



CLIMATE TRANSPARENCY REPORT

2019

Ruffer LLP

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here (https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-18D05D36-9B9C-4BCB-B175-594DF1089A0B/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	-	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Ruffer LLP
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 10 - 29.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2016
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	52% from 38 Voluntary indicators

Ruffer LLP

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

Our policy with respect to responsible ownership reflects both our specific investment objectives and approach and the resources we can dedicate to these matters. Despite Ruffer remaining a modest sized institution within the context of global investment institutions, we devote considerable resource to investment research, monitoring and engagement with companies. We believe that stewardship is as much about responsible ownership as a considered approach to selecting companies. Ruffer's clients include corporate and public pension plans, insurance companies, collective investment schemes, foundations, charities and individuals. Some have expressed their views on environmental, social and governance issues, while others have not.

The one thing they all expect us to do is to protect and enhance their assets. In pursuit of this goal, we use our professional judgement to determine when to engage and how to vote at shareholder meetings to best protect the economic interest of our clients. We may also engage with investee companies in response to specific concerns raised by clients.

At Ruffer, we believe that environmental, social and corporate governance (ESG) considerations contribute to the risk of an investment and so, to manage this effectively, we incorporate these considerations into our investment process.

SG 01.5

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Typically, companies Ruffer invests in for our clients are proposed and monitored by analysts on Ruffer's research team. Monitoring includes study of company statements and third party reports. Ruffer is also able to engage the board and senior management of investee companies directly, usually in one-to-one meetings. Monitoring is oriented towards identifying potential problems at an early stage, in order to minimise any loss of shareholder value by Ruffer's clients. We actively seek to integrate environmental, social and corporate governance (ESG) issues into our investment process. We believe that ESG factors are often a signal of management quality, particularly over the long term. Ruffer follows a responsible investment approach by employing a dedicated manager for responsible investment and ESG issues. Our Responsible Investment team partners closely with analysts in Ruffer's research team to identify potential risks, such as exposure to companies that are more likely to face litigation or opportunities such as electric vehicles as part of the energy transition.

Engagement

Direct communication with a company is a fundamental part of Ruffer's investment effort. We believe the key to engagement is constructive communication. Engagement gives us an opportunity to improve our understanding of investee companies and their governance structures and to better inform our investment decisions. It also lets us share our philosophy and approach to investment and corporate governance with portfolio companies and enhance their understanding of our objectives. We engage in a constructive manner and our aim is to build mutual understanding, set measurable engagement targets and work

towards a defined timeline. We meet with executives and board directors, we communicate with the company's advisors and we engage with other shareholders where appropriate. We regularly monitor and engage with companies on matters such as, but not limited to, climate change, natural capital, human rights, strategy, performance, risk, capital structure, board composition, succession planning, and remuneration that we perceive to affect their value. Resources utilised for each engagement will be managed according to the circumstances and potential impact of each case. Intervention will generally begin with a process of enhancing our understanding of the company and helping the company to understand our position. The extent to which we would expect to effect change will depend on the specific situation.

Stewardship and voting

VOTing at companies' AGM's enables investors to provide feedback to the board, while encouraging board and management teams to consider and address investor concerns. We review local best practices and corporate governance codes when voting clients' shares, and actively consider companies' explanations for not complying with best practice, to ensure we vote in the best interests of our clients. We will vote against a company's proposals if engagement fails to resolve our concerns. It is Ruffer's policy to vote on AGM or EGM resolutions and corporate actions. Ruffer will normally vote on corporate actions where it is necessary to do so. Ruffer applies this policy across all shares held, both domestic and international, reflecting the global nature of our investment approach. We often vote in other circumstances if we deem it to be in our clients' best interest. Where it makes intervention more effective, Ruffer may engage with other shareholders in the investee company, either to decide or implement a course of intervention.

Collaborate stewardship activities

Ruffer actively engages in collaborative voting and engagement activities. We are a supporter of the Transition Pathway Initiative as well as Climate Action 100+.

