Policy Name : Sustainable Investment Policy

Related Documents : MOHESR Outcome-based Evaluation Framework (OEF), ADEK Standards and Procedure for Higher Education Institutions in Abu Dhabi – 2023, ESG 2015 Standards. UN Sustainable Development Goals (SDGs). Principles of Sustainability (ADSM Sustainability Strategic Plan).

Section 1 : Purpose

1.1 The purpose of this Policy is to establish the principles and controls governing sustainable investment decisions at ADSM.

1.2 This Policy aims to ensure that any investable funds under ADSM's authority are managed in a prudent, transparent, and responsible manner that is aligned with ADSM's mission, ethical standards, and sustainability commitments.

1.3 This Policy also aims to avoid or limit exposure to investments that are inconsistent with environmental sustainability, social responsibility, and sound governance principles.

Section 2 : Scope and applicability

2.1 This Policy is applicable to all ADSM units and decision-makers involved in the approval, management, placement, or review of institutional investable funds.

2.2 This Policy applies to any institutional reserves, endowment-type funds, surplus cash placements, managed portfolios, and any other financial investments made in the name of ADSM.

2.3 This Policy does not apply to routine operational expenditure, procurement of goods and services, or student fee collection and handling, which are governed by other ADSM policies.

2.4 Where ADSM does not maintain a formal investment portfolio beyond ordinary banking arrangements and low-risk treasury placements, this Policy shall apply to any future investment activity and to the sustainability screening of any such placements to the extent reasonably practicable.

Section 3 : Definitions

3.1 **Sustainable Investment:** investment decisions that take into account environmental, social, ethical, and governance considerations in addition to financial prudence and institutional risk.

3.2 **Investable Funds:** institutional funds that may be placed, invested, or allocated for financial return, capital preservation, or income generation.

3.3 **Unsustainable Investments:** investments in entities, sectors, or instruments that are materially inconsistent with ADSM’s ethical standards or sustainability objectives, including where relevant investments with significant exposure to environmentally harmful activities.

3.4 **Fossil Fuel Exposure:** direct investment in, or material exposure to, activities primarily related to the extraction, production, or expansion of coal, oil, or gas, whether through equity, debt, pooled instruments, or managed funds, where such exposure can be reasonably identified.

3.5 **ESG Review:** a review of environmental, social, and governance factors relevant to an investment decision.

Section 4 : Policy Statement

4.1 ADSM strives to manage its financial resources in a manner that is prudent, ethical, transparent, and aligned with its institutional values and sustainability objectives.

4.2 ADSM shall seek, where feasible and proportionate to the size and nature of its investable funds, to avoid investment exposure that conflicts with environmental sustainability and responsible institutional stewardship.

4.3 ADSM shall give due consideration to sustainable and socially responsible investment opportunities, including opportunities that support environmentally sustainable enterprises, local community benefit, or other positive long-term social or environmental outcomes, provided these are consistent with ADSM’s fiduciary obligations and risk tolerance.

Section 5 : Exclusions

5.1. None.

Section 6 : Principles

8.1. The Finance Unit shall conduct the required financial and sustainability review of proposed investments and maintain the relevant records.

6.1. All units proposing or influencing institutional investment decisions shall comply with this Policy and provide accurate supporting information when requested.

6.2. ADSM shall apply the following principles to institutional investment decisions:

6.2.1. Prudence: investment decisions shall protect institutional resources and be consistent with approved financial controls and risk management requirements.

6.2.2. Sustainability: environmental, social, and governance considerations shall be taken into account in evaluating investment options, where relevant and reasonably practicable.

6.2.3. Integrity: investment decisions shall be consistent with ADSM's ethical standards and shall avoid conflicts of interest.

6.2.4. Transparency: investment decisions, where applicable, shall be documented and retained in sufficient detail to demonstrate the basis for approval and monitoring.

6.2.5. Compliance: all investment activity shall comply with applicable laws, regulations, banking requirements, and ADSM policies.

6.3. In applying these principles, ADSM shall seek to avoid, reduce, or phase out investments that are judged to be materially inconsistent with the objectives of environmental sustainability.

6.4. Without creating an obligation to hold any specific investment class, ADSM shall not intentionally make new direct investments in activities primarily associated with fossil fuel expansion where a reasonable alternative investment option is available and suitable.

6.5. Where ADSM has existing exposure to investments later identified as inconsistent with this Policy, ADSM shall review the exposure and determine an appropriate course of action, which may include retention with monitoring, restriction of further exposure, or phased withdrawal, considering contractual, financial, and operational considerations.

6.6. ADSM may give preference, where appropriate, to investments or placements that support sustainable enterprises, responsible finance practices, or positive local community impact, provided such decisions remain financially and operationally prudent.

Section 7 : Procedures

7.1. Identification of investable funds

7.1.1. The Finance Unit shall identify any institutional funds that are proposed for investment, placement, or managed allocation beyond routine operating accounts.

7.1.2. For each proposed investment decision, the Finance Unit shall document the source of funds, proposed instrument or vehicle, duration, expected return, key risks, and any known sustainability considerations.

7.2. Sustainability review

7.2.1. Before approval of a new investment or material renewal of an existing one, the Finance Unit shall perform a proportionate ESG review.

7.2.2. The ESG review shall consider, as applicable:

7.2.3. whether the proposed investment has identifiable exposure to fossil fuel extraction, production, or expansion;

7.2.4. whether the proposed investment is associated with significant environmental harm or persistent non-compliance with applicable law;

7.2.5. whether there are reasonable alternative options with lower sustainability risk; and

7.2.6. whether the investment may contribute to environmentally sustainable activity, responsible enterprise, or community benefit.

7.3. Approval process

7.3.1. All investment decisions shall be submitted with supporting documentation to the designated approving authority in accordance with ADSM's financial delegation and approval arrangements.

7.3.2. No investment shall be made without documented approval by the authorized institutional authority.

7.3.3. Where a proposed investment presents elevated sustainability concerns, the approving authority may request additional review, conditions, or rejection of the proposal.

7.4. Existing investments

7.4.1. The Finance Unit shall periodically review existing investments, placements, or managed funds for alignment with this Policy.

7.4.2. Where material misalignment is identified, the Finance Unit shall prepare a recommendation for mitigation, restriction, non-renewal, or phased exit, as feasible.

7.5. Record keeping and reporting

7.5.1. Records of investment proposals, ESG reviews, approvals, and follow-up actions shall be retained by the Finance Unit.

7.5.2. A summary of material investment decisions governed by this Policy may be included in internal financial or governance reporting, where applicable.

7.6. Public availability

7.6.1. This Policy shall be published through ADSM's official policy publication channel or website to support transparency and institutional accountability.

Section 8 : Responsibilities

8.2. The President shall cause this Policy to be implemented.

8.3. The Head of Finance shall monitor implementation and report violations.

Section 9 : Cancellations

9.1. None.

Section 10 : Review Statement

10.1. ADSM's Policy Committee shall review this Policy at least annually. This Policy may be reviewed more frequently based on a request from the President, Policy Owner or in response to changes in applicable regulations. Reviewed policies shall be recommended and approved in accordance with ADSM's P 110 – Policy on Policies.

Section 11 : Approval

Authorization / Ownership	Signature and Date
Policy Owner: **The President**	
Approved by: **Executive Committee**	Minutes of Meeting on 25/06/2026

Section 12 : Revision History

Revision No.	Effective Date	Description
0	25/06/2026	Policy First Approved

Next scheduled review: 25/06/2027

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