

The background image shows a historic stone building with large, multi-paned stained glass windows. Some of the windows feature circular medallions. In the foreground, there is a lush garden with various flowers, including yellow and red blooms, and some purple flowers are blurred in the immediate foreground. The sky is clear and blue.

Task Force on Climate-related and Nature-related Financial Disclosures Report

OU Endowment Management Ltd
The Oxford Endowment Fund

2024



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Task Force on Climate-related Financial Disclosures (TCFD)

TCFD was convened by the Financial Stability Board (FSB) to develop a set of recommendations for consistent climate risk disclosure. Its recommendations are structured around four sections: governance, strategy, risk management, and metrics and targets.

TCFD reporting enables organisations and public companies to effectively disclose their climate-related risks and opportunities. This report is focused on OU Endowment Management (OUem) and the Oxford Endowment Fund (OEF or ‘the Fund’). For more information on the performance of the OEF, please see the 2024 [OEF Report](#).

Approach and context

This TCFD report has been prepared by OUem in accordance with the relevant provisions contained in the ESG sourcebook, the TCFD Recommendations and Recommended Disclosures, and the applicable sections of the TCFD Annex as required under ESG 2.1.6R. This is OUem’s combined TCFD entity and TCFD product report for the OEF. The reports are being presented together in this way to reflect that the OEF is OUem’s primary product and to aid the reader.

The Oxford Funds: Endowment Master (known as the Oxford Endowment Fund, the OEF or the Fund), is a collective investment scheme as defined in the Financial Services and Markets Act 2000 and an Alternative Investment Fund (AIF). The Oxford Funds: Endowment Master is a charitable unauthorised unit trust (CUUT) and is an Alternative Investment Fund under the Alternative Investment Fund Managers Directive, as implemented in the UK. The Oxford Funds: Endowment Master operates within a master / feeder structure, with two feeder vehicles, the Collegiate Feeder and the Non-Collegiate Feeder. In the context of the master / feeder structure, in order to avoid unnecessary duplication, the information contained in this report is intended to meet the needs of investors in each feeder. Chapter 2.1 of the ESG sourcebook requires firms to prepare a TCFD product report no later than 30 June each calendar year. The TCFD product report adopts a 12-month reporting period that ends on 31 December of the year preceding the date of publication.

It is anticipated that OUem’s approach to TCFD product reporting will continue to evolve, particularly as climate-related data and quantification methodologies develop further. The quantitative methodologies adopted for the current report, together with the known limitations of those methodologies, are referenced in the ‘Metrics and targets’ section of the report.

Task Force on Nature-related Financial Disclosures (TNFD)

As a commitment to integrating nature analysis into our operations and investments, OUem is a supporter of the Task Force on Nature-Related Financial Disclosures (TNFD). This report includes voluntary disclosures on nature-related dependencies, impacts, risks, and opportunities according to the recommended disclosures developed by the TNFD.

TNFD reporting enables organisations and public companies, through a standardised framework, to effectively assess and disclose their impacts and dependencies on nature and ecosystem services in order to promote transparency and accountability in environmental stewardship to halt and reverse nature loss.

This report is focused on OUem and the OEF. Whilst investments held in the OEF may at any given time include investments that have particular sustainability characteristics, nothing contained within this report is intended to suggest that the OEF has an explicit sustainability label.

Compliance statement

ESG 2.2.7 requires a firm’s TCFD entity report to include a statement confirming that the disclosures contained in the report comply with the requirements of the ESG sourcebook.

Accordingly, we confirm that the disclosures contained in the OUem TCFD entity report are consistent with the requirements of the ESG sourcebook. This compliance statement is underpinned by OUem’s internal control and governance procedures. There is an expectation that the matters disclosed in this entity report will continue to evolve in line with market practice and the ongoing development of quantification methodologies.

The TCFD entity report has been signed by Sandra Robertson, Chief Executive Officer. At this time, we are reporting against the TNFD on a voluntary basis and as such sign off is not required.

OU Endowment Management

Our company mission is to be the leading provider of endowment management services for charitable investors with a long time horizon who believe in a diversified investment approach and are focused on achieving absolute real returns.

Established in 2007, we are based in Oxford and have specialist expertise in managing global, diversified portfolios for endowments and foundations.

For more information on the performance and activity of the Oxford Endowment Fund, please read the OEF Report 2024.

46
investors

£7bn
assets under management

Worcester College

Our history

OUem was established by the University of Oxford in 2007, when a review led by Sir Alan Budd concluded that, inspired by the world's most successful endowments and foundations, a dedicated full-time investment team would yield the best outcomes for the University, given the inherently short term nature of the investment industry.

During this period, several other capital pools across the University sought to leverage the OUem team's expertise. Amid the backdrop of the Global Financial Crisis, the founding team crafted a unique structure tailored for long term capital, secured regulatory approval from the UK Financial Conduct Authority, and established world-class infrastructure to support their strategy. On January 1, 2009, the Oxford Endowment Fund (OEF) was launched for Oxford's collegiate charities. In 2018, we expanded eligibility to include other UK foundations and endowments.

Today

Today, our dedicated team of approximately 30 people manages the Oxford Endowment Fund for 46 investors. Our enduring business model is designed to focus on intergenerational returns, supported by robust governance and oversight frameworks, and a culture that embeds sustainability into our investment philosophy.

With a 16-year track record, the OEF has consistently exceeded its investment objective of 5% after CPI, and we have grown the annual distribution per unit by 96.3%, against inflation of 58.6%. From the very beginning, we have sought out exceptional talent to manage the strategies within the OEF. Leveraging our experience, reputation, and the brand of the University of Oxford, we access capacity-constrained managers globally. Our active management, intellectual curiosity, and disciplined investment process ensure we remain flexible and resilient in a rapidly changing world.

Our values

Honest & authentic

Genuine in all that we do
Highest standard of business ethics and governance

Responsible

Act in the best interests of investors
Focused on solutions
Take ownership

Committed

To excellence, to making a difference to investors and charities
To being best in class

