

# **Aalto University endowment sustainability report**

31.12.2021



Aalto University

# Policy summary

The endowment is committed to responsible investing and is managed in a sustainable way. Aalto University is a signatory to the Principles of Responsible Investing (PRI).

The endowment invests via funds meaning the security selection is outsourced. We use both passive index funds and active investment strategies.

From our passive investments we exclude UN Global Compact violators, controversial weapons, thermal coal and oil sands production.

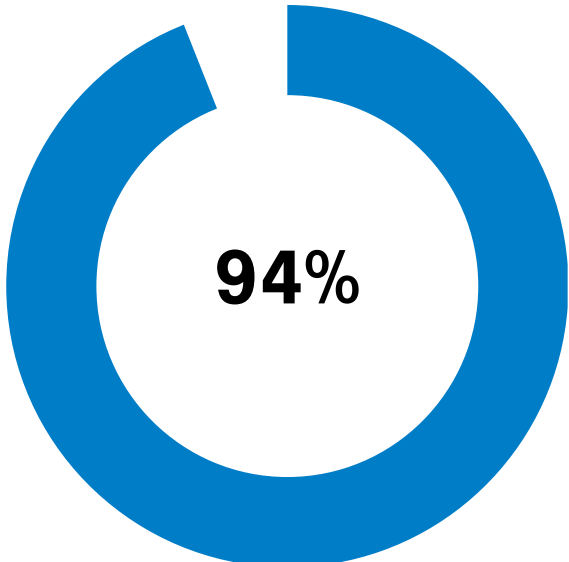
Active managers are required to engage with companies and integrate sustainability analysis to investment decisions.

We aim to benefit from the transition towards a more sustainable society and prefer investments with a positive sustainability profile.

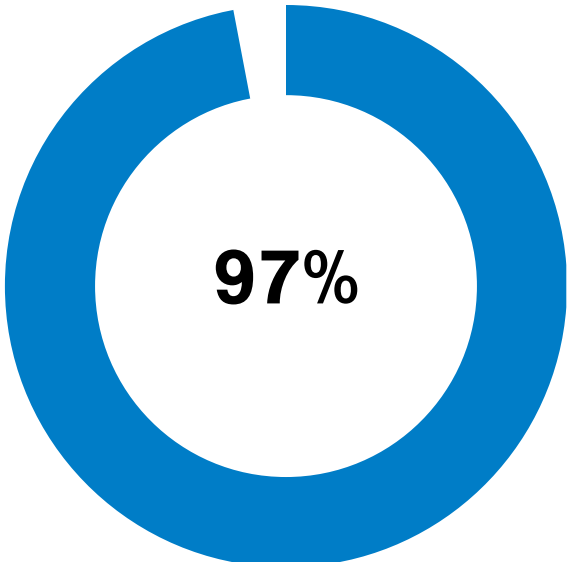
We target a carbon neutral portfolio in the long run while significantly reducing the carbon intensity of the portfolio in the medium term.

# Portfolio sustainability profile

Of our external managers...



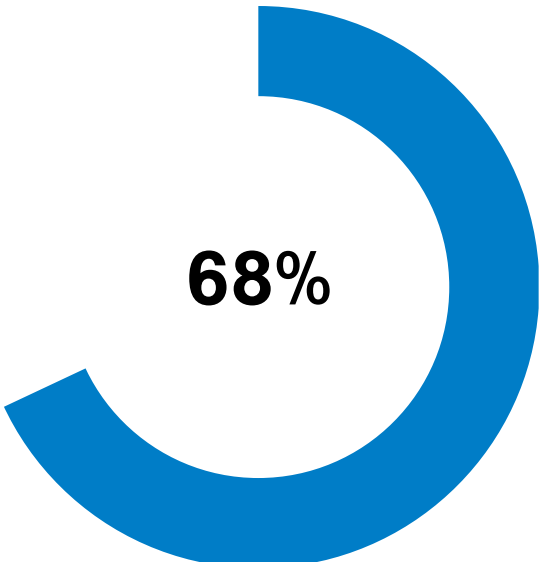
...have signed the Principles of Responsible Investment (PRI).



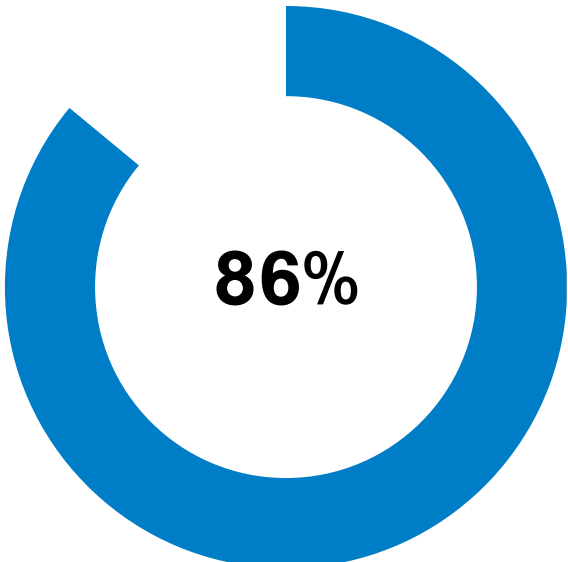
...have a dedicated Environmental, Social & Governance (ESG) Policy.



