<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>3</td>
</tr>
<tr>
<td>2. Investment Objectives</td>
<td>3</td>
</tr>
<tr>
<td>3. Risks</td>
<td>4</td>
</tr>
<tr>
<td>4. Liquidity and Time Constraints</td>
<td>4</td>
</tr>
<tr>
<td>5. Exclusions criteria for investment</td>
<td>4</td>
</tr>
<tr>
<td>6. Integration of Environmental, Social and Governance components</td>
<td>4</td>
</tr>
<tr>
<td>7. Sustainable investment areas</td>
<td>5</td>
</tr>
<tr>
<td>8. Reporting</td>
<td>5</td>
</tr>
</tbody>
</table>
1. Introduction

1.1. Khazar University (The University) is dedicated to fostering sustainable development in all its present and future endeavors and committed to making responsible investments to ensure its progress guided by a robust Sustainable Development Policy. The policy signifies the University's commitment to integrating Environmental, Social, and Governance (ESG) factors into its investment decisions, encapsulating the pledges it makes towards sustainable practices.

1.2. Institutional investment decisions and the management of generated and endowed funds are implemented by The Board of Directors and Trustees, whereas daily activities are managed by the Development Office of the University.

1.3. While the Board of Directors and Trustees hold ultimate responsibility for all financial and investment decisions, they have the autonomy to engage managers and advisors to explore enhanced investment opportunities.

2. Investment Objectives

The objective of the investments are:

2.1. To enhance profitability for ensuring sustainable development of current and future initiatives.

2.2. To optimize fund value while considering the long-term risks of inflation.

2.3. To increase the income stream from investments to support the development of the University.
3. Risks

3.1. The University acknowledges the vulnerability of its investments to market risks; however, its appointed investment managers and advisers will diligently work to mitigate these risks.

3.2. Although there are no currency investment limits in place, investments in foreign currency will be made with careful consideration of foreign market risks.

4. Liquidity and Time Constraints

4.1. To ensure sustainability, 10% of all funds will be reserved in a separate cash account.

4.2. If there is no immediate requirement for investment returns, funds will be repeatedly invested for longer durations under the guidance of investment advisors.

5. Exclusions criteria for investment

Khazar University, as a leading institution of Higher Education, is strongly dedicated to promoting environmental, social, and economic sustainability. In line with this commitment, a comprehensive investment policy prohibits investments in the following industries:

1. Tobacco
2. Coal mining
3. Weapon production

6. Integration of Environmental, Social and Governance components

Khazar University demonstrates unwavering commitment and leadership in implementing the United Nations Development Programme's Sustainable Development Goals (UNDP SDGs). It is expected that any party the university engages with is also committed to similar principles.
Investment managers and advisors are expected to thoroughly consider environmental, social, and governance factors during investment screening and practices.

7. Sustainable investment areas

As an ambitious, leading research-oriented institution committed to fostering academic excellence and promoting innovation and entrepreneurship, the university is exploring investment opportunities in the following sustainable areas:

1. Education
2. Health
3. Energy Efficiency
4. Waste and Materials
5. Financial Inclusion
6. Ecosystem Services
7. Sustainable transport
8. Food and Agriculture

8. Reporting

The Board of Directors and Trustees are responsible for convening periodically to deliberate on Sustainable Investment plans and actions, ensuring timely reporting of investments, and making this information publicly available.

Policy Owner: Development Office
Reviewed by: Investment Advisors
Approved by: The Board of Directors and Trustees