Respectful

Of each other and everyone we interact with

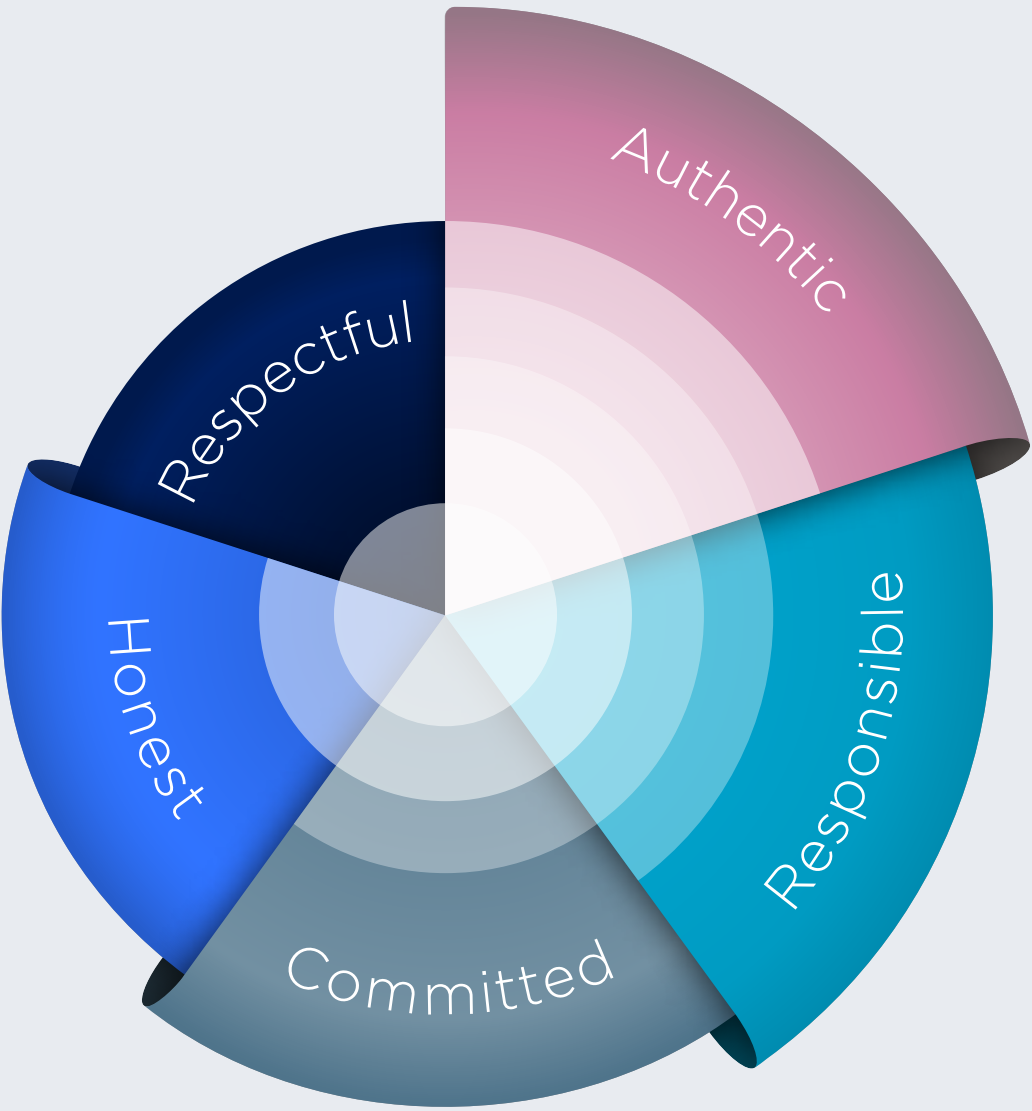
Our culture

We are

Dynamic and robust
Friendly and sociable
Straightforward and solution-focused
Collaborative problem solvers
Intellectually curious

We have

Smart people
High standards
Each other's backs



Governance

OU Endowment Management is a regulated investment manager with robust systems of governance and oversight.

We are authorised and regulated by the Financial Conduct Authority and are an Alternative Investment Fund Manager under the Alternative Investment Fund Managers Directive (AIFMD). Our primary focus is on managing permanent capital within the Oxford Endowment Fund.

Board oversight and Management’s assessment of sustainability

The Board of Directors (the Board) has overall responsibility for risk management, including oversight of broader sustainability and more specifically environmental sustainability, including climate and nature-related risks and opportunities. Executive Directors are responsible for design of appropriate strategies to understand, identify, measure, monitor, control, and report risks and opportunities related to climate change and nature across investments and the business. OUem’s ESG Principles are periodically reviewed and agreed by the Board, and reporting mechanisms are in place to ensure that relevant climate and nature-related information is shared with the Board. OUem maintains company and fund risk registers and has implemented an operational risk management framework to identify and evaluate risks, including those relating to sustainability.

Additionally, an internal ESG Working Group reviews practices and initiatives relating to sustainability matters, ensuring they remain effective and up to date. The meetings of the Working Group can act as a forum for discussion of climate and nature-related risks and opportunities and, if necessary, escalate and action beyond the Working Group as appropriate. OUem’s management is regularly updated on any sustainability-related matters.

The Oxford Endowment Fund

OUem is the regulated investment manager of the Oxford Endowment Fund, which is an investment vehicle where the University, members of the collegiate University, and a small number of select external UK charities, have pooled their perpetuity capital to gain the scale and expertise of a dedicated investment approach provided by OUem.

Nuffield College

Integrated sustainability strategy

The necessity to live more sustainable lives is one of the most pressing challenges facing society today. We actively manage the Oxford Endowment Fund so that, as an investor, we are part of the solution to sustainability.

We have developed a principles based approach to integrate sustainability considerations across our investment process regardless of the sector, strategy or region. These principles are: investing in solutions, screening and due diligence, engagement and collaboration. These are overlaid with portfolio monitoring and underpinned by targets.

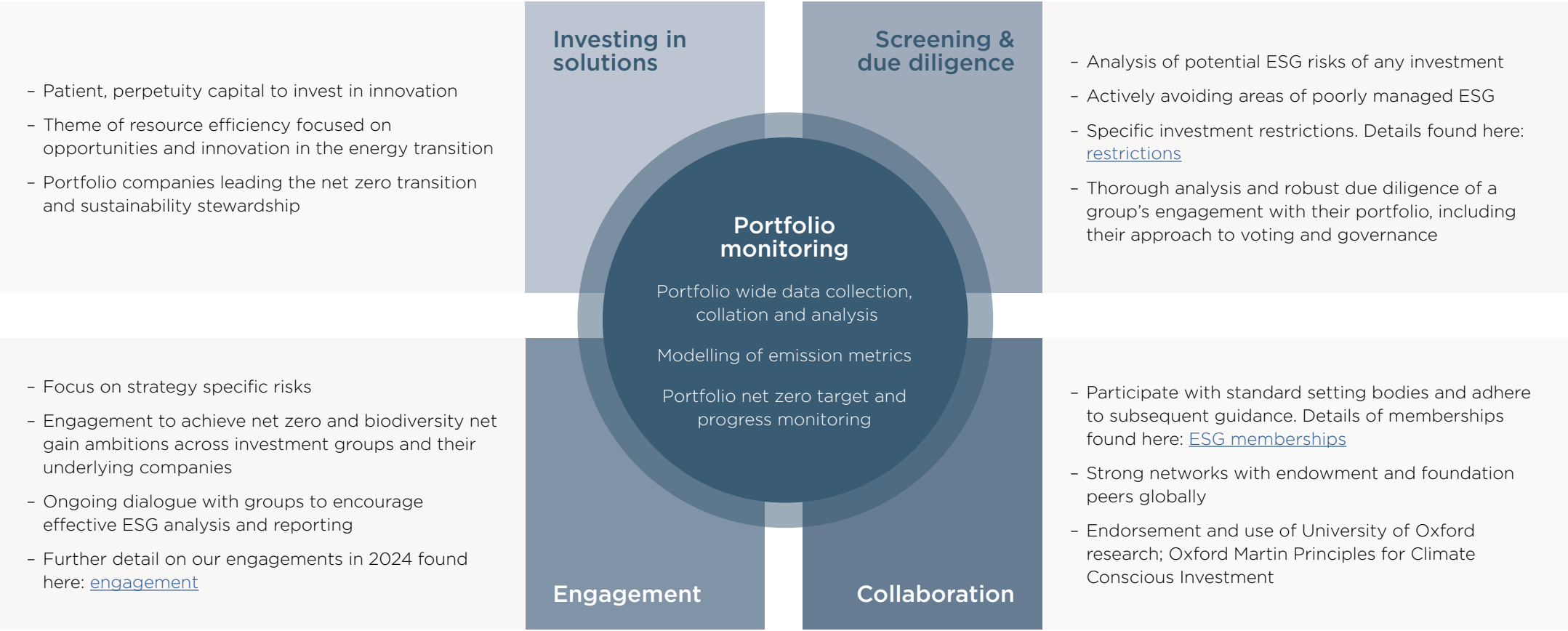
When applied to climate and nature-related risk and opportunities, our strategy can be summarised as:

- Identification of climate and nature risks
- Investing in solutions to sustainability
- Understanding, managing and mitigating specific climate and nature-related, as well as broader sustainability, risks across the portfolio, both prior to and for the duration of investments
- Engaging with and encouraging groups to incorporate sustainability linked topics such as net zero planning and biodiversity net gain into their investment analysis
- Collaborating with and joining appropriate sustainability-focused network initiatives

Further information on investment strategy can be found in the [OEF Report](#).

