



CLIMATE TRANSPARENCY REPORT 2020

The Scott Trust Limited (Guardian Media Group)

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-F528B0EB-0827-43C4-9FA1-D940E1BE4266/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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	✓	Private				
SG 13.5 CC	✓	Private				
SG 13.6 CC	✓	Private				
SG 13.7 CC	✓	Private				
SG 13.8 CC	✓	Private				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	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	The Scott Trust Limited (Guardian Media Group)
Signatory Category	Endowment
Signatory Type	Asset Owner
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2015
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	53% from 38 Voluntary indicators

The Scott Trust Limited (Guardian Media Group)

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.

SG 01 CC

Mandatory to Report Voluntary to Disclose

Public

Descriptive

General

SG 01.6
CC

Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

Transition and Physical Risks are material to all investments. We consider them as follows:

1. Divestment from fossil fuels
2. Low Carbon approach - e.g. our passive tilts away from high emitters, removes fossil fuel producers, and tilts towards green revenues, and companies showing positive momentum on reducing transition risk.
3. Use of scenario analysis tools to analyse risk (e.g. PACTA, MSCI Carbon Analytics)
4. Use of active managers proactively considering physical and transition risks.
5. Allocations to sustainable infrastructure, and avoidance of allocations with excessive physical risk.
6. Proactive investment in solutions to a low carbon economy - e.g. renewables, cleantech venture, environmentally focussed private and public equity.

No

SG 01.7
CC

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

Yes

Describe the associated timescales linked to these risks and opportunities.

The risks are clearly having an impact in the present, are material, and extend over all time horizons of our endowment.

No

SG 01.8
CC

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

To date we have been focussing on reducing climate risks in our endowment, while our journalistic efforts have been very actively campaigning and raising awareness of climate change independently in their own right. We are also members of the Institutional Investors Group on Climate Change (IIGCC)

SG 01.9 CC Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

Describe

We have taken numerous steps to align the entire endowment to manage material climate-related risks and opportunities. Examples include:

- It is our policy divest from fossil fuels over the medium term while reinvesting in solutions to a low carbon economy.
- Shifting passive equity to a low carbon / ex fossil fuels custom index.
- Shifting active equity to fossil fuel free and low carbon emission active managers focussing on sustainable businesses.
- Invested in a private renewable power fund.
- Invested in a public clean energy fund.
- Invested in climate change focussed thematic public equity fund purely allocating to companies providing solutions to climate change mitigation and adaptation
- Invested in sustainable private infrastructure providing solutions to climate change mitigation and adaptation across energy, water/agriculture, transportation and land
- Invested in, and help seed, new ex-fossil fuel share classes of existing products.

No

SG 1.10 CC Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

specify

The Scott Trust Endowment Fund Performance Report on our website also gives updates on our approach to climate change alignment in our endowment.

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	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

Other Chief-level staff or heads of departments

- 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 that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

The organization has made the key decision to implement a fossil fuel divestment policy, reducing exposure to fossil fuels and to adding exposure to low carbon solutions in the portfolio.

This critical policy is executed through the endowment's entire manager selection and monitoring process, overseen by the board, and investment committee.

**SG 07.7
CC**

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

To implement the above divest-invest policy driving alignment on climate-related issues, external managers are selected and monitored with this as a critical parameter. The Head of Investments plays a key role here, considering climate alignment alongside the financial objectives of the endowment. External consultants assist management in selection and monitoring of managers, providing manager searches meeting climate-related criteria, assisting in our efforts to encourage and seed new climate-aware products and behaviours in the investment industry, and monitoring climate related exposures on an ongoing basis (e.g. risk such as portfolio emissions, emissions intensity, and fossil fuel reserves. Use of climate scenario analysis tools during the period).

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other

Specify

We frequently engage with managers on climate related disclosure, and in the creation of more climate aligned investment products.

- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13

Mandatory

Public

Descriptive

PRI 1

SG 13.1

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

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

Climate Scenario modelling. We used the PACTA Two Degrees Investing / UN PRI tool to assess our portfolio during the period

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

An overall aim within asset allocation is to decrease transition risk by divesting from fossil fuels and reducing exposure to high emission investments.

- We do not consider ESG issues in strategic asset allocation

Our assets are managed by third party managers. We allocate to leading managers considering ESG and climate risk in scenario analysis and/or modelling.

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, 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

Specify the AUM invested in low carbon and climate resilient portfolios, funds, strategies or asset classes.

	trillions	billions	millions	thousands	hundreds
Total AUM			503	499	081
Currency	GBP				
Assets in USD			650	416	371

Specify the framework or taxonomy used.

