THE MALDIVES NATIONAL UNIVERSITY

Policy on Divestment from Carbon-Intensive Energy Industries

Approved Date: 18th October 2026

Approved by: MNU Sustainability Committee

Introduction

The University has committed, in its Sustainability Policy, to carbon neutrality by 2030, and the Maldives is among the countries most threatened by climate change. Investment in coal, oil and other carbon-intensive energy industries is inconsistent with that commitment and with the University's mission. This policy supplements the Investment Policy. Its purposes are to:

- exclude investment by the University in carbon-intensive energy industries, notably coal and oil;
- provide for the divestment of any such investment the University holds or receives; and
- direct University investment, where suitable opportunities exist, towards renewable energy and low-carbon activities.

Definition of Terms

Carbon-intensive energy industry: The exploration, extraction, refining or production of coal, oil or natural gas, and the generation of electricity from coal.

Carbon-intensive energy company: A company that derives more than 10 per cent of its revenue from a carbon-intensive energy industry, or that is expanding its coal, oil or gas reserves or production.

Investment: Any financial asset held by the University for return, including deposits, treasury bills, bonds, shares, units in funds and other instruments in the categories listed in the Investment Policy.

Direct investment: An investment in the shares, bonds or other securities of a single company.

Indirect investment: An investment held through a pooled fund or other vehicle managed by a third party.

Divestment: The sale or withdrawal of an investment.

Investment Committee: The committee established under the Investment Policy.

Statement of Policy

MNU shall not invest in carbon-intensive energy industries, notably coal and oil, and shall divest from any such investment it holds.

Scope

This policy applies to:

4.1 all investments made in the name of the University, including investments of endowment, reserve, trust and donated funds;

4.2 direct and indirect investments;

4.3 external advisers, fund managers and agencies engaged by the University to manage or advise on investments; and

4.4 gifts and donations of securities received by the University.

This policy does not apply to the purchase of fuel and electricity needed for the University's operations, which is governed by the University's energy and carbon policies.

Policy Implementation

The University Council shall oversee this policy. The Investment Committee shall implement it, and the Financial Executive shall be responsible for its day-to-day application.

Key Principles Underpinning the Policy

1 **Exclusion** - The University shall make no new direct investment in a carbon-intensive energy company.

2 **Divestment of existing holdings** - Any direct investment in a carbon-intensive energy company held when this policy takes effect shall be sold within twelve months, in a manner that protects the University's capital.

3 **Indirect investments** - Before investing in a pooled fund, the University shall obtain confirmation that the fund excludes carbon-intensive energy companies. Where an existing fund holds such companies, the University shall move to an alternative fund within three years, or earlier where a suitable alternative exists.

4 **Donated securities** - Securities of a carbon-intensive energy company received as a gift shall be sold as soon as practicable.

5 **Screening** - Every proposed investment shall be screened against this policy as part of the ESG assessment required by the Investment Policy, and the result shall be recorded.

6 **Positive investment** - Subject to the objectives of the Investment Policy, including protection of capital and reliable income, the Investment Committee shall give preference to investments that support renewable energy, energy efficiency and other low-carbon activities.

7 **Fiduciary duty** - This policy shall be applied consistently with the University's fiduciary duties and with the laws of the Maldives.

8 **Transparency** - This policy and an annual statement of compliance shall be published on the University website.

Roles and Responsibilities

University Council

The University Council shall:

1 approve this policy and any amendment to it;

2 receive the annual statement of compliance; and

3 decide any question on the application of this policy referred to it by the Investment Committee.

Investment Committee

The Investment Committee shall:

1 screen all proposed investments against this policy;

2 review the University's portfolio against this policy every year;

3 direct the divestment of any holding that does not comply;

4 include compliance with this policy in its quarterly reports to the Council; and

5 require external advisers and fund managers to comply with this policy.

Financial Executive

The Financial Executive shall maintain a register of the University's investments showing their compliance with this policy, and shall prepare the annual statement of compliance.

Sustainability Committee

The Sustainability Committee shall be informed of the annual statement of compliance and shall include it in the annual Sustainability Report.

Reporting

The Investment Committee shall submit to the Council each year a statement confirming: whether the University holds any investment in a carbon-intensive energy company; any divestment carried out during the year; and the value of any investment in renewable energy or low-carbon activities. The statement shall be published.

Related Documents

- University Act (Law No. 3/2011)
- MNU Investment Policy (University Council, 25 September 2024)
- MNU Sustainability Policy (Academic Senate, 28 September 2025)
- MNU Carbon Management and Emissions Reduction Policy

Policy Review

This policy shall be reviewed by the Investment Committee at least once every three years, together with the Investment Policy, and any amendment shall be approved by the University Council.

Annex 1: Suggested Amendment to the Investment Policy

As an alternative or in addition to this policy, the Council may amend Section 10 (Environmental, Social, and Governance Considerations) of the Investment Policy by adding the following clause:

"The University shall not invest in companies engaged in carbon-intensive energy industries, notably the extraction or production of coal and oil, and shall divest from any such investment it holds, in accordance with the Policy on Divestment from Carbon-Intensive Energy Industries."