Somerville College

An integrated approach



2035

Paris-aligned net zero plans across the Oxford Endowment Fund

Zero FF ✓

No direct financing of new fossil fuel developments

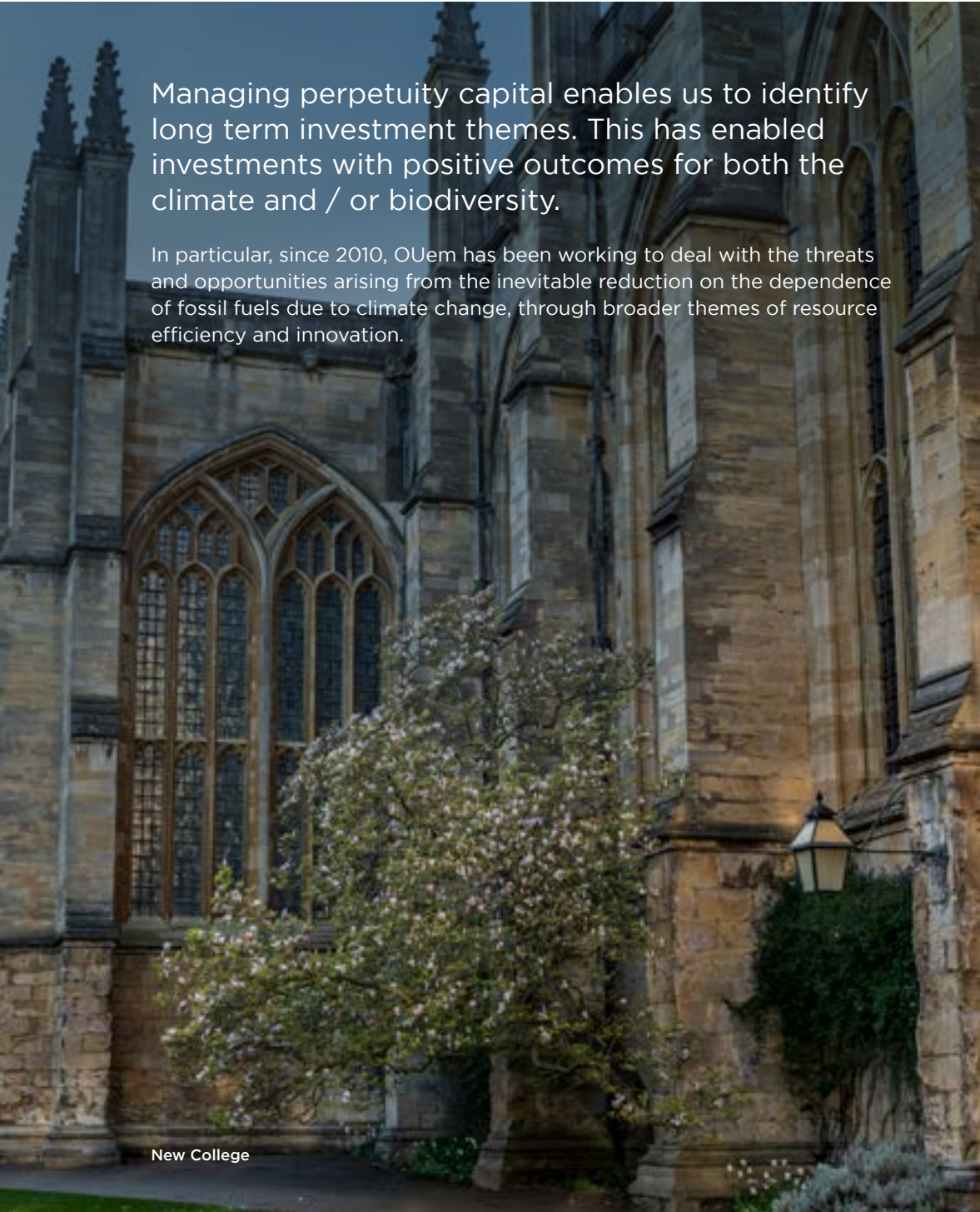
Net zero ✓

Engagement with residual fossil fuel exposure on net zero planning

2025 ✓

Carbon neutrality of OUem

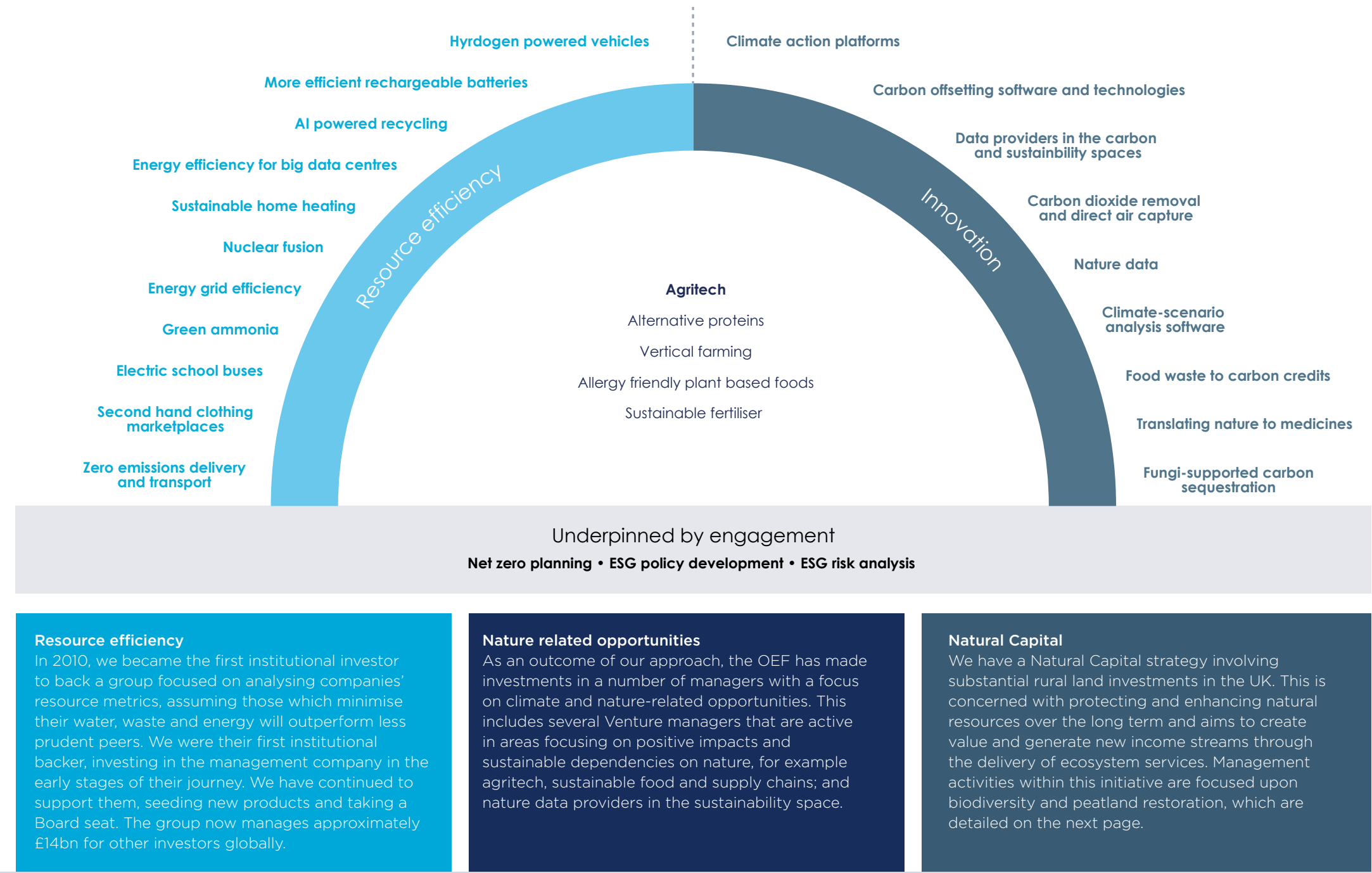
Investing in solutions



Managing perpetuity capital enables us to identify long term investment themes. This has enabled investments with positive outcomes for both the climate and / or biodiversity.

