



CLIMATE TRANSPARENCY REPORT 2020

The University of Edinburgh

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/-5B713A11-235C-45E7-BEDC-A7C7303812F9/79894dbc337a40828d895f9402aa63de/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	✓	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 14.6 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 University of Edinburgh
Signatory Category	Endowment
Signatory Type	Asset Owner
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2013
Region	Europe
Country	United Kingdom
Disclosure of Voluntary Indicators	81% from 38 Voluntary indicators

The University of Edinburgh

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
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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.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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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.
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Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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In 2015, we undertook a major review of our investments in fossil fuels companies. That review committed us to substantial actions: to end coal and tar sands investment, to prioritise low carbon investments across other industries, and to revisit the decision in 2018.

In 2018 the University committed to full divestment of direct equities by end of 2020.

We recognise that climate change is one of the most significant global challenges of the century. The United Kingdom, along with more than 170 other countries, officially signed the Paris Agreement in 2016. The Agreement sets out a global target to reduce greenhouse gas emissions, and a decisive call to action to mitigate dangerous climate change caused by human activity. To meet this challenge and to support Scotland's and the world's transition to a low carbon economy, the University of Edinburgh has set out these ambitious but achievable targets including a net Zero by 2040 carbon target with a whole institution approach to climate change mitigation and adaptation in order to achieve our ambitious targets. To meet these new obligations, we are taking action on research, learning and teaching, operations, responsible investment, and investigating renewables opportunities.

The energy and carbon landscape has continued to move rapidly. We believe that the shift to low carbon and fossil-free technologies is now inevitable and will move forward at an increasingly rapid pace.

In 2015, as part of our Fossil Fuel review group, various scenarios were reviewed. Delivering global, national and local emissions targets requires across all scenarios radical restructuring of our production and supply of energy and our use of land. A low carbon electricity supply by 2030 underpins many of these scenarios (meaning electricity generation only comes from nuclear, renewables or fossil fuel generation with operational carbon capture technologies).

We believe our investment portfolio should reflect our commitment to a low carbon future, focusing on lower carbon investment products and transitioning from investment in fossil fuel companies.

In 2019 we undertook a carbon footprint analysis of our investment portfolio and alignment with TCFD. This is guiding future action and engagement.

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

Describe the associated timescales linked to these risks and opportunities.

Short term 1-5 years As outlined in Mercer's report on climate risk exposure which sets climate scenarios and likely impacts. Potential sector impacts most meaningful to 2025.

Medium term 5-20 years As outlined in Mercer's report on climate risk exposure which sets climate scenarios and likely impacts.

Long term 20 years As outlined in Mercer's report on climate risk exposure which sets climate scenarios and likely impacts.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**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

The "Zero by 2040" Climate Change Strategy 2016-26, launched at the end of 2016, addresses both the need for research and teaching in climate change as well as reducing operational emissions, and investing responsibly. The strategy as well as reports and updates available online here:
<https://www.ed.ac.uk/about/sustainability/what-we-do/climate-change>

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

University Annual Report and Accounts takes an integrated report to reporting including climate change. Social Responsibility and Sustainability Reporting provides further details.

We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC

**Mandatory to Report
Voluntary to Disclose**

Public

Descriptive

General

**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

Other role, specify (1)

Director of SRS

- 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 Court is the University's governing body and is the legal persona of the University. By the Universities (Scotland) Act 1889, the University Court is a body corporate, with perpetual succession and a common seal; and all the property belonging to the University at the passing of the Act was vested in the Court. The present powers of the Court are defined in the Universities (Scotland) Act 1966, and include among others:

- *the administration and management of the whole revenue and property of the University;
- *the regulation of the salaries of all members of staff; and
- *the establishment of Committees of its own members or others and the determination of the membership and the quorum of such committees.

See: <https://www.ed.ac.uk/governance-strategic-planning/governance/university-court/about>

The Social Responsibility and Sustainability Committee (SRSC) provides climate change governance for the University and will review and monitor the Climate Change Strategy on behalf of the University Executive. Meets 3-4 times per year.

Detailed information on our Climate Change Strategy and performance is available here:
<https://www.ed.ac.uk/sustainability/governance-publications-reports/reports/2017-18/climate-change>

The Sustainable Strategy Advisory Group (SSAG), a sub-committee of our SRS Committee, will ensure

oversight on sustainable operations issues such as climate change and energy efficiency. Meets 3-4 times per year.

The Investment Committee is responsible for considering the corporate governance, University reputation and other related implications of the University's investments, in particular to consider strategic formulation and risk containment and to review and monitor both long and short-term investments. Meets 3-4 times per year.

The Policy and Resources Committee's purpose is to provide strategic oversight of the University's financial, investment, estates and people affairs and to advise Court on any other business of particular importance or complexity. Climate change and the University's strategy in this area whether linked to investments or to other issues is included as an agenda item.

Significant policy related changes would be approved by the University's Court which is the highest governing body.

<https://www.ed.ac.uk/governance-strategic-planning/governance>

SG 07.7 CC	For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.
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Finance, Estates, Social Responsibility & Sustainability, Accommodation, Catering and Events and other departments are part of the Corporate Services Group of the University of Edinburgh. This group supports operational delivery of the University's mission, core strategic goals, and the ongoing plans of Colleges, Schools and other Support Groups. See <https://www.ed.ac.uk/corporate-services/about>

Director of Social Responsibility and Sustainability is responsible for leading the strategic development and delivery of the University's Social Responsibility and Sustainability Strategy (SRS) and - within the context of the University's strategic plan - to enable Edinburgh to become the leader in the sector; and to oversee development of an advisory service to academic and support departments, offering expert advice and coordination and a focal point for engagement and influencing of external bodies, government and others on SRS-related matters.

