapons
- Environmentally harmful industries

ANNEXURE III – Policy Alignment with India's NDCs (2022 Update)

KITS Policy Action	Corresponding India's NDC Goal (2022 Update)	Institutional Commitment
Investment in renewable energy, green infrastructure, and climate-resilient sectors	Achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030	KITS prioritizes investments in renewable energy, green buildings, and low-carbon technologies, supporting the transition toward non-fossil energy systems
Adoption of ESG-based investment decision frameworks	Reduce the emissions intensity of GDP by 45% by 2030 (from 2005 levels)	KITS contributes by promoting resource-efficient and low-emission enterprises through responsible investment practices
Investment in afforestation, biodiversity, and ecosystem restoration projects	Create an additional carbon sink of 2.5–3 billion tonnes of CO_2 equivalent through forest and tree cover by 2030	KITS supports investments in ecological restoration, biodiversity conservation, and nature-based solutions
Support for social enterprises and inclusive development initiatives	Promote sustainable lifestyles and climate justice through climate education and public participation	KITS invests in socially responsible enterprises that enhance equity, community welfare, and sustainable development
Net Zero aligned investment strategy (divestment from high-carbon sectors and support for green sectors)	India to achieve Net Zero by 2070	KITS adopts a long-term investment strategy aligned with Net Zero principles, supporting decarbonization and sustainable finance

ANNEXURE IV – Mission LiFE (Lifestyle for Environment) Integration

Mission LiFE Principle	Policy Integration at KITS
Reduce	Prioritization of investments in energy-efficient, low-resource, and low-emission sectors
Reuse	Encouragement of circular economy investments, including recycling and resource recovery industries
Recycle	Support for enterprises promoting waste management, recycling technologies, and sustainable materials
Rethink	Adoption of ESG-based decision-making frameworks that reconsider traditional profit-only investment models
Refuse	Avoidance of investments in environmentally harmful sectors such as fossil fuels, tobacco, and unethical industries
Responsible Consumption	Investment in companies promoting sustainable production and consumption patterns
Sustainable Lifestyles	Promotion of investments that enable green mobility, clean energy, and climate-resilient infrastructure
Community Participation	Support for social enterprises, startups, and initiatives that empower local communities and inclusive development
Climate Awareness	Integration of sustainability considerations into financial decisions and Institutional awareness programmes

ACRONYMS AND ABBREVIATIONS

Acronym	Full Form
AICTE	All India Council for Technical Education
BRSR	Business Responsibility and Sustainability Reporting
ESG	Environmental, Social, and Governance
GHG	Greenhouse Gas
ISO	International Organization for Standardization
IQAC	Internal Quality Assurance Cell
KITS	Karunya Institute of Technology and Sciences
MoEFCC	Ministry of Environment, Forest and Climate Change
NAPCC	National Action Plan on Climate Change
NDC	Nationally Determined Contribution
PDCA	Plan–Do–Check–Act
QS	Quacquarelli Symonds
SDG	Sustainable Development Goal
SIP	Sustainable Investment Policy
THE	Times Higher Education
UGC	University Grants Commission
UN	United Nations

Prepared by

Director (QAA)

Karunya Institute of Technology and Sciences

Approved by

Vice-Chancellor

Karunya Institute of Technology and Sciences