In particular, since 2010, OUem has been working to deal with the threats and opportunities arising from the inevitable reduction on the dependence of fossil fuels due to climate change, through broader themes of resource efficiency and innovation.

OEF's investments in solutions



Investing in solutions: natural capital



In November 2020 the OEF acquired an upland estate in central Scotland as a natural capital investment. The natural capital strategy is concerned with optimising natural resources to promote biodiversity and seeks to add value through the provision of ecosystem services, such as carbon sequestration and flood mitigation.

The estate spans 7,500 acres of predominantly heather moorland and peatland. The strategy currently involves peatland restoration, long term habitat restoration and eco-tourism. Carbon modelling of the estate is used to determine areas for improved carbon sequestration services.

View of the loch

Peatland restoration

An eight-month peatland restoration project was completed in 2024. The project initially identified existing areas of peatland in varying states of degradation. The analysis suggested that, prior to the OEF’s purchase, peatland habitat across the estate had been significantly altered from its near natural condition and had been emitting carbon dioxide over the majority of areas surveyed.

A restoration plan was drawn up and actioned, the purpose of which was to reduce loss of peat and stored carbon from the site and to re-wet and restore the peatland to a bog ecosystem able to sequester carbon from the atmosphere and support a wide range of flora and fauna. Restoration activities included artificial drain blocking and the installation of leaky dams to slow down the flow of water, and the reprofiling and revegetating of actively eroding peatland. These actions have resulted in approximately 800 acres of restored peatland now on the road to recovery which, once validated, will generate over 29,000 carbon credits. Key species in the restored peatland include sphagnum moss, deer grass, and cotton grass.

In addition to carbon sequestration, the restoration will benefit the local environment and existing peatland present in the area. The restoration will have a positive impact on local watercourses such as adjacent river ways. It will also positively affect the water pH, quality, and sediment load as more water will be held on the site, the acidic peat will be covered up and there will be less erosion taking place into the water courses.

Long term habitat restoration and eco-tourism

Extensive surveys have been undertaken to record, monitor and enhance the biodiversity of the estate. OUem is currently implementing a data management framework to quantify the ongoing impact of restoration initiatives on the estate’s ecosystems. The estate has been awarded Wildlife Estate Scotland (WES) accreditation.

Long term habitat restoration not only offers significant potential for positive biodiversity gain through an integrated wildlife and habitat management plan, but can also have a positive social impact through enhanced public access and eco-tourism.



Heavily eroded peatland in the process of being restored

OUem continues to drive sustainability across its direct property estates. Sustainability reports have been produced for all rural holdings and a new social value assessment is being prepared currently.

Identification of climate and nature risks

Individual investments are analysed for potential sustainability risks, including those associated with climate and nature. We also spend time reviewing the potential for systemic environmental risks across the portfolio.

In terms of climate, over the short, medium and long term, climate risks specific to the portfolio are considered to be low given our active approach to investment management and long term themes such as resource efficiency. The impacts of climate change on the business strategy and financial planning of the OEF are therefore currently considered to be low; although, these remain under review.

We consider the best way to manage climate risks over the short and medium term to be through engagement with our managers. Over the long term we see opportunities by investing in innovative sustainability solutions to climate risks; with these investments also having the potential to generate returns over short to medium time frames. We believe this to be the case in a range of scenarios, from current modelling of 2°C or lower.

It is widely accepted that limiting global warming and mitigating climate change is intricately linked with the protection and promotion of biodiversity and ecosystem services. As such, OUem’s approach to identification of nature-related risks is broadly in line with that of climate risks.

Regents Park College

Portfolio level climate and nature risks

We have identified several global macro risks from climate change. Some examples of these include: increased prevalence of natural disasters, increased conflict and displacement, changing consumer preferences, increased spending by governments to fund climate mitigation, increased taxation and debt burdens to fund fiscal expense, increased operating costs of industry and property to facilitate mitigation strategies, further regulation including carbon pricing, and potential climate litigation.

As with all macro risks, these are a challenge both to measure and mitigate against. Our key defences are:

- Diversification across asset class, geographies and sector. Through active management, we have the ability to avoid high risk sectors and geographies with our investment decisions.
- We are agnostic to benchmarks, so we can avoid high risk areas as opposed to being forced to own them.
- An explicit focus in our investment process on identifying talent. As such we are only exposed to returns produced by specific investment selection.
- Furthermore, we are committed to encouraging all investment groups to align with the global agreements to limit global warming, in: (1) developing a net zero strategy; and (2) ensuring that investment analysis and decision making incorporates planning for a Paris-aligned net zero world.
- OUem has become an early adopter of TNFD reporting and has begun engaging with fund managers on their approach to nature and biodiversity.

Specific climate and nature risks in the portfolio

All investments are thoroughly analysed for potential environmental and social risks. Due to our active approach to investment management, and long term themes such as resource efficiency, specific climate and nature micro risks are limited. We have identified the following areas as potential for heightened climate and nature risks; although the OEF is not exposed to high risk sectors in any concentrated form.

Fossil fuel extraction

Exposure is low with a total 0.2% indirect exposure to fossil fuels.

Property and land use

We recognise that one of the main sources of GHG emissions and some of the largest drivers of impacts on nature come through the production of food. As such, we have invested in a group with a focus on sustainable food systems. Similarly, across the Venture portfolio, the Fund holds significant investments in agritech, while we have avoided exposure to the industrial meat and dairy industry, or ‘Big Livestock’. The OEF’s property and land investments are not in areas exposed to high physical risks of climate change. The large majority of the Fund’s rural land is in the UK and prior to any direct investment, the impact on nature and long term flood risk are assessed.

High carbon emitting and biodiversity impact sectors

The OEF is biased towards sectors where we see the most opportunities for investment returns. There is lower exposure to mature, heavily regulated and capital intensive sectors such as energy, materials and utilities, than the MSCI ACWI, being the three most carbon intensive sectors. These sectors, as well as consumer staples, are recognised to have the highest potential for biodiversity impact. In all of the above instances, at the sector level, the OEF is weighted towards less climate and nature intensive sectors than the MSCI ACWI.

Deforestation

Deforestation is inextricably linked to climate change and biodiversity loss. Forests are essential for the mitigation of climate change and are vital for the preservation and promotion of biodiversity. The OEF’s indirect exposure to the companies on Global Canopy’s Forest 500 list is low and as such, risks in this area are currently perceived to be minimal, however we will continue to monitor our existing exposures and engage with managers invested in companies in these areas. Please see more on this in our Metrics and Targets section on page 13.

Other climate risks

There is no direct exposure and de minimis indirect exposure to physical infrastructure. This has never been an explicit focus for the Fund. Exposure to property and catastrophe risk is very low; there are no explicit insurance strategies, catastrophe bonds or significant equity investments related to relevant insurance risk.

Climate and nature risk management

Climate and nature risks are integrated in our broader investment risk management approach. A key area of this is our ongoing dialogue with third party managers to ensure we have the best possible understanding of the assets held and the potential risks within the portfolio, including those relating to environmental sustainability.

The OEF predominantly owns investments indirectly, so engagement activities are carried out with investment groups, rather than companies. We have a disciplined approach to the number of active relationships with investment groups in the portfolio and an exceptionally high information flow from these groups.

OUem has systems in place to identify and assess climate and nature risks relevant to the company and investments. While specific risks are considered to be low in both, we take a number of steps to monitor and mitigate any potential climate and nature risks. We comply, and will comply, with all existing emerging regulatory requirements related to climate change. This is part of our broader approach to sustainability and ESG risk management which enables us to assess a wider range of risks and opportunities, including those relating to nature.