Other Directors in the University will also have responsibility for duties related for Climate Change. For example, Directors of Specialist Services, Finance is secretary to the Investment Committee and responsible for implementation of our responsible investment approach with the Investment Committee. Estates Directors will be responsible for mitigation and adaptation within our buildings. Head of SRS Programmes is responsible for the overall organisation, planning, management and delivery of comprehensive and effective social responsibility and sustainability programmes in line with the publicly expressed ambitions of the University. Heads of academic programmes will be responsible for integration of sustainability within their respective courses.

SG 07.8 CC	Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.
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- 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
- 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
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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

In the reporting year we undertook a review of the carbon footprint of our investment portfolio and alignment with TCFD for future climate related risks and opportunities

- 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
- We do not consider ESG issues in strategic asset allocation

SG 13.3 Additional information. [OPTIONAL]

The Fossil Fuels Review Group looked at a range of evidence including scenario analysis. The evidence reviewed during this process is available online <http://www.fossilfuelsreview.ed.ac.uk/>

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

The Fossil Fuels review committed us to substantial actions: to end coal and tar sands investment, to prioritise low carbon investments across other industries. In 2018, the University announced that it will complete its transition out of fossil fuel investments within three years. It will now become the largest university endowment in the UK to be free of fossil fuel investment. In 2019 we reviewed the carbon footprint our our portfolio and alignment with the TCFD.

- Incorporation into investment analysis

Describe

The Investment Committee Terms of Reference sets out the objectives of the Committee.

- To manage the investment portfolio asset allocations to deliver the following objectives:

- A financial return for the portfolio that exceeds CPI + 4%, net of fees, over the medium term (3-5 years), with dividend yield targeting budgets agreed with the University;
- Implement restrictions that reflects University policies (e.g. tobacco, arms, fossil fuels, anti-slavery, conflict minerals);
- Make a positive contribution to environmental and social impact through wherever possible investing in ESG (Environmental, Social& Governance) compliant funds and considering investment in other assets that deliver financial and non-financial benefits.
- Ensure an appropriate proportion of the funds invested can be realised quickly if required.

Listed equity fund manager includes climate analysis in annual reports and key related issues in quarterly reports.

- Inform active ownership
- Other

SG 13.5 CC	Indicate who uses this analysis.
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- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6 CC	Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.
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- Yes

	Describe
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The Fossil Fuel Review Group sought to understand the extent of society's current dependence on fossil fuels for energy and other uses, the relative contributions to climate emissions by different fuel types, and the extent to which cost-effective alternatives to energy and other uses were realistically available. The group concluded that the evidence on the changes happening to the climate was clear and that a substantial transition to a low carbon future is required over the coming decades. The Group agreed that the University of Edinburgh, as a global civic institution, should take a lead through our research, teaching and knowledge exchange in helping society understand, manage and reduce such climate risks.

- No

SG 13.7 CC	Indicate whether a range of climate scenarios is used.
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- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8 CC	Indicate the climate scenarios your organisation uses.
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Provider	Scenario used
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)
IEA	<input checked="" type="checkbox"/> New Policy Scenario (NPS)
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)
IRENA	<input type="checkbox"/> RE Map
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)
Bloomberg	<input type="checkbox"/> BNEF reference scenario
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5
IPCC	<input type="checkbox"/> RPC 6
IPCC	<input checked="" type="checkbox"/> RPC 4.5
IPCC	<input checked="" type="checkbox"/> RPC 2.6
Other	<input type="checkbox"/> Other (1)
Other	<input type="checkbox"/> Other (2)
Other	<input type="checkbox"/> Other (3)

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			49	275	329
Currency	GBP				
Assets in USD			63	653	504

Specify the framework or taxonomy used.

One of our listed equity funds was targetted with identifying sustainable development focussed objectives. The Fund invests in companies which are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. Another fund aims to create a sustainability theme with focus on renewable energy infrastructure and sustainable timber and agriculture markets.

- 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
- 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
- None of the above

SG 14 CC	Voluntary	Public		General
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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
Carbon footprint (scope 1 and 2)	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Carbon footprint of direct investments	Carbon intensity	Carbon intensity of millions of dollars of sales

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 set out in the remit of the Investment Committee remit its purpose is to consider strategic formulation and risk containment and to review and monitor both long and short-term investments. The objectives include ESG.

We undertake both internal and external research and analysis. This could be university research or research which we commission by our investment consultants or other 3rd parties. This is then incorporated into agendas of the Investment Committee for integration into decision making.

- 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.
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Yes

	Please describe
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The University engages with fund managers on climate-related risks and fund managers will then engage on our behalf. In certain cases we will also engage directly with investee companies.

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
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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.
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Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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	%
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6.138

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.
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	Area
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- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing

Asset class invested

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

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

.1

- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Big Issue Invest and Power Up Scotland.

- Affordable housing
- Education
- Global health
- Water
- Other area, specify

1) Sustainable Development Fund . 2) ESG Fund.

Asset class invested

- Listed equity

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

5.59

- 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

0.44

- Property
- Inclusive finance
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Sustainable Development Fund invests in companies which are positioned to benefit from, and contribute to, the sustainable development of the countries in which they operate. ESG fund calculated and screened by based on specific Environmental, Social and Governance (ESG) criteria

No