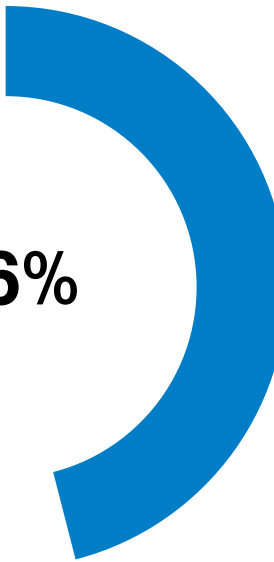
...explicitly target a positive ESG profile.



...use negative Screening or have an Exclusions policy.



...have an Active Engagement Policy.

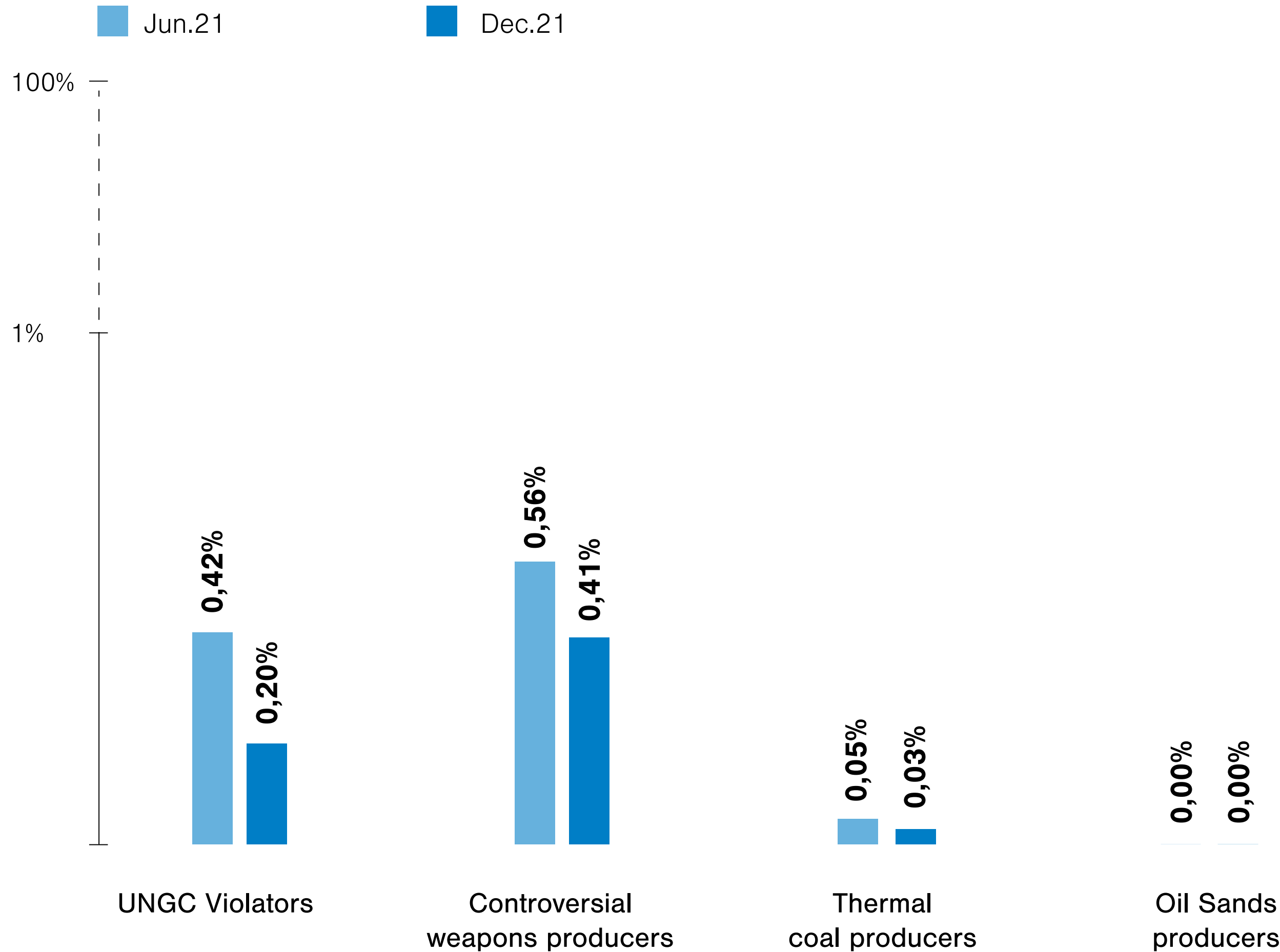


...are classified as Article 8 or 9 according to the EU Sustainable Finance Disclosure Regulation (SFDR).