Balliol College

Engagement activity

During due diligence and in ongoing engagement with investment groups, we take time to understand what risks could arise on a case by case basis. These will vary depending on the strategy; however, with respect to climate and nature risks we incorporate the following factors into our dialogue:

- reduction of resource use and pollution prevention
- areas of leadership in resource efficiency
- engagement with companies on climate transition strategies and achieving net zero
- engagement with companies on nature-related risks, and strategies for achieving biodiversity net gain
- disclosure of environmental data.

Every year, we write to investment groups with regards to climate, nature, net zero and broader sustainability. In the most recent letter we asked them to:

- use the Oxford Martin Principles for Climate Conscious Investment as a framework for engagement with portfolio companies
- engage with their portfolio companies on net zero targets
- share analysis of their portfolios with respect to net zero planning and calculating carbon emissions, both of investments and the management company
- share their approach to nature-related impacts and dependencies and any analysis they may have performed in this area
- encourage groups to codify their approach in an ESG policy, or update us on changes to policies or ESG memberships
- for Public managers, we ask that they keep us fully up to date with their voting practices and to share any voting-related reporting they may have produced.

As part of our ongoing analysis of the portfolio, we register sustainability engagement and activity, which encompasses both activity at the Fund level, and at the level of underlying investments. The purpose of this is to share information on climate and nature risk management activity.

Approximately

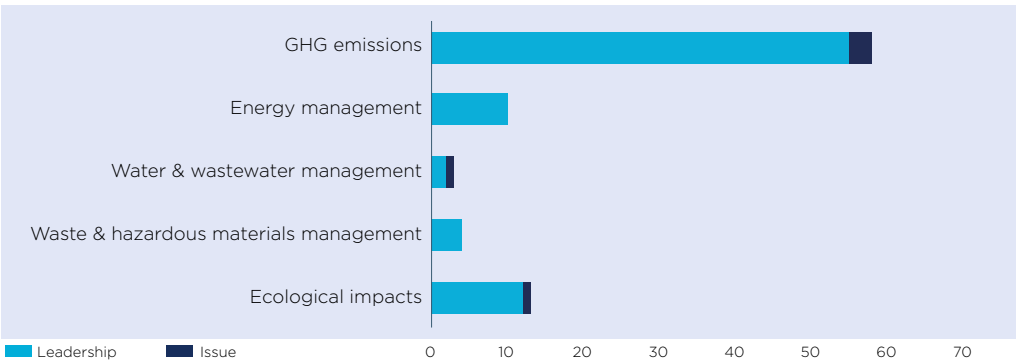
86%

of the OEF is invested indirectly.

Breakdown of climate and nature related activity across underlying portfolio

The graph below includes recorded activity and engagements by both OUem and our investment managers to 31 December 2024. The activities presented below can vary in nature and include: OUem engaging with a manager on any aspect of environmental risks and opportunities, a new climate or nature positive investment made by a manager, an initiative set up by a manager, sustainability or ESG policy development by a manager, or a major development in an underlying holding, whether this be leadership or an issue. Individual activity or engagement can therefore vary greatly in scope and scale; however, the purpose is to illustrate ongoing work and in order to do this, we have also provided examples of activities on the following page.

This data is derived from information provided by investment groups, ongoing dialogue and a monitoring service set up to capture sustainability news from the portfolio and underlying holdings. Activity in these areas will vary year-on-year due to a number of factors, including the number of managers in the fund, the mix of manager strategies, the market environment, as well as general levels of activity.



Source: OUem. Categories are replicated from the SASB Materiality Map.

In keeping with past years, the greenhouse gas emissions leadership bar is substantial. Contributing to this, several managers engaged with us on net zero planning and emissions data, alongside a number of climate positive investments in clean power, carbon data providers, and carbon capture and storage.

Investment engagement activity



OUem incorporates climate and nature risk management into its due diligence and ongoing evaluation of investment managers.

Mansfield College

Engagement by voting

The OEF predominantly owns investments indirectly, hence engagement activities are carried out with investment groups, rather than through voting. Understanding a manager’s approach to engagement is a key area of due diligence and ongoing evaluation. OUem will enact any voting rights ascribed under the ownership structure.

OUem is also a member of the Investor Forum, an organisation established to facilitate collective engagement between institutional investors and UK listed companies, to encourage good stewardship of public companies.

Fossil fuels review and engagement

The OEF has a restriction on direct investment in fossil fuel companies and has no direct holdings in these companies. The restriction does not extend to fossil fuel companies held indirectly through investment groups. Where there is indirect or ‘look through’ exposure, we communicate the restriction to investment groups, and request that they avoid investing in fossil fuels, both prior to investing and throughout the lifetime of the investment. In the Private Equity portfolio, this is requested in a side letter, prior to investing.

Alongside regular dialogue with investment groups, OUem has asked all investment groups to use the Oxford Martin Principles for Climate-Conscious Investment, as a reference for engagement with portfolio companies, to help plan for a net zero world.

Further information on this can be found at: [Approach to Net Zero](#).

OUem’s active approach to investment management and long term themes such as resource efficiency means the investment groups we work with usually have no exposure to fossil fuel companies. Since 2008, indirect exposure to fossil fuels has reduced from an estimated 7.1% to de minimis exposure of 0.2% at the end of 2024. Indirect exposures will vary year-on-year for a number of reasons, including: market environment, performance of holdings, mix of investment groups and variations within the underlying portfolio. Wherever there is exposure we will engage with the group and ask that they use the OM Principles for Climate-Conscious Investment to engage on net zero with the fossil fuel company.

Examples of engagement by investment groups

- An OEF Private Equity manager reported that their B Corp Impact Score has improved significantly since 2021. They also reported that they assisted two of their portfolio companies in achieving B Corp certification and another two in reaching sufficient scores to become B Corp certified.
- Another OEF Private Equity manager achieved B Corp certification. Their focus internally is on carbon offsetting and DEI. They are also encouraging their portfolio companies to undertake carbon offsetting and to calculate and improve their B Impact scores annually.
- An OEF Public Equity manager engaged with a large multi-national portfolio company to develop an SBTi net zero target. Another engaged with an equally large multi-national company on its climate risk management and disclosures to the CDP.
- The property manager of an OEF directly owned rural estate produced their first sustainability review.

Examples of OUem’s engagement activity

- OUem took a group of academics and representatives from the University of Oxford to our directly owned natural capital estate in central Scotland to showcase the natural capital strategy and particularly the peatland restoration work to foster discussion and collaboration.
- Sandra Robertson, CEO, spoke at a climate investing forum for US endowments and foundations. OUem’s Head of Sustainability and Corporate Affairs participated in a panel on nature-related risks and opportunities at a sustainability conference in Oxford.
- OUem team members met with peers from other endowments from around the globe to discuss approaches to ESG and climate reporting. They have also joined a wider network of UK endowments and family offices that provides a forum for discussing sustainability related topics.

Oxford Endowment Fund climate-related metrics and targets

The Oxford Endowment Fund aims to preserve and grow the value of charitable endowments, while providing a sustainable income stream.

In this section we disclose the metrics and targets used to assess and manage relevant climate risks and opportunities to the Oxford Endowment Fund. For performance and activity please see the [OEF Report](#).

