Policy Subject: Sustainable Investment Policy	**Policy number: 35/A. A/2018**	Date of last revision**: 1/1/2022**
Implementing body: Administrative Affairs	**Implementing start date: 1/9/2018**	**Policy reference:** Finance Department

Policy Overview:

Palestine Ahliya University recognizes the significance of integrating environmental, social, and governance (ESG) criteria into investment decisions. This Sustainable Investment Policy demonstrates our dedication to responsible investing that aligns with our sustainability goals, ethical standards, and financial aims.

Objectives:

The objectives of this policy are:

1. To align with our commitment to sustainability and social responsibility.
2. To contribute positively to environmental stewardship and social well-being.
3. To achieve competitive financial returns supporting our educational and research missions.

Scope:

This policy applies to all investment activities and portfolios managed by or on behalf of PAU, including endowments, pensions, and short-term investments.

Policy Statements:

1. Integration of ESG Factors: Integrate environmental, social, and governance considerations into investment analysis and decision-making processes.
2. Transparency: Maintain transparency in investment practices and actively communicate sustainable investment activities to stakeholders.
3. Accountability: Ensure accountability throughout the investment process, with regular monitoring and reporting on ESG factors and investment performance.
4. Engagement and Advocacy: Engage with companies and funds to advocate for sustainable business practices and improvements in ESG performance.
5. Collaboration: Collaborate with other institutions and organizations to share best practices and leverage collective influence for greater impact.

Procedures:

1. ESG Integration: Assess potential investments for environmental, social, and governance risks and opportunities.
2. Preference for Strong ESG Performance: Prefer investments demonstrating strong ESG performance compared to sector peers.
3. Positive Screening: Seek investment opportunities with a positive impact on the environment and society, such as renewable energy, sustainable agriculture, and healthcare.
4. Exclusionary Screening: Avoid investments in industries and companies conflicting with sustainability and ethical values, such as fossil fuels and tobacco.
5. Shareholder Engagement: Use shareholder position to influence corporate behavior, advocating for sustainable practices and improved ESG disclosures.
6. Impact Investing: Allocate a portion of the portfolio to impact investments providing measurable social and environmental benefits alongside financial returns.
7. Establish a Sustainable Investment Committee to oversee policy implementation and monitor ESG performance.
8. Publish an annual sustainable investment report detailing investment activities, ESG integration practices, and progress towards sustainability goals.
9. Review and update the policy annually to reflect evolving sustainability objectives, market conditions, and best practices in responsible investing.