Climate Change

As concerns about climate change have intensified, the desire to engage with companies on this issue has grown. Due to the scale and global nature of the problem, a number of shareholder initiatives, including Climate Action 100+, have been launched. Ruffer believes in the power of collaborative engagement and so was a founding investor signatory to this initiative and is a member of the Institutional Investor Group on Climate Change (IIGCC). By becoming a signatory to Climate Action 100+, Ruffer acknowledged in its sign-on statement, that we 'are aware of the risks climate change presents to our portfolios and asset values in the short, medium and long term. We therefore support the Paris Agreement and the need for the world to transition to a lower carbon economy consistent with a goal of keeping the increase in global average temperature to well below 2° Celsius above pre-industrial levels.' We think that engagement through collaborative initiatives has the best chance of achieving real change. As part of Climate Action 100+, Ruffer is in specific working groups, and so has committed to engaging with a number of European and American companies.

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

SG 01 CC	Voluntary	Public	Descriptive	General
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SG 01.6 CC	Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.
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At Ruffer, we believe that environmental, social and corporate governance (ESG) considerations contribute to the risk of an investment and so, to manage this effectively, we incorporate these considerations into our investment process.

This is particularly important when the implications of climate change are considered, given the number of companies that are likely to be effected and the variety of ways this is likely to occur. Consequently, Ruffer considers the effects of climate change, including both the risks and the opportunities this presents, for all of our investments.

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Action 100+, have been launched. Ruffer believes in the power of collaborative engagement and so was a founding investor signatory to this initiative and is a member of the Institutional Investor Group on Climate Change (IIGCC). By becoming a signatory to Climate Action 100+, Ruffer acknowledged in its sign-on statement, that we 'are aware of the risks climate change presents to our portfolios and asset values in the short, medium and long term. We therefore support the Paris Agreement and the need for the world to transition to a lower carbon economy consistent with a goal of keeping the increase in global average temperature to well below 2° celsius above pre-industrial levels.

Ruffer believes that engagement is an effective tool and so we are committed to engaging with those companies in which our clients' assets are invested. For those companies that make a significant contribution to global greenhouse gas emissions we are engaging to encourage them to adapt their business models to align with the transition to a low carbon economy. This includes fossil fuel producers, utilities companies and producers of energy intensive products. We also appreciate the significance of discussing with these companies why greater transparency with regards to climate change disclosure as well as tangible targets for greenhouse gas emissions reductions are important for investors.

At Ruffer, we are supportive of the IIGCC's shareholder resolution subgroup, and we think that shareholder resolutions are likely to have an increasingly important role to play in the years ahead. We see shareholder resolutions as a useful communication tool when engagement has not been successful as it gives companies a clear picture of the preferences of its shareholder. Other climate change related issues on which we will vote and engage with companies include corporate and trade association lobbying. It is important to Ruffer that a company's policy on climate change is aligned with its lobbying activities and practices.

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

**SG 01.8
CC**

Indicate the associated timescales linked to these risks and opportunities.

Ruffer's view on climate related risks and opportunities linked in particular to peak oil, energy and technological disruption:

Ruffer's view is that demand for fossil fuels will peak in the early 2030s. There is no consensus on 'when is peak?', but estimates vary from the 2020s, with organisations such as Carbon Tracker predicting this will be in 2023, to the energy industry's estimate of 2040. Our view is therefore more closely aligned with Carbon Tracker than the energy industry.

Why is Ruffer closer to 2030 than 2040?

1. There is a clear disconnect between the likely carbon emissions from global energy consumption growth of 1.3% per annum and the carbon emissions reductions necessary to meet the goals of the Paris Agreement. We expect this to put more pressure on the speed of the energy transition to energy sources with a lower carbon intensity.
2. The cost of generating energy from solar and wind resources continues to fall dramatically and the technology has advanced to a stage where even without subsidies, renewables are as or more attractive than fossil fuels.
3. We expect the speed of transition towards electric vehicles (EVs) to be faster than the energy industry expects. Battery technology continues to improve at a rapid rate and scale efficiencies are resulting in a rapid decline in costs. EVs are expected to be cost competitive with internal combustion engine vehicles within a short period of time.
4. China continues to invest heavily in renewable infrastructure and this is being driven by non-economic criteria in the short term, such as concerns over air pollution.

However, there remains serious bottlenecks that are likely to slow the pace of adoption of renewables such as the storage, transmission and distribution of energy from the point and time of generation to the point and time of consumption.

No

**SG 01.9
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.10
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

At Ruffer, we believe that environmental, social and corporate governance (ESG) considerations contribute to the risk of an investment and so, to manage this effectively, we incorporate these considerations into our investment process. As Ruffer only has one investment strategy which is rolled out across all portfolios and funds and ESG integration and active ownership is a core part of this strategy.

