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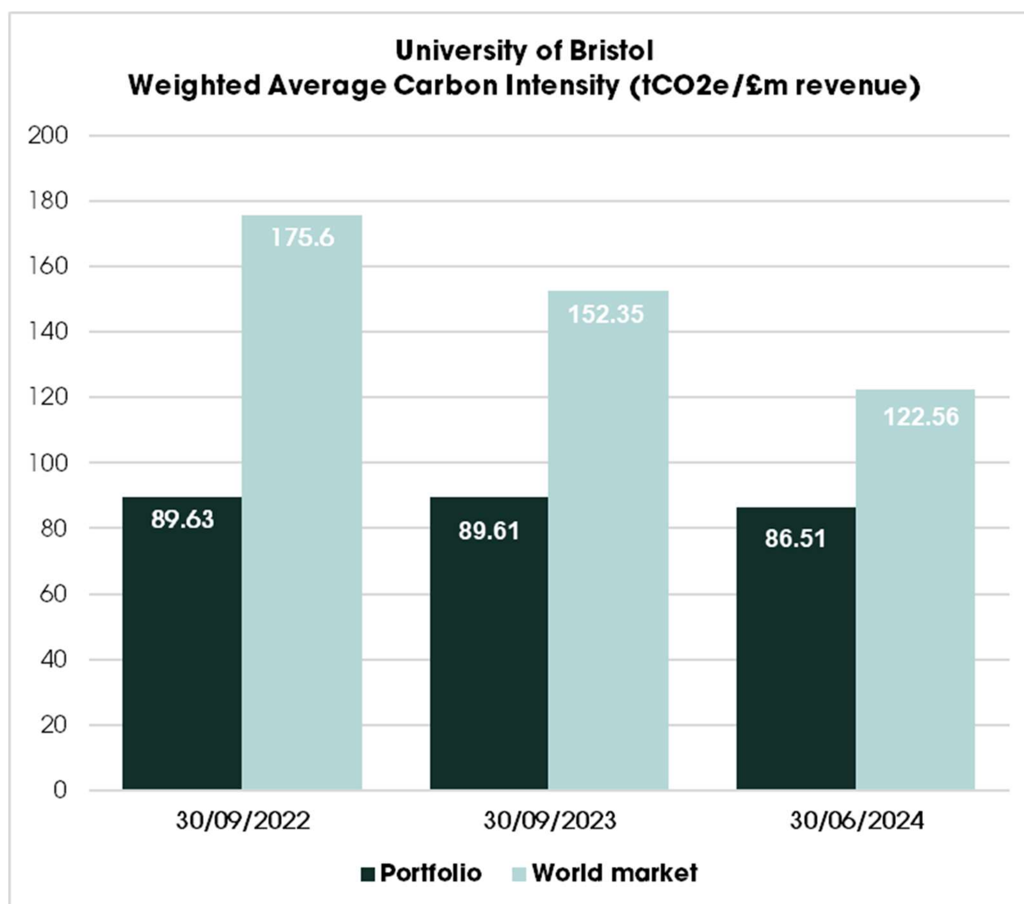
University of Bristol – portfolio climate metrics

Weighted average carbon intensity

The Weighted Average Carbon Intensity (WACI) model calculates the portfolio's exposure to carbon-intensive companies, where carbon intensity is measured as scope 1 and 2 carbon emissions per £m sales in the previous year. This is then weighted according to the size of the holding within the portfolio.

All major asset classes can be measured and compared, including fixed income, equity and managed funds. However, there is not a consensus around how to quantify the carbon footprint of certain investments such as complex financial instruments, including derivatives and short positions, as well as sovereign bonds. As such, certain managed funds cannot be reliably estimated and are therefore excluded from the measurement.

The carbon footprint includes only Scope 1 and Scope 2 emissions, as defined by the Greenhouse Gas Protocol. This is due to widespread gaps in company reporting of Scope 3 emissions and our desire to compare like-for-like company data.[1]



[1] Scope 1: All direct Greenhouse Gas (GHG) emissions from sources owned or controlled by the company, e.g. emissions from vehicles owned by the company. Scope 2: Indirect GHG emissions from consumption of purchased electricity or heat. Scope 3: Other indirect emissions, such as from business travel or waste disposal.

