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 portfolio[1].

As at 31 December 2022, 0.5% of our portfolio was held within direct fossil fuel companies (0.9% as at 31/12/21), and a further 0.6% within indirect fossil fuel companies (0.7% as at 31/12/21). The reduction in our fossil fuel holdings is a result of active engagement by our fund managers to invest responsibly in companies and industries who make a positive impact on environmental, social and governance (ESG) factors.

Developments in 2022

Following a review of our treasury strategy, we are currently in the process of implementing 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.
- Our funds will align with Article 8 or 9 or the Sustainable Finance Disclosure Regulation (where applicable).

These changes support a reduction in the percentage of our portfolio held within direct fossil fuel companies, over time.

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

[1] Excluding pension fund assets