This figure refers to allocations to climate resilient, fossil fuel divested and low carbon strategies across asset classes.

Beyond this, a more general focus on ESG issues will result in lower carbon emission investments, while other investments are naturally fossil fuel free: e.g. allocations to healthcare venture capital, social impact investments.

The framework focusses on:

- An explicit policy to divest from fossil fuels over the medium term
- A policy to reinvest in solutions to a low carbon economy. This focusses on explicitly climate resilient investments.
- The selection of low carbon emission investments, and monitoring of portfolio carbon emissions to track progress

An example would be our passive allocation. This removes all exposure to fossil fuel producers, and materially reduces exposure to high carbon emissions. It then positively tilts towards (a) low carbon

solutions: alternative energy, energy efficiency, green building, pollution prevention & sustainable water and (b) companies showing momentum on reducing transition risk. It also has other ESG and ethical filters, such as not investing in companies in breach of the UN Global Compact.

- 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

Our various campaigns have publicly urged fossil fuel divestment and highlighted investment opportunities in areas such as solar power.

- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- 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

other description

Exposure to producers of fossil fuels

- None of the above

SG 14.5

Additional information [Optional]

During the period we conducted analysis monitoring both fossil fuel exposure and examining the carbon footprint of underlying holdings held via external managers, to track divestment progress and better understand emissions risk in the portfolio. We made considerable progress improving these metrics across asset classes. We also used the PACTA scenario analysis tool.

We also work with our consultant to analyse potential climate risks of new investments: the tools used consider Carbon footprint, Carbon Intensity and Weighted Carbon Intensity.

SG 14.6 CC	Provide further details on the 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 checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	What is portfolio's or potential addition's exposure to carbon intensive companies	tons CO2e / \$M sales	Third party analytical tools to assess holdings.
Portfolio carbon footprint	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitor progress on lower portfolio emissions and identify risks in individual strategies	tons CO2e / \$M invested	Third party analytical tools to assess holdings.
Carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Consider efficiency of portfolio or potential addition in terms of carbon emissions per unit of output.	tons CO2e / \$M sales	Third party analytical tools to assess holdings.
Exposure to carbon-related assets	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Exposure to fossil fuel producers	Ownership of fossil fuel reserves	Third party analytical tools to assess holdings, and engagement with managers for data

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

Please describe

As per SG 14.2, consideration of climate change risk is fully integrated in the overall risk management of our endowment.

The framework focusses on:

- An explicit policy to divest from fossil fuels over the medium term
- A policy to reinvest in solutions to a low carbon economy. This focusses on explicitly climate resilient investments.
- The selection of low carbon emission investments, and monitoring of portfolio carbon emissions to track progress

Processes for climate-related risks are not integrated into overall risk management

**SG 14.9
CC**

Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.

Yes

Please describe

We invest via third party managers and engage with them on climate related disclosures. Through our media activities, we have been very active in this space directly (see SG 10.3). Our consultant has also further expanded the systematic collection of climate-related data from monitored managers as part of a major project to further enhance ESG integration in manager selection and monitoring. We were consulted and advised on this process.

No, we do not undertake active ownership activities.

No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15

Mandatory to Report Voluntary to Disclose

Public

Descriptive

PRI 1

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.

%

33.6

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

Asset class invested

Listed equity

Percentage of AUM (+/-5%) per asset class invested in the area

27.5

Fixed income - SSA

Fixed income - Corporate (financial)

Fixed income - Corporate (non-financial)

Fixed income - Securitised

Private equity

Percentage of AUM (+/-5%) per asset class invested in the area

0.1

- Infrastructure

Percentage of AUM (+/-5%) per asset class invested in the area

0.6

- Commodities
- Hedge funds

Percentage of AUM (+/-5%) per asset class invested in the area

4.9

- Cash

Brief description and measures of investment

Existing thematic investments here span asset classes. Many focus on active avoidance of non-clean investments and re-investment in solutions to a low carbon economy.

The private % figure is quoted as deployed capital. Given these are relatively young commitments, the committed capital % is substantially higher.

- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity

Percentage of AUM (+/-5%) per asset class invested in the area

0.4

- Infrastructure
- Commodities
- Hedge funds
- Cash

Brief description and measures of investment

Key global equity investments integrating ESG and focussing on sustainable business models have as a result substantial allocations to the global health sector, where health provision is regarded as a core long term theme. These allocations are therefore well above any comparative benchmarks.

The private % figure is quoted as deployed capital. Given these are relatively young commitments, the committed capital % is substantially higher.

- Water
- Other area, specify
- No