



Arab Open University Sustainable Investment Policy

Policy Title:	Arab Open University Sustainable Investment Policy
Version Number:	1
Executive Owner:	University Council
Approving Authority	
Policy Review:	QAAAS Committee
Policy Implementation:	AOU HQ and Branches
Policy Monitoring and Compliance:	Quality Assurance and Accreditation Departments at HQ and AOU Branches
Next Review Date	2025

Policy Aim

The Arab Open University stands as a pioneering private, not-for-profit institution, dedicated to delivering exemplary academic and research initiatives. The main purpose of this policy is to outline the Arab Open University's commitment to ensure the funds are invested responsibly. This policy ensures that the AOU optimizes its investment returns without compromising its commitment to UN Sustainable Development Goals (SDGs).

Policy Scope

The policy applies to all the investments of the university in terms of working capital or any other sources.

Policy Statement

Environmental Responsibility: Incorporating environmental considerations into the investment decision-making process, including assessing the environmental impact of investment opportunities and considering climate-related risks and opportunities. Giving preference to investments in companies and projects demonstrating strong environmental performance, promoting renewable energy, energy efficiency, and sustainable resource management.

Social Responsibility: Prioritizing investments in companies and projects upholding human rights, labor rights, and social equity principles. Preference is given to investments in companies with a positive social impact, including those promoting diversity and inclusion, supporting community development, and contributing to poverty alleviation.

Governance and Ethical Conduct: Assessing the governance practices of potential investment opportunities, including transparency, accountability, and ethical business conduct. Favoring investments in companies with strong governance structures, independent boards of directors, and transparent reporting practices.

Sustainable Development Goals (SDGs): Aligning the investment strategy with the United Nations Sustainable Development Goals (SDGs) to contribute to global efforts to address poverty, inequality, climate change, and other sustainable development challenges. Investments will be evaluated based on their contribution to advancing specific SDGs and efforts will be made to prioritize investments that have a positive impact on multiple SDGs.

Engagement and Advocacy: Actively engaging with invested firms to promote sustainability, responsible business practices, and environmental, social and governance (ESG) integration. Engagement efforts may include dialogues with company management and collaboration with other investors and stakeholders to drive positive change.

Reporting and Transparency: Maintaining transparency in investment activities and reporting on sustainable investment practices annually. Key performance indicators related to sustainable investment, such as the percentage of assets invested in sustainable funds or the impact of investments on environmental, social and governance (ESG) factors will be tracked and reported publicly.

The University shall not make any investment in trading of shares, mutual funds, and any other open investment where risk factor is high such as but not limited to: tobacco-manufacture, distribution or retailing, weapon, Alcohol, gambling, and coal.

The University shall not pay any commission on investment.

The University shall not make any investment in venture of trustee wherein trustee is involved directly or indirectly.

Implementation and ensuring compliance

This Sustainable Investment Policy shall be communicated to all relevant stakeholders, including investment managers, board of trustees, and other decision-makers involved in investment activities. It shall be integrated into investment policies, procedures, and guidelines.

A designated investment evaluation committee shall be responsible for overseeing its implementation and monitoring compliance. The investment evaluation committee shall be formed comprising:

- The vice president for administrative and financial affairs –Chair
- Chief financial officer –member
- 3 members nominated by the Chair

The responsibilities of the committee are to:

- Assess the surplus fund available for investment.
- Evaluate the different secure investment options available for the University.
- Present the investment options to the University president.

Responsibility for ensuring compliance with the Sustainable Investment Policy lies jointly with the university senior management, the investment evaluation committee, and the Compliance and Legal Office. To oversee implementation and ongoing adherence, the Sustainable Investment Policy will be published on the university website.

Review of policy

The policy shall be reviewed periodically by the Institutional Financial and Risk Management Committee to ascertain the effectiveness of the implementation of sustainability practices.

Acknowledgements

In developing this policy, the relevant literature was consulted. The policy is informed by the following sources:

- United Nations Principles for Responsible Investment (PRI): <https://www.unpri.org/>
- Global Reporting Initiative (GRI) Standards: <https://www.globalreporting.org/standards/>
- Task Force on Climate-related Financial Disclosures (TCFD): <https://www.fsb-tcf.org/>