

## **East European University**

### **Investment Policy**

#### **I. Purpose**

1. The purpose of this Investment Policy is to ensure responsible, transparent, and sustainable long-term management of East European University's financial resources.
2. The Policy establishes the principles and frameworks within which the University:
  - conducts investment activities;
  - manages financial and reputational risks;
  - ensures that investment decisions align with academic values and environmental, social, and governance (ESG) principles.

#### **II. Scope of Application**

1. The Policy applies to all investment activities carried out by the University, including:
  - investment of free cash resources;
  - participation in funds, securities, and financial instruments;
  - investments in real estate or movable property;
  - capital participation in subordinated or partner structures.
2. The Policy is mandatory for the University's governing bodies and all individuals involved in making investment decisions.

#### **III. Legal Basis**

The Policy is based on:

- international principles of financial management and good governance;
- environmental, social, and governance (ESG) principles;
- principles of corporate responsibility and ethical investing;

- the University's Charter and internal regulatory acts.

#### **IV. Key Definitions**

1. **Investment** - the allocation of financial resources with the aim of generating income or increasing value.
2. **ESG investing** - an investment approach that incorporates environmental, social, and governance factors.
3. **Risk** - the possibility of financial loss or reputational harm.
4. **Conflict of interest** - a situation where a person's private, financial, or other interests conflict with the University's interests in a way that actually or potentially influences or may influence an investment decision.

#### **V. Core Principles**

The University is guided by the following principles in its investment activities:

- responsibility and transparency;
- financial sustainability and prudence;
- diversification of risks;
- respect for academic values;
- prevention of conflicts of interest;
- creation of long-term value;
- consideration of environmental, social, and governance (ESG) criteria.

#### **VI. Prohibited and Restricted Investments**

1. Investment is prohibited in activities that:
  - violate human rights or international labor standards;
  - are associated with forced labor, modern slavery, or human trafficking;
  - contradict the University's academic and ethical values;
  - are linked to corrupt or illegal practices.
2. Investment is restricted in high-risk sectors unless adequate risk mitigation mechanisms are in place.

#### **VII. Investment Decision-Making**

1. Investment decisions are made:
  - based on objective financial analysis;
  - following assessment of risks and benefits;

- taking into account environmental, social, governance (ESG), and reputational factors, with appropriate documentation.
- 2. Individuals involved in investment decision-making are obliged to:
  - declare the existence of any conflict of interest;
  - refrain from participating in the decision-making process in the event of a conflict.

## **VIII. Governance and Responsibilities**

1. **Representative Council:**
  - approves the Investment Policy;
  - oversees its implementation.
2. **University Leadership:**
  - ensures practical implementation of the Policy;
  - prepares reports on investment activities.
3. **Quality Assurance Service:**
  - evaluates compliance of investment decisions with the Policy and ESG principles;
  - participates in risk monitoring.

## **IX. Monitoring and Reporting**

1. The University conducts periodic monitoring of investment activities.
2. Information on investment activities may be reflected in:
  - financial reports;
  - internal monitoring documents;
  - strategic development reports.

## **X. Violations and Response**

1. Violations of the Policy entail responses in accordance with the University's internal rules and applicable legislation.
2. Response measures must be:
  - proportionate;
  - timely;
  - transparent.

## **XI. Policy Review**

1. The Policy is subject to periodic review, but at least once every three years.



2. Amendments are approved by the Representative Council.
3. The updated version is published on the University's website.

## **XII. Entry into Force**

1. This Policy enters into force on the date of its approval by the Representative Council.