

## Sustainable investment statement

City, University of London invests funds ethically with third party organisations through surplus cash funds, endowments, spinout companies and other financial opportunities. These investments are consistent with City's values set out in the [Vision and Strategy 2030 • City, University of London](#) and done so responsibly in regards to ethical, social and environmental governance (ESG) issues.

The majority of City's investments are in the form of cash deposits, held within various banks and building societies. A smaller proportion relates to our endowment investments. The total value of all of City's investments at year end 31 July 2023 was £83.2 million and were split as follows:

- Cash investments £60.4 million
- Endowment related investments £19.7 million
- Sinking fund related investments 2.0 million
- Bonds relating to student loans and investments in spinout companies £1.1 million

[A detailed breakdown of all of City's investments as at 31 July 2023 can be found here.](#)

The investment arrangements of the two largest investment types are:

### 1. Working capital cash investments

The vast majority of City's investments are cash based and are invested through money market and other types of accounts held with trusted banks and building societies, in line with the investment parameters within City's Investment Policy.

### 2. Endowment related investments

City and our partner organisations are committed to investing ethically and socially responsibly. Sustainability is represented in all of our activities and the University is signed up to the United Nations' (UN) 17 Global Goals.

Following City's Council decision on 18 May 2023, City will explicitly request that its Investment Managers divest and no longer hold direct investments in fossil fuel producers.

City will also not invest in companies which are in breach of international norms and whose activities can be seen to endanger individuals or groups of people. We will also not invest in governments which have breached UK, UN, US or EU sanctions, or face any other ESG related events that may affect their prosperity and economic development.

Through positive and negative investment screening, City expects its appointed Investment Managers to seek companies demonstrating a responsible approach to environmental social and governance issues and avoid investing in companies which do not. When selecting investments, the managers should consider:

- Protection of the global environment, its climate and biodiversity
- Promotion of human rights
- Equality of gender, race, religion and sexual orientation
- Good business ethics and employment practices
- Avoidance of conflict in the pursuit of justice and peace
- Sustainable procurement and provision of services
- Avoidance of products or activities deemed harmful to society

City's main investment manager, UBS, analyses more than 12,000 investment issuers with over 500 ESG sustainability indicators from multiple leading data providers, in over 170 countries.

These indicators have been grouped into six core sustainability topics:

- Pollution and waste
- Climate change
- Water
- People
- Governance
- Products and services.

UBS's six core sustainability topics are designed to offer a more simplified and targeted approach to sustainability challenges and specifically to inform the decisions of private investors.

The topics represent universal sustainability challenges to all companies and compliment the UN's 17 Global Goals. They are selected by using the best industry practices available from current sustainability data, client feedback and company financial outcomes.

UBS scores issuers from zero (least sustainable) to ten (most sustainable) for each of the six topics, as well as a final headline zero-to-ten score that reflects a weighted average of individual topic scores based on the topic's importance to each industry. These scores help investors make decisions with sustainability in mind.

### **Investment governance arrangements**

City's investments are managed in accordance with the parameters set within our Investment Policy. This policy is updated annually and approved by City's Council, which includes staff and student representatives.

The Members of Council receives quarterly financial performance reports as well as an annual report from City's external Investment Managers.

Website Statement approved by the

CFO Date: 15/01/2024