



جامعة الإمام عبد الرحمن بن فيصل  
IMAM ABDULRAHMAN BIN FAISAL UNIVERSITY  
مستشفى الملك فهد الجامعي | King Fahd Hospital of the University

## POLICY AND PROCEDURES

Date: 02.10.2019

Revision: 5

IAU

DEPARTMENT : ADMINISTRATION

Effectivity: 29 Oct 2019

Supersedes: 4

Review Date: 30 Oct 2024

No. of Pages: 4

1. **TITLE:** DIVESTMENT POLICY
2. **PURPOSE:**
  - 2.1 To understand better divestment within the context of Saudi culture.
3. **DEFINITION:**
  - 3.1 Selling off assets in foreign countries or, conversely, properties acquired by foreign companies is known as divesting.
4. **POLICY:**
  - 4.1 Imam Abdulrahman Bin Faisal University promotes improving its consumption behavior because it recognizes that consuming hydrocarbons leads in the emission of greenhouse gases into the environment.
  - 4.2 IAU indicates that there are three primary strategies that can be used to reduce carbon emissions and their effects on climate change. Diversification, research, and innovation are a few of these.
  - 4.3 Over the next five years, IAU will stop doing business with fossil fuel companies that are indirectly owned by public commingled strategies.
  - 4.4 Moreover, IAU will dispose of all private limited partnership investments as they reach maturity, which will take more than five years.
  - 4.5 IAU will actively engage with the University's current investment managers to encourage the adoption of fossil fuel-free investment strategies in line with the University's current ESG (Environmental, Social, and Governance) policy.
  - 4.6 Annual updates on the endowment portfolio's holdings in assets related to fossil fuels will be given to the larger campus community by IAU.
  - 4.7 The IAU Endowment should withdraw from directly acquiring any publicly traded securities of companies that engage in the production of fossil fuels, including significant producers of reserves of coal, oil, and natural gas (collectively, "fossil fuel companies"), as well as other firms engaged in the production of fossil fuels.
  - 4.8 As long as these investments strive for a market rate of return equal to that of comparable assets in the endowment, Imam Abdulrahman Bin Faisal University will keep looking into investing in businesses that support sustainable development, energy efficiency, and renewable energy.



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4.9 IAU will discontinue making new investments in a company or fund whose primary business is the exploration or extraction of fossil fuels, such as all forms of coal, oil, and natural gas.

### 5. PROCEDURE:

5.1 In order to "reduce carbon emissions and greenhouse gases, stimulate social responsibility, and discover solutions for climate change," IAU will aggressively seek out investment opportunities with companies or funds.

5.2 The University underlines its commitment to the sale of direct shares in publicly traded companies whose principal business is the production of thermal coal as well as its promise to forgo investment in such companies.

5.3 The University hereby formalizes investment practices in the oil and gas industry, which is defined for this purpose as companies whose primary business is the exploration and production of fossil fuels or as integrated oil and gas companies that engage in the activities of oil and gas exploration, production, refining, and marketing.

5.4 The non-investment rules of the IAU may from time to time be adjusted, and they may even be enlarged to cover companies that emit a lot of greenhouse gases.

5.5 IAU has promised to invest less in companies that are involved in the extraction of fossil fuels and to become a prominent global partner in the development of green energy.

5.6 It has been decided that the University's position on divestment policy should, whenever possible, educate and direct research links through constructive interaction with companies that are engaged in fossil fuel extraction. This is required if the University is to have a substantial impact on the advancement of green energy.

### 6. RESPONSIBILITIES:

5.1 IAU Administration

5.2 IAU Finance Department

### 6. DISTRIBUTION:

6.1 Available in the IAU Intranet



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Approved by:

Date Signed:

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**Dr. Ahmed Al Kuwaiti**

Supervisor General, Deanship of Quality and Academic Accreditation

APPROVED



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