



**Responsible  
Investment  
Framework**



## PREAMBLE

Khalifa University (KU) established Khalifa University Enterprises Company (KUEC) to strategically leverage intellectual property and assets from KU and beyond through bridging commercialization gaps, nurturing an entrepreneurial culture, and generating sustainable revenues. By leveraging research commercialization, innovation, funding mechanisms, and stakeholder engagement, KUEC ensures KU adopts a long-term, sustainability-driven investment approach.

The KUEC investment framework integrates sound Environmental, Social, and Governance (ESG) principles, which strengthens financial resilience, social responsibility, and environmental impact. The investment framework implemented applies a rigorous screening process to ensure that investments are directed toward research and development-driven startups that adhere to governed business conduct principles. This framework aligns investments with KU's strategic research priorities, including health longevity, energy transition, sustainable society, pervasive digitization, and advanced materials manufacturing. By applying these criteria, KUEC ensures that funded startups contribute

to sustainable innovation, ethical business practices, and long-term environmental and economic impact while supporting KU's mission of advancing cutting-edge research and industry collaboration.

Additionally, KUEC manages the university's endowment fund, ensuring sustainable financial growth for KU. This fund not only strengthens the university's long-term financial stability but also provides targeted funding for key initiatives, including innovation grants and scholarships. By strategically managing these resources, KUEC supports academic excellence, innovation, and long-term institutional development.

The University, via KUEC, is committed to responsible investing, ensuring that all financial decisions align with leading global ESG principles while achieving long-term financial sustainability. This policy framework guides investment practices and upholds ethical, environmental, and social responsibilities.

For more information, please contact [Investment@kuec.ac.ae](mailto:Investment@kuec.ac.ae)

# GUIDING PRINCIPLES

The investment decisions at all times will be guided by the following principles:



## SUSTAINABILITY

Prioritizing investments that foster a sustainable society and thriving communities by enhancing environmental well-being, public health, and individual productivity, while ensuring no harm to people or the ecosystem.



## ETHICAL RESPONSIBILITY

Avoiding investments in entities and projects engaged in unethical business practices that deviate from principles of integrity, responsible conduct, and widely accepted social standards.



## DIVERSITY AND INCLUSION

Prioritizing investments that foster a sustainable society and thriving communities by enhancing environmental well-being, public health, and individual productivity, while ensuring no harm to people or the ecosystem.