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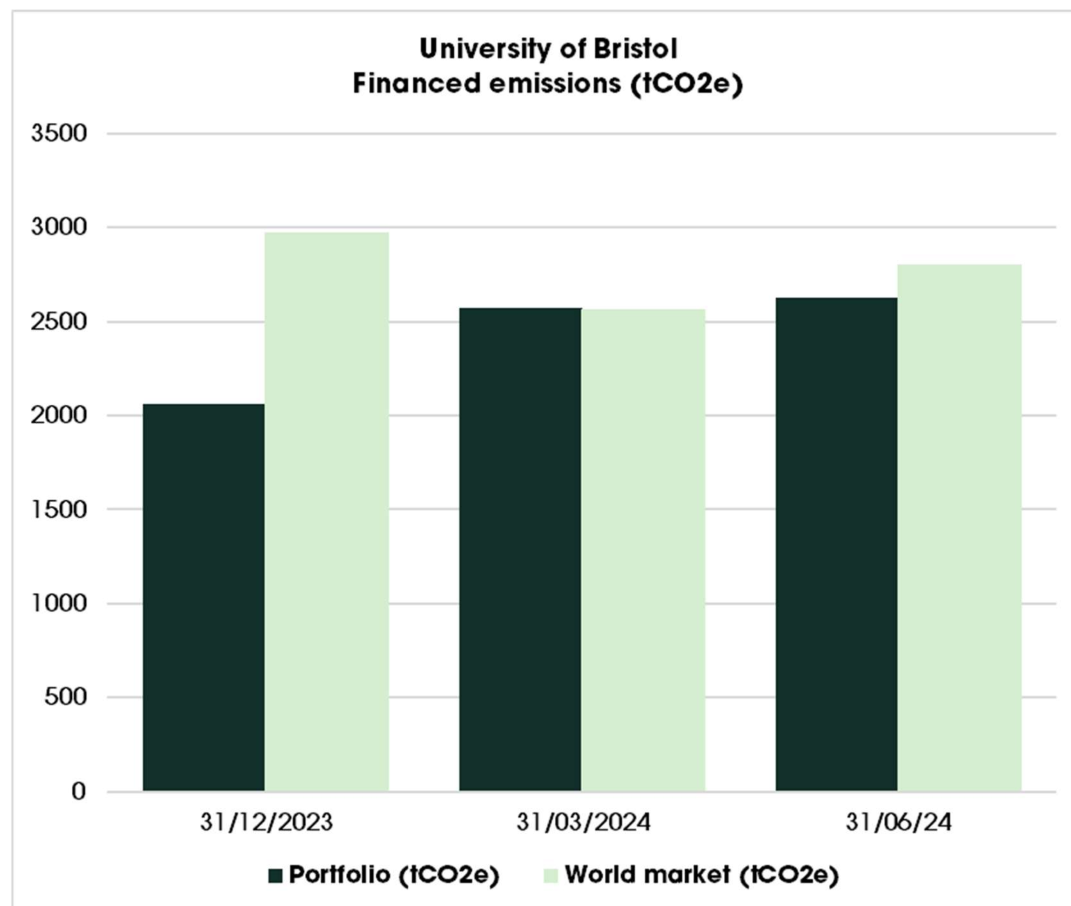
Financed Emissions

This calculates the total amount of emissions that the University of Bristol's endowment portfolio can be considered to have 'financed' in the previous year. Financed emissions are defined on an ownership basis across asset classes. We calculate ownership as the portfolio's capital invested in a company as a percentage of the total capital invested. This is then multiplied by the company's scope 1 and 2 carbon emissions. This is completed for each company in the portfolio and then summed.

The methodology is provided by the Partnership for Carbon Accounting Financials and has been approved by the GHG Protocol as a means of reporting Scope 3, category 15 investment activities. It goes beyond the GHG Protocol's minimum expectations by including more asset classes.

It is presented in total carbon emissions and on a per million pounds invested basis to enable comparison over time.



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Portfolio exposure to climate solutions

The University's investment managers recognise key global sustainable development trends and seek to identify investable companies with exposure to these. Below we present the portfolio's exposure to Greenbank's eight sustainable development themes.

Furthermore, we show the percentage of the portfolio which is invested in companies that support a low carbon transition. For example, those which are reducing their own GHG emissions year-on-year, those which have committed to sourcing increasing amounts of renewable energy, or those which provide technology, infrastructure, products or services that facilitate the transition.

Theme	Sub theme	%
Energy and climate	Climate action	11.11
	Energy security	5.34
	Operational alignment (climate)	5.41
	Operational alignment (environmental management)	4.07
Innovation and infrastructure	Supporting environmental sustainability	6.52

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Portfolio sustainability attributes

We categorise investments according to their level of impact (positive or negative) on people and planet. Investments are assessed on both what they do and the manner in which they operate. These categorisations are derived from the Impact Management Projects work on impact investing definitions.

- Investments into category A must at the very least demonstrate that they are actively seeking to avoid social or environmental harm.
- Investments in category B must also show they are delivering positive social and environmental benefits.
- Investments in category C must also deliver meaningful change for people and/or the planet.
- Investments in category C+ are the highest impact and deliver meaningful change for under-served groups that would be unlikely to have happened otherwise.