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18 March 2022

UCT announces landmark commitment to fossil fuel divestment

The University of Cape Town (UCT) Council has in-principle agreed to the divestment from fossil fuels. This includes divesting its endowment formally from the fossil fuel industry. Announcing its decision on the issue, the UCT Council noted that this approach will put back into society, the environment and the global economy more than is being taken out.

This decision will be executed in a responsible transitional manner. Firstly, through the immediate divestment from internationally exposed fossil fuel investments and immediate investment in renewable energy and/or green economy instead of new investments in fossil fuels. Secondly, in the local economy, working towards achieving a goal of being net positive by 2030.

Welcoming the Council decision, Professor Tom Moultrie, chair of the University Panel on Responsible Investment (UPRI) which presented its recommendation on fossil fuel divestment to the Council at the end of 2021, said that the Council decision was certainly a step in the right direction.

"Council's in-principle support for divestment from fossil fuels, and its request to the trustees of the UCT Foundation to immediately divest from internationally exposed fossil fuel investments makes UCT the first African university to take this bold step, while the decision to adopt a net positive approach by 2030 speaks to the need for a Just Energy transition in South Africa. This means moving towards a sustainable, low-carbon, and equitable energy system that benefits peoples' lives and livelihoods for the better of the planet," said Moultrie.

Moultrie added that he hoped other South African universities would follow UCT, UPRI, and the Council's lead.

By divesting, the university is further amplifying its position and signalling to policy makers the need to act now on climate change.

UCT Finance Executive Director, Vincent Motholo commented: "This decision by Council exemplifies the university's deep commitment to promoting the development and use of clean, sustainable, and renewable energy. It is also part of how we make long-term investment decisions that support our teaching and research mandate as a university. We

do not believe investments in fossil fuel are prudent in the long-term. With the growing threat of climate change to the environment, drastic responsible actions are needed and UCT needs to be part of the climate-crisis solution.”

This decision by the university is a commitment to long-term sustainability, part of its Vision 2030. It is part of a bigger vision, a process and a journey to look at how UCT can be more sustainable. The university is joining many leading organisations in looking at its investments carefully and how it can continue the commitment to social justice, responsible investing and environmental sustainability.

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