



An update on UCT responsible investing

At the University of Cape Town (UCT), we remain steadfastly committed to implementing our [Responsible Investing \(RI\) policy](#) and incorporating Environmental, Social and Governance (ESG) factors into our investment decisions. We are committed to achieving the UCT Council goal of being net positive by 2040, having made considerable progress over the past few years, despite limited resources and significant challenges.

Our original goal of achieving this by 2030 reflected bold ambition. However, after a comprehensive review of global conditions, technological readiness, and systemic constraints, Council has extended the net positive target to 2040. This adjustment is not a retreat from our vision but a recognition of reality. Achieving net-positive outcomes requires credible data, mature technologies, and coordinated action across the value chain.

UCT's guiding principles

To achieve our net positive target, UCT leans on the following guiding principles:

- **Credibility:** To maintain our reputation, we must credibly back claims with accurate and complete data. Current carbon emissions data remains fragmented and inconsistent, making verification difficult. We will not risk greenwashing by overpromising.
- **Leadership:** UCT continues to demonstrate its leadership as a responsible organisation by extending and enhancing its RI approach and strategies. This is achieved not only in meeting the UCT Council's goals, but also in other important areas, such as stewardship and engagement with asset managers to drive change in investment decisions. We remain the only university in South Africa to have set a net positive target date and we have established a dedicated committee (UPRI) to promote RI principles and practices.
- **Pragmatism:** Elaborate RI policies are meaningless if they cannot be practically implemented and progress cannot be measured or demonstrated from year to year. Engaging with multiple stakeholders along the entire value chain helps us to better understand the real constraints, obtain a realistic view of the challenges and focus on the key issues that will have the greatest impact and improve our chances of meeting our RI objectives.

Key challenges and progress to date

The UCT Foundation Board, Joint Investment Committee (JIC) and University Panel for Responsible Investment (UPRI) operate in line with these three guiding principles. It is also important to elaborate on some of the key challenges we face, our pragmatic approach and the progress achieved to date:

- **Data disclosure:** Accurate, standardised carbon emissions data is not yet available globally. While progress is made every year (both locally and globally), it will take more time to consistently and credibly improve disclosure. Some regions are even scaling back such disclosure, making it more difficult to report holistically. To address this, UPRI created its own disclosure template for fossil fuels and the green economy. This is a



pragmatic attempt to assess our progress from year to year and to communicate this to stakeholders. The UCT Foundation now publicly discloses its exposures, which show greater investment in the green economy than in fossil fuels.

- Infrastructure constraints: A severe bottleneck in renewable energy adoption is the lack of transmission lines. UCT has committed to an infrastructure private equity manager to participate in the Independent Transmission Programme (ITP). This programme is unlikely to be completed by 2030, reinforcing the need for a 2040 target. Despite this constraint, UCT will continue to help accelerate the pace of the transition, where feasible.
- Stewardship and engagement: UCT actively engages with asset managers and companies to influence climate action. We have appointed a dedicated proxy voting service provider to ensure all locally listed equities, held in our name, are voted consistently in line with our RI policy, strengthening accountability and transparency. Through engagement, UCT has a voice and a seat at the table to influence and encourage companies and asset managers to meet our RI goals better.
- Year-on-year improvements: The UCT Foundation's exposure to [the green economy is greater than its fossil fuels](#) exposure and has been improving from year to year. UCT is actively investing in the renewable energy sector, contributing to the development of the green economy and facilitating a reduction in the use of fossil fuels in South Africa, and supporting a just transition. While the UCT Foundation is most likely in a net positive position already, this cannot be confirmed until accurate carbon emissions data is made available.

Looking Ahead

Despite the net positive target moving to 2040, the above demonstrates the significant progress and tangible actions that the UCT has made towards achieving its net positive goal. Credibly verifying our claims will require more time as disclosure standards worldwide improve. As we know, climate action must be stepped up with urgency; and the transition must be accelerated and be a just one. The UCT Foundation seeks to address both social and environmental issues together and in a pragmatic and credible way. While our approach may not be perfect, we will strive to make progress every year to avoid inertia and apathy in tackling a global challenge. UCT, through UPRI, is committed to strengthening its leadership role as the premier academic institution in the Global South in promoting responsible investments for a fair and just society.

The UPRI, through its chairperson Professor Latif Alhassan, welcomes engagements and inputs from internal and external stakeholders in achieving the university's RI objectives. For additional information, please:

- Email your comments and feedback to the UPRI: upri-group@uct.ac.za
- Read the [UCT Foundation Fossil Fuels exposure document](#)