The OEF has three initial climate-related targets:

1

No direct financing of new fossil fuel developments

2

Engagement with any residual fossil fuel exposure on net zero planning

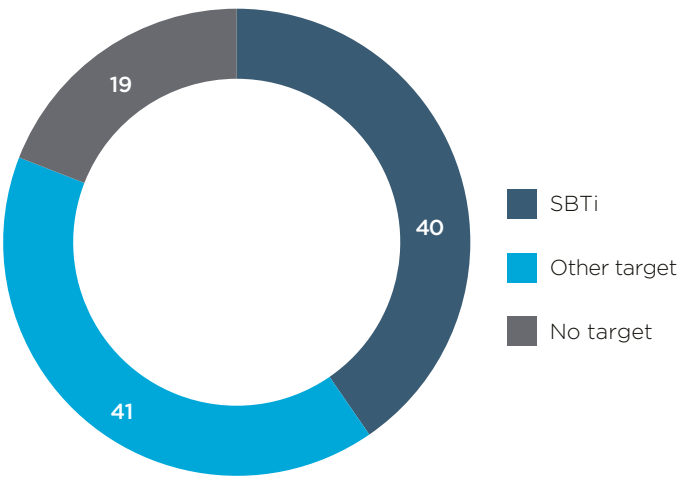
3

Paris-aligned net zero plans by 2035

It is OUem’s aspiration to achieve coverage of the portfolio with net zero targets and Paris-aligned net zero strategies by 2035. We monitor our progress towards this target by tracking the percentage of OEF managers that are taking steps towards net zero. We also measure the percentage coverage of underlying holdings’ with net zero aligned targets. Net zero targets are currently more readily available for large publicly listed companies, and our measurement is often reliant on information reported by these companies. We hope to expand coverage of targets over the coming years. Annually, we therefore ask all of the investment managers in the OEF to engage with their underlying portfolio companies to plan for a net zero world. We have also chosen to support organisations encouraging disclosure of climate metrics and targets where appropriate and that provide frameworks for responsible growth.

Looking through our managers’ investments, we have assessed the coverage of net zero aligned targets across the portfolio. Information is currently derived from 48% of the OEF and we will work to improve this proportion. Using this sample, as in the figure below, 82% have targets related to net zero and emissions reductions, with 42% committing to or setting a target using the Science Based Targets initiative (SBTi). Of the 0.2% residual indirect fossil fuel exposure, 50% of the remaining indirect holdings as a percentage of NAV, have a net zero target.

Figure 1: Underlying holdings’ coverage with net zero aligned and emissions reduction targets %

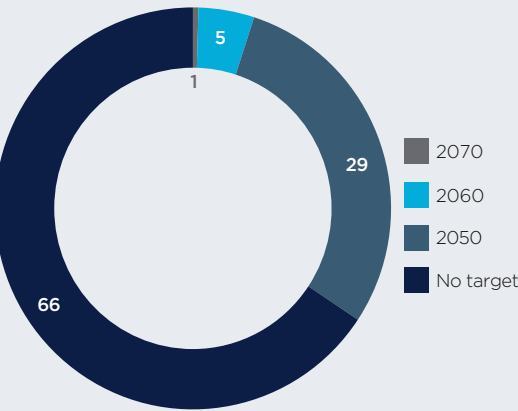


Source: OUem, SBTi, The Climate Pledge, GFANZ and zerotracker.net. Note: data gathered from 48% of the underlying portfolio.

Net zero targets by geography

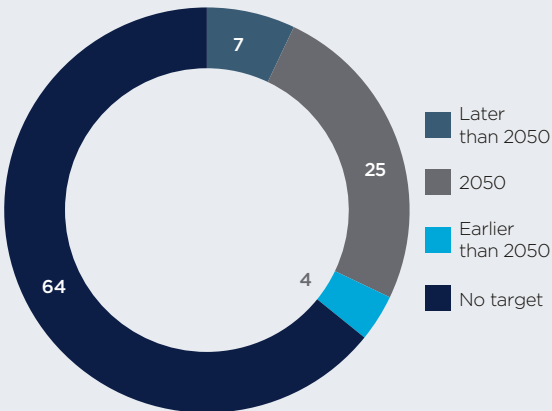
We are keeping abreast of the substantial regulatory and policy changes around the net zero transition. We believe that net zero targets, at the highest level, are an appropriate signal that companies and investors are reducing their GHG emissions. In the two pie charts below, we have mapped our managers and their investments globally, then grouped these by countries’ net zero targets. We have used Net Zero Tracker to understand the status of countries’ targets. This year has seen a significant shift in the distribution of net zero targets among the geographies we have invested in, almost solely linked to the fact that the USA has withdrawn from the Paris Agreement. Given our exposure to managers and underlying investments based in the US, this has significantly skewed the two graphs below. We will continue to monitor this situation and highlight the fact that despite the situation changing at the national level, our overall underlying holdings coverage with net zero aligned and emissions reductions targets remains encouraging.

Figure 2: Date of net zero target by manager location, as % of NAV



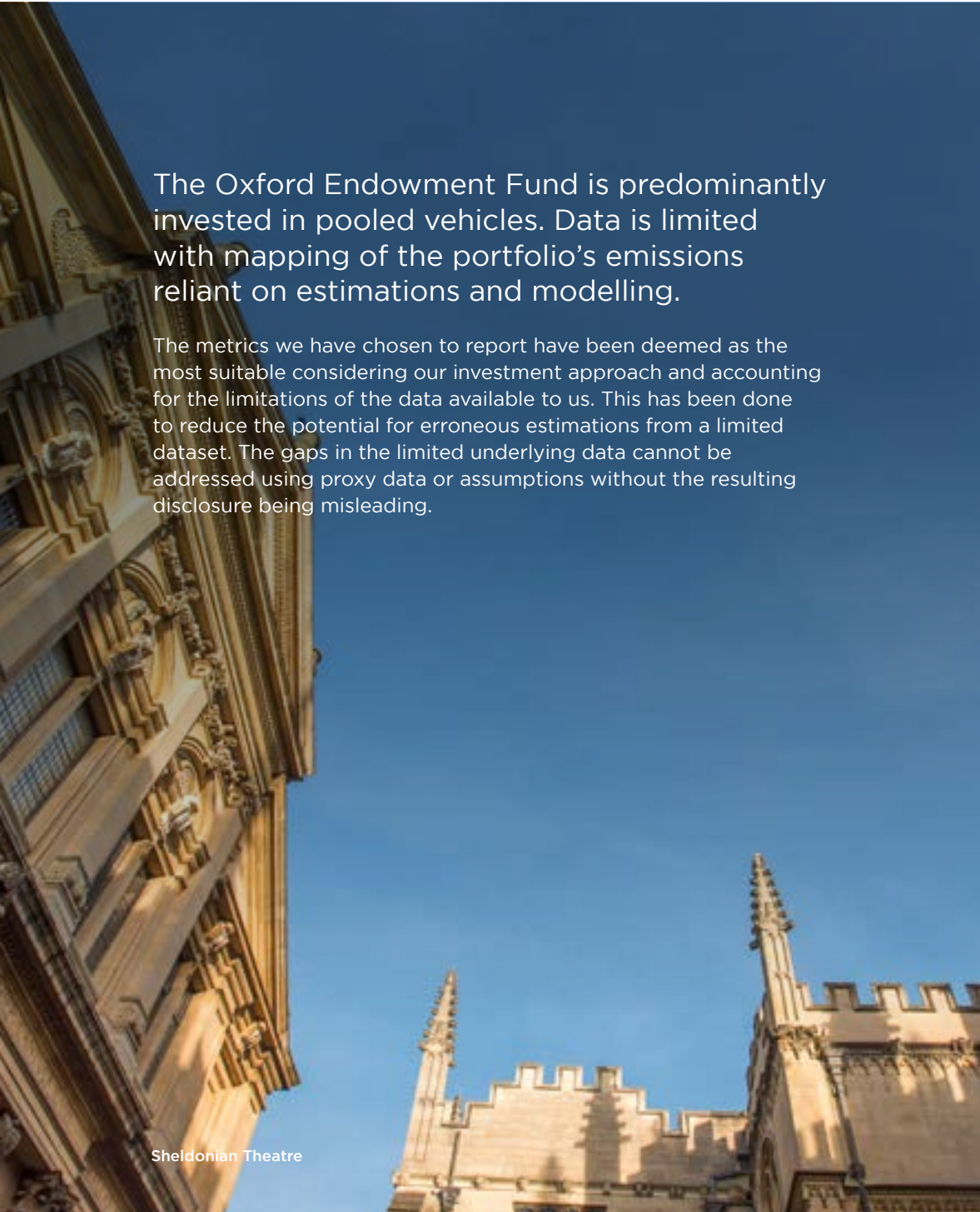
Source: OUem and zerotracker.net.