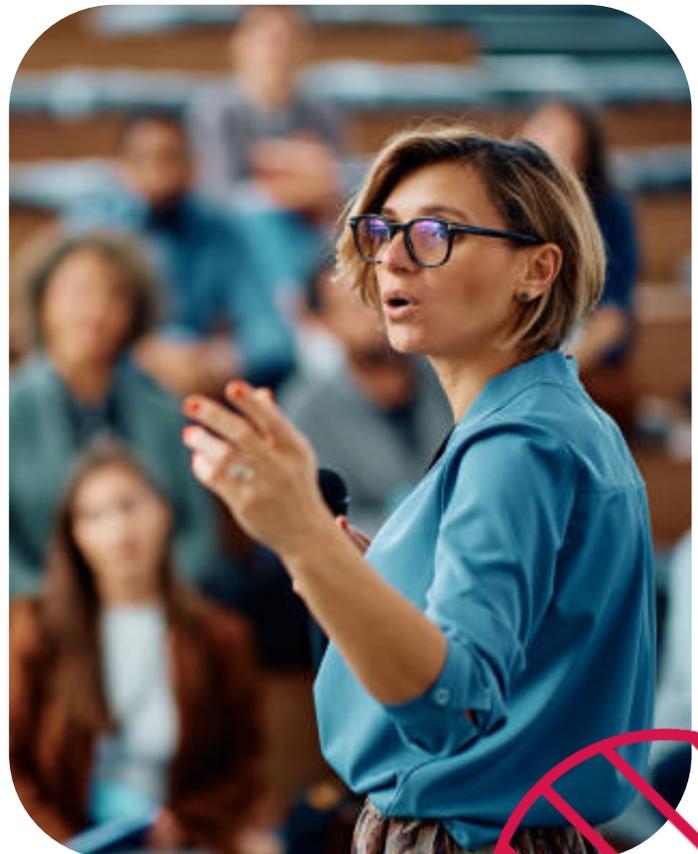


## LONG-TERM FINANCIAL STABILITY

Ensuring investments generate sustainable financial returns by balancing profitability with responsible risk management, resilience to market fluctuations, and alignment with long-term economic and ESG considerations.

These principles are derived from globally recognized ESG standards, ensuring that the university's investment framework aligns with best practices in responsible investing. The United Nations Principles for Responsible Investment (UN PRI) serve as the foundation for integrating ESG considerations into investment decisions and promoting ethical and sustainable financial practices.

The Global Reporting Initiative (GRI) provides a structured approach for measuring and disclosing ESG performance, enhancing transparency and accountability. Additionally, the Sustainability Accounting Standards Board (SASB) offers industry-specific benchmarks, allowing for a tailored and materiality-focused evaluation of ESG factors.





## INVESTMENT STRATEGY FORMULATION

For each investment portfolio, an investment strategy is developed that defines clear objectives and risk tolerance, ensuring responsible allocation of resources. The key principles include:

- Defining investment objectives and assessing risk tolerance;
- Identifying the target sectors to ensure they are aligned with the university's priorities and guiding principles;
- Allocating funds across different investment categories to ensure diversification;
- Adhering to UN PRI guidelines for responsible investment.

### PROCESS OUTPUT

- Comprehensive Investment Strategy
- Investment Committee Charter
- SEED Fund Framework

## DEAL SOURCING AND SCREENING

Investment opportunities are identified through a structured deal-sourcing process, ensuring alignment with sustainability and ethical considerations including:

- Leveraging networks such as university research startups, innovation hubs, and industry partners;
- Conducting an initial screening of investment opportunities per the guiding principles using SASB materiality standards;
- Performing preliminary due diligence to assess risks and opportunities.

### PROCESS OUTPUT

- Pipeline of qualified investment opportunities.

# INVESTMENT DECISION AND EXECUTION

Investment decisions are made through a structured and transparent process, ensuring alignment with guiding principles and financial sustainability. This includes:

- Presenting investment proposals to the investment committee for review.
- Negotiating and finalizing investment terms per the guiding principles based on GRI sustainability metrics.
- Executing legal documentation and fund transfers responsibly.

## PROCESS OUTPUT

- Approved Investment Decision
- SAFE Note/Equity Share Agreements



# DUE DILIGENCE AND VALUATION

The university, via KUEC, employs a rigorous due diligence process to evaluate potential investments, including:

- In-depth analysis of business models and market potential;
- Assessing team capabilities, technology readiness, and ESG alignment;
- Determining appropriate valuation and investment terms, incorporating ESG risk factors.

## PROCESS OUTPUT:

- Transaction Insight Report
- Investment Recommendation

# PORTFOLIO MANAGEMENT AND VALUE CREATION

The university, via KUEC, ensures the long-term sustainability and impact of its investments through ongoing portfolio management, including:

- Continuous monitoring of portfolio performance against ESG benchmarks from PRI and SASB.
- Providing strategic support and resources to portfolio companies.
- Planning and executing exit strategies when appropriate.
- Managing investment risks and ensuring compliance with laws and regulations.

## **PROCESS OUTPUT:**

- Portfolio performance review and successful exits.

# REPORTING AND ACCOUNTABILITY CREATION

To maintain transparency and accountability, the university will:

- Produce investment reports demonstrating adherence to GRI and SASB standards detailing portfolio performance and ESG impact.
- Establish regular oversight activities to ensure investment compliance based on PRI principles.
- Engage with stakeholders, including students, faculty, and industry partners, for continuous improvement.

