

PUBLIC STATEMENT ON FOSSIL FUELS

As part of our on-going commitment to sustainability, and in line with Goal 6 of our Sustainability Strategy, the University has conducted an audit of fossil fuel exposure within its investment portfolio¹.

As at 31 December 2023, 1% of our portfolio was held within direct fossil fuel companies (0.5% as at 31/12/22), and a further 0.4% within indirect fossil fuel companies (0.6% as at 31/12/22). The increase in our fossil fuel holdings % is due to a combination of more of our cash now being placed with investment funds rather than in bank accounts and also a reduction in total cash & investments, the denominator. We continue to work with fund managers on active engagement to invest responsibly in companies and industries who positively affect our world in three key areas: environmental, social and governance (ESG).

Developments in 2023

Following a review of our treasury strategy, we have implemented changes that will have a positive impact in terms of both sustainability and ESG considerations.

- Our revised policy focuses on positive change through engagement, preferring companies that are moving towards responsible investment including renewable energy solutions, although we remain committed to an exclusion for thermal tar or coal sand industries.
- We are committed to investing in line with the Paris Aligned Investment Initiative (<https://www.parisalignedinvestment.org/>) and in accordance with the goals of the Paris Agreement.
- We continue to work towards aligning our funds with Article 8 or 9 of the Sustainable Finance Disclosure Regulation (where applicable).
- We have made new investments in the following funds in 2023;
 - **M&G *Sustainable Total Return Credit Investment Fund***
This fund puts sustainability factors at the core of the investment proposition, measured by Sustainability Key Performance Indicators. The fund proactively drives environmental and social improvements.
 - Neuberger Berman ***Climate Transition Multi-Asset Credit Fund***
Invests in assets in line with the goals of the Paris Agreement, delivering a net zero portfolio by 2050 with an immediate reduction in carbon intensity on inception. The fund excludes investments in controversial weapons, thermal coal, global violators and other controversial sectors. It actively engages with issuers on ESG topics.
 - Baillie Gifford ***Sustainable Multi-Asset Fund***
The fund portfolio includes a weighted average greenhouse gas emissions intensity (WAGHI) with a carbon budget which declines at 7% per annum. It engages with investments to encourage greater understanding and reporting of climate-related risks, opportunities and disclosure.
 - Partners Group ***Partners Fund***
This fund invests in illiquid assets. ESG is central to the due diligence process for all investments. Its climate change strategy is aligned to the Task Force on Climate Related Financial Disclosures (TCFD).

The investment policy supports a reduction in the percentage of our portfolio held with direct fossil fuel companies, over time.

¹ Excluding pension fund assets

Additional information

Definitions

Direct Fossil Fuel companies - those with material exposure to the extraction or production of fossil fuels including oil, gas or coal.

Indirect Fossil Fuel companies - those that make material use of extracted or refined fossil fuels as part of their business operations. For example, utilities with material generation portfolios powered by fossil fuels, such as coal, gas or oil fired power stations.

'Material' is generally defined as being at least 10% of revenues.

Sustainable Finance Disclosure Regulation (SFDR)

<https://www.eurosif.org/policies/sfdr/>

SFDR is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants.

Article 8 fund – a fund that promotes environmental and social characteristics

Article 9 fund – a fund that targets sustainable investments, and has specific sustainability targets