



POLICY AND PROCEDURES

Date: 10.10.2019

Revision: 4

IAU-01-003

DEPARTMENT: ADMINISTRATION	
Effectivity: 18.10.2019	Supersedes: 3
Review Date: 25.10.2024	No. of Pages: 5

1. TITLE: SUSTAINABLE INVESTMENT POLICY

2. PURPOSES:

- 2.1 To define the goals and objectives for Imam Abdulrahman Bin Faisal University's (IAU) investment portfolios and frameworks, as well as to demonstrate how IAU incorporates environmental, social, and governance (ESG) elements into its investments and to reflect IAU's ambitious sustainability strategy.
- 2.2 Define the investment strategy and use of perpetually donated funds to the University for both specific and general purposes.
- 2.3 To be a world leader in environmental and societal sustainability, including addressing the critical global issue of climate change.

3. SCOPE OF THE POLICY:

- 3.1 With the goal of more effectively managing risk and generating sustainable long-term returns, this strategy aims to include environmental, social, and governance (ESG) issues into investment decisions.
- 3.2 The IAU's plan for addressing climate change and other pressing global issues will be based on the policies it has adopted that promote community well-being while minimizing environmental effect.
- 3.3 The Investment Committee will regularly examine the policy, at least once a year.
- 3.4 All IAU employees must adhere to this policy.

4. POLICY:

- 4.1. The Imam Abdulrahman Bin Faisal University (IAU) is committed to sustainability and acknowledges the pressing need to address climate change in the kingdom and across all of IAU's domains (research, education, community engagement, and operations).
- 4.2. The IAU is of the opinion that bringing governance, social, and environmental concerns into consideration will lower long-term risks and boost risk-adjusted returns.
- 4.3. Adopt the IAU's strategic framework as a roadmap for making decisions on working capital investments that will support long-term sustainability and local economic expansion.
- 4.4. The University shall address the physical and transitional risks and possibilities of climate change through its working capital investments.
- 4.5. When analyzing and making investment decisions, IAU will consider governance, social, and environmental concerns.



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- 4.6. IAU would not invest directly in securities, strategies, or funds whose main objective is the exploration or exploitation of fossil fuels, and it will divest from companies and strategies that are participating in these activities.
- 4.7. IAU will cautiously evaluate these funds on a case-by-case basis and keep an eye out for any unintentional exposure to companies that use fossil fuels in combination investment funds.
- 4.8. The university is aware that moving away from fossil fuels and toward renewable energy is a long-term process. As a result, IAU keeps access to companies who are still dependent on fossil fuels but are adapting their business models as necessary to deal with climate change.
- 4.9. The IAU's investment strategy and practices must be in line with its dedication to sustainability, embodiment of Islamic social justice values, and aim to help build a society that is more compassionate, just, and sustainable.
- 4.10. IAU will actively seek for opportunities to invest in companies or funds that reduce greenhouse gas emissions, promote social responsibility, and look for climate change solutions.
- 4.11. The university audit committee will regularly review the ESG characteristics of its investment portfolios and underlying funds, taking sustainability into consideration as one of the key factors.
- 4.12. Exclusion Direct Investment:
- 4.12.1.1 The portfolios will not make direct investments in the businesses that the following companies primarily engaged in:
- 4.12.1.1 Tobacco-manufacture, distribution or retailing
- 4.12.1.2 Weapons – development of controversial weapons
- 4.12.1.3 Alcohol
- 4.12.1.4 Gambling
- 4.12.1.5 Coal and Tar Sands
- 4.12.1.2 In cases when such investment might jeopardize IAU's ability to operate, either by upsetting financial donors or by considerably lowering the attraction to prospective students.
- 4.13. Environmental, Social and Governance (ESG) Integration:
- 4.13.1 The analysis and decision-making procedures for investments should take into account factors for the environment, society, and governance (ESG).
- 4.13.2 Participate in social and environmental issues and let the investment committee know how they are doing frequently.



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

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5. REPORTING:

5.1 An impact report detailing the university's efforts to adhere to the framework outlined in the sustainable investment policy will be made accessible on an annual basis.

6. ATTACHMENTS: None

7. DISTRIBUTION:

- 8.1. All Colleges, Administrative Units and University Hospital
- 8.2. Signed original copy is maintained in DQAA-Documents Control Unit
- 8.3. Available in the IAU website

Approved by:

Date Signed:

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Dr. Ahmed Al Kuwaiti
Supervisor General, Deanship of Quality and Academic
Accreditation



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