Figure 3: Date of net zero target by underlying investments’ location, as a % of NAV



Our managers invest internationally, hence are exposed to countries beyond their own. By managers’ location and investments, approximately 64% of the OEF now lies in countries without a target, since the US withdrawing from the Paris Agreement for a second time. Full geographic exposure can be found in the [OEF Report](#).

Estimated emissions of the OEF’s indirect investments



The Oxford Endowment Fund is predominantly invested in pooled vehicles. Data is limited with mapping of the portfolio’s emissions reliant on estimations and modelling.

The metrics we have chosen to report have been deemed as the most suitable considering our investment approach and accounting for the limitations of the data available to us. This has been done to reduce the potential for erroneous estimations from a limited dataset. The gaps in the limited underlying data cannot be addressed using proxy data or assumptions without the resulting disclosure being misleading.

Modelled emissions
We consider climate risks specific to the portfolio to be low given our active approach to investment management and long term themes such as resource efficiency. We have shared our key defences to climate change within our strategy and risk management sections, which we believe would be the most appropriate frameworks in a range of climate scenarios; although we currently do not have the data to model this.

The Weighted Average Carbon Intensity (WACI) of the OEF has been calculated for 44% of underlying holdings in the portfolio, where emissions are reported or estimated from public sources. The WACI is calculated as tCO₂e/£M revenue.

Table 1: WACI of the OEF and MSCI ACWI

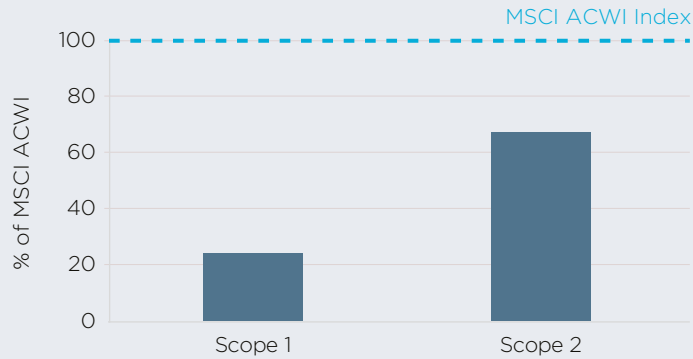
	OEF	MSCI ACWI
2022	72.9	161.0
2023	44.1	129.0
2024	45.1	117.4

Source: OUem, Bloomberg.

The OEF predominantly invests in pooled vehicles and accurate mapping of emissions is challenging. As such, we are reliant on evolving datasets, modelling and estimates. Our solution currently is to map and compare the OEF’s greenhouse gas emissions, at the portfolio level and by sector, to that of the MSCI ACWI. Figure 4 alongside shows the carbon footprint of the OEF’s public companies (tCO₂e/£M invested) relative to the MSCI ACWI. The OEF’s public companies’ total carbon footprint is approximately 32% of the MSCI ACWI’s. This is broken down into scope 1 and 2 footprints. Figure 5 highlights the fact that the OEF is weighted towards less GHG intensive sectors than the MSCI ACWI.

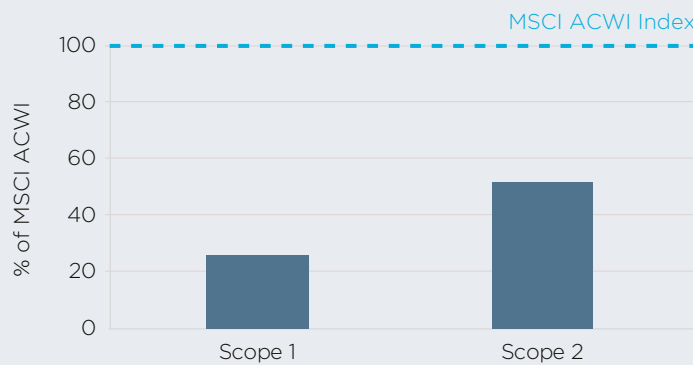
Please note that while the results presented on this section are encouraging, the modelled analyses may not accurately reflect GHG emissions. This is due to incomplete look through data and estimated emissions for underlying companies, where the latter, in particular, may not accurately track companies’ decarbonisation from one year to the next. When data becomes available, we will explore reviewing of long term trends over year by year comparisons.

Figure 4: Modelled OEF carbon footprint (tCO₂e/£M invested)



Source: OUem, Bloomberg. Note: Scope 1 = All direct greenhouse gas (GHG) emissions that an organization emits from sources it owns or controls directly. Scope 2 = Indirect GHG emissions from consumption of purchased electricity, heat or steam.

Figure 5: Modelled OEF emissions by sector



Source: OUem and Bloomberg.

Oxford Endowment Fund nature-related impacts and dependencies

According to the TNFD, a sector, industry or company’s exposure to risks and opportunities associated with nature can be characterised by their impacts and dependencies on biodiversity and ecosystem services.

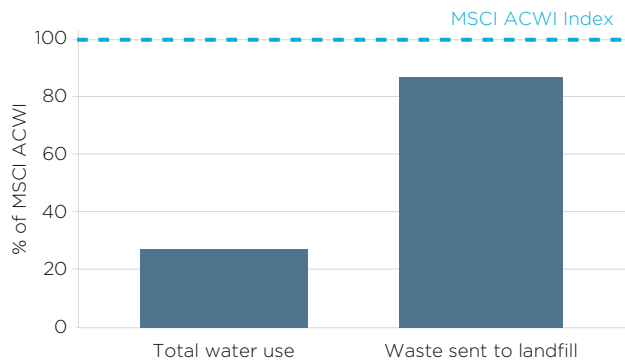
OUem has begun to map out the portfolio in terms of potential nature-related impacts and dependencies. Data is limited in these areas and as such, mapping of the portfolio’s biodiversity and ecosystem service-related metrics is reliant on estimations and modelling predominantly at the sector and industry levels.

OUem has reviewed several data sources and industry papers on mapping biodiversity impacts and dependencies and the OEF scores well against these measures.

Modelled OEF water use and waste sent to landfill

As with climate related data, accurate mapping of impacts and dependencies on nature is challenging. Again, we are reliant on evolving datasets, modelling and estimates. Currently, we map and compare the OEF’s water use and waste sent to landfill, by sector, to that of the MSCI ACWI. The figure below shows the Fund to be weighted, at the sector level, towards less water and waste intensive sectors than the MSCI ACWI.

Figure 6: Modelled OEF total water use and waste sent to landfill by sector



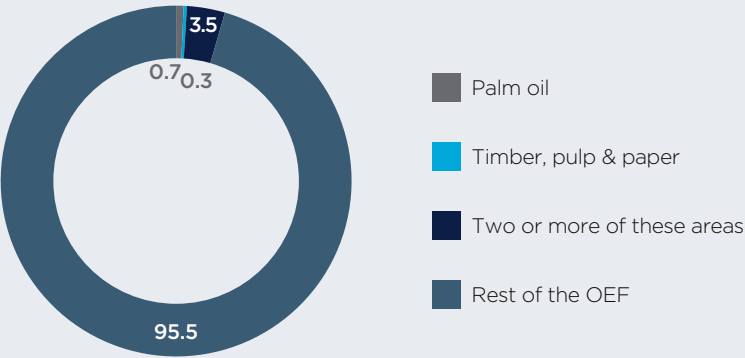
Source: OUem, Bloomberg.

Forest risk commodity exposure

Less than 5% of the OEF is indirectly exposed to the 350 companies involved in either the manufacturing, trading or retail of forest risk commodities included in Global Canopy’s Forest 500 list. Of the OEF’s exposure to these companies, the majority is through a small number of consumer facing retailers operating across two or more of these commodities. There are no companies exposed solely to soy, reflected in the graph below.

We will continue to monitor our indirect exposure to these areas and will engage with our managers who hold these companies in their portfolios.