Identify

The Responsible Investment team is present and involved in idea generation research meetings guiding and advising in particular on climate-related issues, raising red flags but also opportunities at this earliest point. For example, the ESG team participates in Ruffer's Energy Group and updates financial analysts regularly on regulatory changes with regards to climate change, such as carbon taxes, but also transition risks, technology disruption and peak oil.

Manage

The Responsible Investment team prepares for each stock review materials that present a bottom-up analysis of the ESG and climate related risks/opportunities and respective timeframes for each individual company which will be discussed with financial analysts and portfolio managers. We will then discuss the conviction level for each stock. If conviction is high, the stock will be bought for portfolios and potential risks will be integrated into our active stewardship programme. For example, we are proactive in managing the risks in relation to the oil majors by collaboratively engaging via Climate Action 100+ as well as co-filing shareholder resolutions on climate related issues if we see necessary.

Constructing portfolios

Ruffer's ability to construct segregated portfolios gives us the flexibility to incorporate client specific ethical investment restrictions into the management of portfolios. We currently use MSCI ESG Research as our screening and research provider and this allows us to include restrictions in relation to fossil fuel companies if desired. One advantage of a segregated portfolio is the transparency it provides, and this gives comfort to our clients that we are investing in line with their ethical investment restrictions.

We plan to further align our client disclosures and reporting with the recommendations of the Financial Stability Board's Task Force (TCFD) on Climate-related Financial Disclosures.

Managing our carbon footprint

In addition to considering the greenhouse gases emitted by the companies in which we invest, it is prudent for us to consider the emissions from our own business. Consequently, Ruffer has decided to calculate its carbon footprint. We believe this will allow us to focus on how best to reduce our greenhouse gas emissions and we will be exploring the options available to offset these emissions.

No

SG 1.12 CC	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
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- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

SG 02	Mandatory	Public	Core Assessed	PRI 6
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
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- Policy setting out your overall approach

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_ESG_policy.ashx?la=en&hash=284DE74D84894E301A1B66FF9E64F8FF}

- Attachment (will be made public)

- Screening / exclusions policy

	URL/Attachment
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- URL

	URL
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{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

- Attachment (will be made public)

- Engagement policy

	URL/Attachment
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- URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

Attachment (will be made public)

(Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/Ruffer_LLIP_statement_on_UK_Stewardship_Code.ashx?la=en&hash=CDAE1582DCC909EA4F47BEB718A73730}

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/2017_Ruffer_report_on_ESG.ashx?la=en&hash=55AE4B9696E06317E00FE0FCD78FE2F}

Attachment

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/2017_Ruffer_report_on_ESG.ashx?la=en&hash=55AE4B9696E06317E00FE0FCD78FE2F}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/2017_Ruffer_report_on_ESG.ashx?la=en&hash=55AE4B9696E06317E00FE0FCD78FE2F}

Attachment

Climate change

URL/Attachment

URL

URL

{hyperlink:https://www.ruffer.co.uk/-/media/Ruffer-Website/Files/Downloads/ESG/RufferLLPclimatechangepolicyNov2018.ashx?la=en&hash=3C91D6D FDA70AA326EC25EFFB902C329}

Attachment

Understanding and incorporating client / beneficiary sustainability preferences

We do not publicly disclose any investment policy components

SG 02.3

Additional information [Optional].

More documents can be found on the Ruffer LLP website:

<https://www.ruffer.co.uk/Approach/ESG>

Governance and human resources

SG 07 CC	Voluntary	Public	Descriptive	General
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SG 07.5 CC

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

External managers or service providers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

SG 07.6
CC

For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The Head of Responsible Investment currently reports to the CEO formally every three month and intermittently on an ad hoc basis. We are in the last stages of formalising an overall climate and ESG related governance structure with a steering committee which will oversee strategy and risk management with regards to ESG and climate change, including responding publicly to initiatives such as the Taskforce for Climate-related Financial Disclosures.

The Head of Responsible Investment advises and reviews decisions made on climate-related issues and has ultimate oversight over Ruffer's engagement theme on climate change. The Responsible Investment team advises Ruffer's Energy Group on how to analyse companies' forward looking assumptions made as part of their scenario analysis in line with the 2 degree trajectory as defined by the Paris Agreement.

The Responsible Investment team has helped the Charity Team to review Ruffer Charity Assets Trust with regards to including a new set of climate related criteria and carbon foot-printing mechanisms.

