ACU/AUTY/127/1/2022-24 **Date: 09/05/2024**

Policy for Divestment from Carbon-Intensive Energy Industries

1. Preamble

Adichunchanagiri University recognizes its ethical, environmental, and social responsibility to contribute to global climate action. As a leading educational institution committed to sustainability, the University acknowledges that financial investments have a significant influence on environmental outcomes.

In alignment with the United Nations Sustainable Development Goals (SDGs)—particularly SDG 7 (Affordable and Clean Energy), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action)—the University adopts this policy to progressively divest from carbon-intensive energy industries, particularly coal, oil, and other fossil fuel–based sectors, and to redirect investments toward clean and renewable energy solutions.

2. Purpose

The purpose of this policy is to:

1. Establish clear guidelines for the responsible management of university investments in alignment with climate and sustainability goals.
2. Phase out investments in companies or financial instruments primarily involved in coal, oil, and other carbon-intensive activities.
3. Promote investment in renewable energy, green technologies, and low-carbon enterprises.
4. Enhance the University's reputation as a leader in environmental stewardship and climate-conscious governance.

3. Scope

This policy applies to:

- The University's financial investments, including endowment funds, reserves, and other investment portfolios managed directly or indirectly.
- All subsidiary bodies, research centers, and trusts operating under the University's administrative control.
- Collaborations or partnerships with industries that have substantial fossil-fuel dependence.

4. Policy Statement

Adichunchanagiri University commits to divesting from direct or indirect investments in companies whose core operations involve:

- Exploration, extraction, or refining of coal, crude oil, or natural gas.
- Large-scale coal-fired power generation.
- Manufacturing of equipment or services primarily for fossil-fuel-based industries.

The University will progressively reallocate funds toward sectors that align with environmental sustainability, renewable energy, and green innovation.

5. Implementation Strategy

a. Investment Screening

- The University Finance Office, in consultation with the Environmental and Energy Committee (EEC), shall annually review all investment holdings.
- A sustainability screening mechanism shall be used to assess the environmental impact of each investment.
- Investments in carbon-intensive sectors identified through screening will be flagged for phased withdrawal.

b. Phased Divestment Plan

- A five-year divestment timeline will be followed, prioritizing the withdrawal from the most carbon-intensive holdings (e.g., coal and tar sands).
- Intermediate progress targets will be reviewed annually by the Finance and Sustainability Subcommittee.

c. Reinvestment in Sustainable Alternatives

- Funds divested from fossil-fuel-related sectors shall be reinvested in clean and renewable energy ventures, such as:
  - Solar, wind, and biomass projects.
  - Green infrastructure and sustainable agriculture.
  - Companies with certified low-carbon transition plans.

d. Oversight and Accountability

- The Environmental and Energy Committee (EEC), in collaboration with the Finance Office, will:
  - Review investment performance annually.
  - Ensure transparency in financial and sustainability reporting.

  - Publish an annual "Green Investment Report" summarizing divestment progress and new sustainable investments.

6. Monitoring and Review

- The Carbon Management Cell will maintain a record of all divestment activities, carbon impact assessments, and reinvestment outcomes.
- The University Audit Committee shall verify compliance with this policy during financial audits.
- The policy will be reviewed every three years to align with national and global energy transition trends.

7. Collaboration and Capacity Building

- The University will collaborate with green finance institutions, renewable energy developers, and academic partners to strengthen sustainable investment practices.
- Workshops and seminars will be organized to educate stakeholders on the environmental and financial implications of divestment and responsible investment.

8. Expected Outcomes

- Reduction of the University's indirect carbon footprint through financial influence.
- Enhanced institutional alignment with the principles of environmental, social, and governance (ESG) investing.
- Contribution to a low-carbon and sustainable economy.
- Strengthened reputation of Adichunchanagiri University as a socially responsible, environmentally conscious academic institution.

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