Figure 7: OEF exposure to companies that are involved in either the manufacture, trade or retail of forest risk commodities



Source: OUem, Global Canopy. Note: OEF indirect exposure to companies that are involved in either the manufacture, trade or retail of forest risk commodities

Operational metrics and targets

OUem is a small company based in Oxford. This page outlines where and how we have integrated climate and nature strategy into our operations.

Our primary strategy to drive sustainability across the organisation was to set a target of becoming carbon neutral across our operations by 2025. We have now achieved this target.

Reduce operational emissions

To achieve carbon neutrality, the first and most important step is to reduce operational emissions to the greatest extent possible. Operational emissions were identified to be: refrigerant leakage, gas use, electricity use, business travel, employee commuting, waste disposal, water consumption, working from home related emissions and business hotel stay emissions. Further information is found in the metrics and targets section.

In 2020, OUem moved to a newly renovated office. In our fit out of the building, we targeted energy and waste efficiencies; this ranged from sourcing sustainably manufactured furniture to energy efficient kitchen equipment. As a listed building, the landlord retrofitted windows with secondary glazing to reduce heating waste. Our utility and energy provision uses a renewable energy electricity tariff and as of the start of 2025, OUem is now supplied with 100% green biogas.

We will continue to take measures to reduce operational emissions where we can. Inevitably there will still be unavoidable emissions arising from employee commuting and business related travel. To meet our target this year we have offset any hard to abate, unavoidable emissions arising from these sources with high quality nature-based carbon removal credits.

Sustainability of suppliers

Prior to engaging a new material service provider, we have introduced analysis of approach to sustainability as part of our due diligence. This includes engaging and improving our understanding of a group’s transition to net zero. As a business, we have the opportunity to partner with the most sustainable partners and suppliers.

Collaboration to improve our processes


We have signed up to several organisations and initiatives. These network memberships and initiatives increase our understanding of policy changes across the industry and keep us abreast of any new developments or initiatives that may be useful for us in our ongoing pursuit of sustainability at OUem. We also have access to some of the most eminent climate research and academics in the world.

Employee engagement


Wherever possible, recycling and reduction of food waste is encouraged. We also promote more sustainable employee commuting through the cycle to work and salary sacrifice electric car schemes.

Identification of climate and nature risks

OUem is a small business and climate risks to the operating entity are currently considered to be low. Due to its size and location, physical climate-related risks are likely to be small. We have identified the following transition risks which could contribute to a risk of potentially higher operating costs; however, none of these risks are deemed material:



Increased cost of carbon emissions and increased emissions reporting obligation; both risking higher operating costs.



The need to switch to lower emissions technologies contributing to potentially higher operating costs.

Nature risks to the operating entity are also currently considered to be low, and OUem’s operational impacts on nature are likely to be negligible. OUem’s dependencies on nature are expected to be low as a result of our overall approach to operational sustainability discussed in this section.

Impact of and resilience to climate risks and opportunities

Given the limited climate risks that OUem faces at the company level, we do not foresee any material impacts on the operational business, strategy or financial planning regardless of current modelled scenarios of 2°C or lower. In order to meet our climate targets, additional costs to the business are expected. For example, sustainable suppliers may be more costly and there is a cost to offsetting carbon emissions.

Climate and nature risk management

As a small company, operational climate and nature risks are perceived to be low. We have formed an internal ESG Working Group whose role is to review practices and initiatives relating to ESG matters, ensuring they remain effective and up to date. The meetings of the Working Group can act as a forum for discussion of climate and nature risks and opportunities and subsequently, if necessary, escalated and actioned beyond the Working Group as appropriate.

St Catherine’s College

Operational metrics and targets

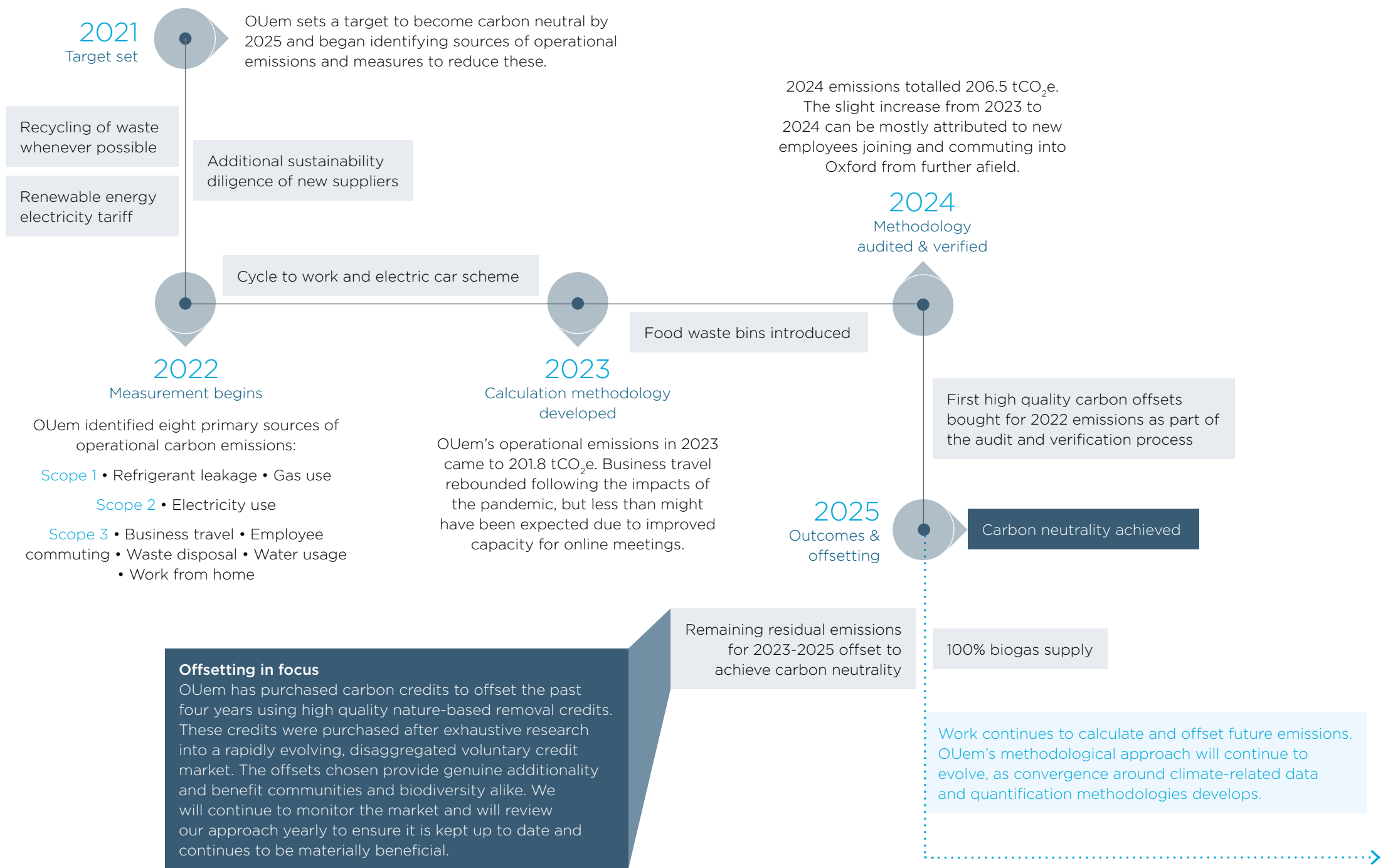


In 2021, OUem committed to carbon neutrality by 2025. We are pleased to report that we achieved this target early this year.

OUem has undergone a rigorous process of implementing a methodology to calculate emissions, which has been verified by an external organisation. Steps have been taken to reduce emissions and high quality nature based carbon credits have been purchased to offset residual emissions.

We will explore potential metrics to quantify operational impacts and dependencies on nature, although given the size of OUem, the location of the office and the steps we have taken to improve sustainability at the company, we expect these to be negligible.

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