The board has oversight and approval responsibility on climate-related processes and targets. One of the targets set for 2018 was to carbon-footprint the Ruffer business and make it carbon-neutral by offsetting into projects which Ruffer employees chose.

SG 07.7
CC

For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.

Ruffer's team for Responsible Investment is strategically positioned to advise, train and monitor the implementation and integration of climate related issues in the research and investment decision making process.

We advise analysts on the **Research Team** on country and industry regulations in relation to climate change, transition risks within different sectors we are invested in ie. how is the structural decline of the oil industry going to affect our investments in the energy sector. Integration of climate-related risks and opportunities is carried out across all of our equity positions and reviewed on a regular basis.

The Head of Responsible Investment also informs the investment teams, namely the **Institutional, Private Client and Charity team** on climate related risks and opportunities, how to manage these risks in client portfolios and how to advise specific clients when an engagement and/or disinvestment strategy is being considered.

The Head of Responsible Investment has regular meetings with the **Regulatory Policy Director** who reports directly to Ruffer's **CFO**, an executive board member. With many consultations from the FRC, FCA, ESMA and the European Sustainable Finance Action plan focussing on Sustainability and Climate Change this has been a major focus of this team with regular input from the Responsible Investment team. The Regulatory Policy Director reports regularly to the Executive Committee.

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

water scarcity - we consider water scarcity as a macro theme in our long-term-thinking group; we also have a water scarcity company engagement programme;

- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

active stewardship - collaborative engagement and strategic voting

- None of the above

SG 14.3	Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.
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- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	<p>- Metric can be more easily applied across asset classes since it does not rely on equity ownership approach.</p> <p>- The calculation of this metric is fairly simple and easy to communicate to investors.</p> <p>- Metric allows for portfolio decomposition and attribution analysis.</p>	tons CO2e / \$M revenue	Unlike the next three metrics, Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value), rather than the equity ownership approach (as described under methodology for Total Carbon Emissions). Gross values should be used.
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	<p>- Metric may be used to compare portfolios to one another and/or to a benchmark.</p> <p>- Using the portfolio market value to normalize data is fairly intuitive to investors.</p> <p>- Metric allows for portfolio decomposition and attribution analysis.</p>	in tons CO2e / \$M invested	Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach as described under methodology for Total Carbon Emissions. The current portfolio value is used to normalize the data.
Carbon intensity	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	<p>- Metric may be used to compare portfolios to one another and/or to a benchmark.</p> <p>- Metric takes into account differences in the size of companies (e.g., considers the carbon efficiency of companies).</p> <p>- Metric allows for portfolio decomposition and attribution analysis.</p>	in tons CO2e / \$M revenue	Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach as described under methodology for Total Carbon Emissions. The company's (or issuer's) revenue is used to adjust for company size to provide a measurement of the efficiency of output.
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets	Metric can be applied across asset classes and does not rely on underlying companies' Scope 1 and Scope 2 GHG emissions.	expressed in \$M or percentage of the current portfolio value.	This metric focuses on a portfolio's exposure to sectors and industries considered the most GHG emissions intensive. Gross values should be used.

SG 14.8 CC Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.

- Process for climate-related risks is integrated into overall risk management
- Process for climate-related risks is not integrated into our overall risk management

SG 14.9 CC Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.

- Yes

Please describe

We encourage companies through our commitment to Climate Action 100+ to align governance structures and public disclosure with the framework the TCFD has put together. We have pushed ExxonMobil and Imperial Oil in particular to adopt the TCFD framework.

No, we do not engage

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

Yes

SG 15.2 Indicate the percentage of your total AUM invested in environmental and social themed areas.

%

1

SG 15.3 Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Charity Asset Trust

Asset class invested

Listed equity

% of AUM

35

- Fixed income - SSA

% of AUM

45

- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Commodities

% of AUM

9

- Hedge funds
- Cash

% of AUM

6

- Other (1)

other description (1)

Illiquid strategies

% of AUM

5

Brief description and measures of investment

The fund has restrictions on investment in alcohol, armaments, gambling, pornography, tobacco, oil sands and thermal coal. It also follows a proactive voting and engagement approach with companies held within the fund. The fund is monitored against the UN Global Compact principles, MSCI's ESG metrics and the managers also monitor the fund's carbon metrics.

No

SG 15.4 Please attach any supporting information you wish to include. [OPTIONAL]

[File 1:CAT factsheet.pdf](#)