Data collected by surveying all external managers. Figures weighted by invested capital.

# Norms violations and high sustainability risks

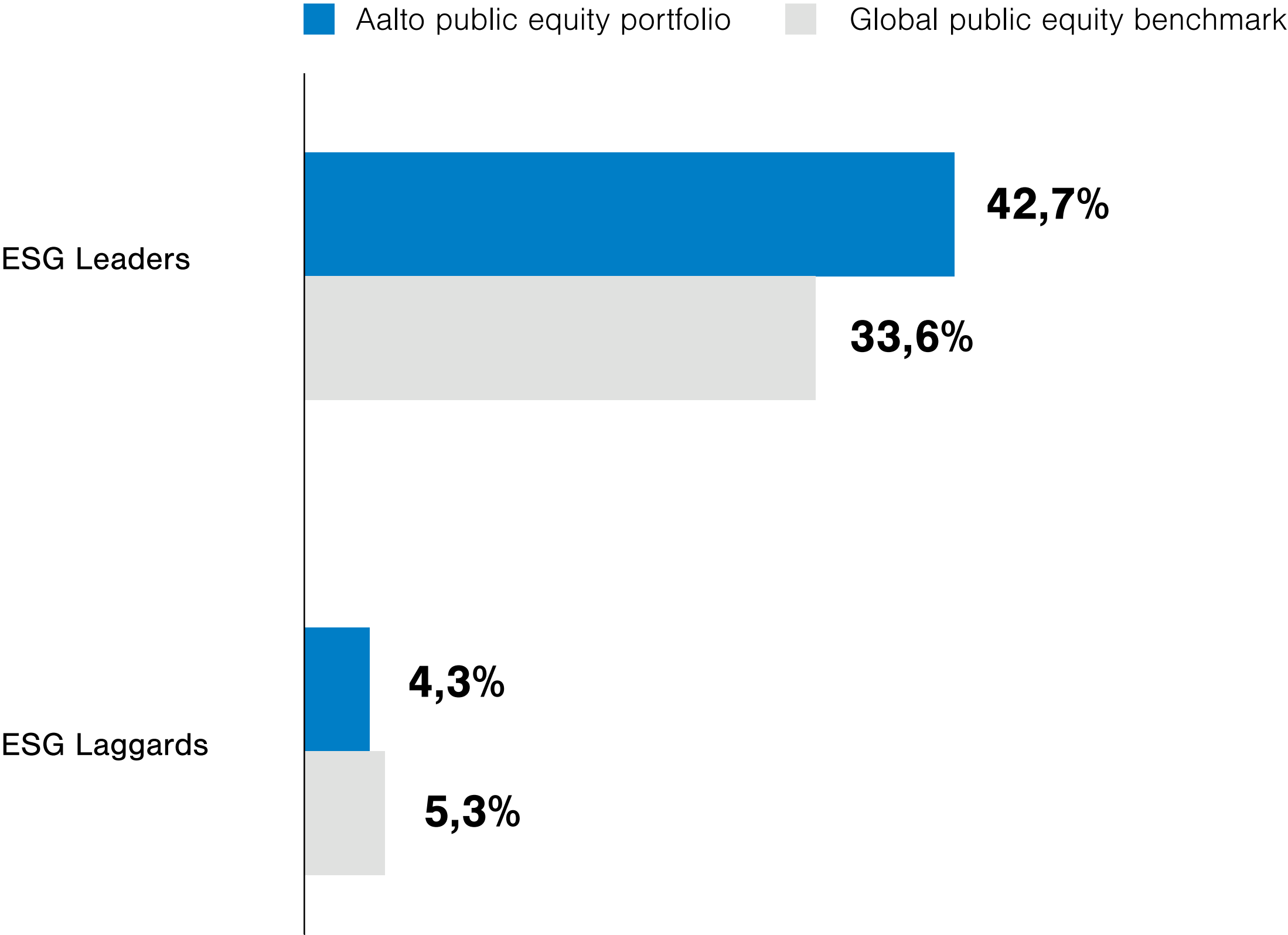
Holdings based screening of UN Global Compact violators (UNGC) and business involvement in high risk sectors. Figures as a % of capital in mutual funds and ETFs investing in listed corporate securities. 56% of the endowment portfolio covered.



# Public equity portfolio sustainability profile

ESG profile analyzed using external ESG rating and emissions data. Public equities cover 53% of the endowment portfolio.

## ESG rating profile

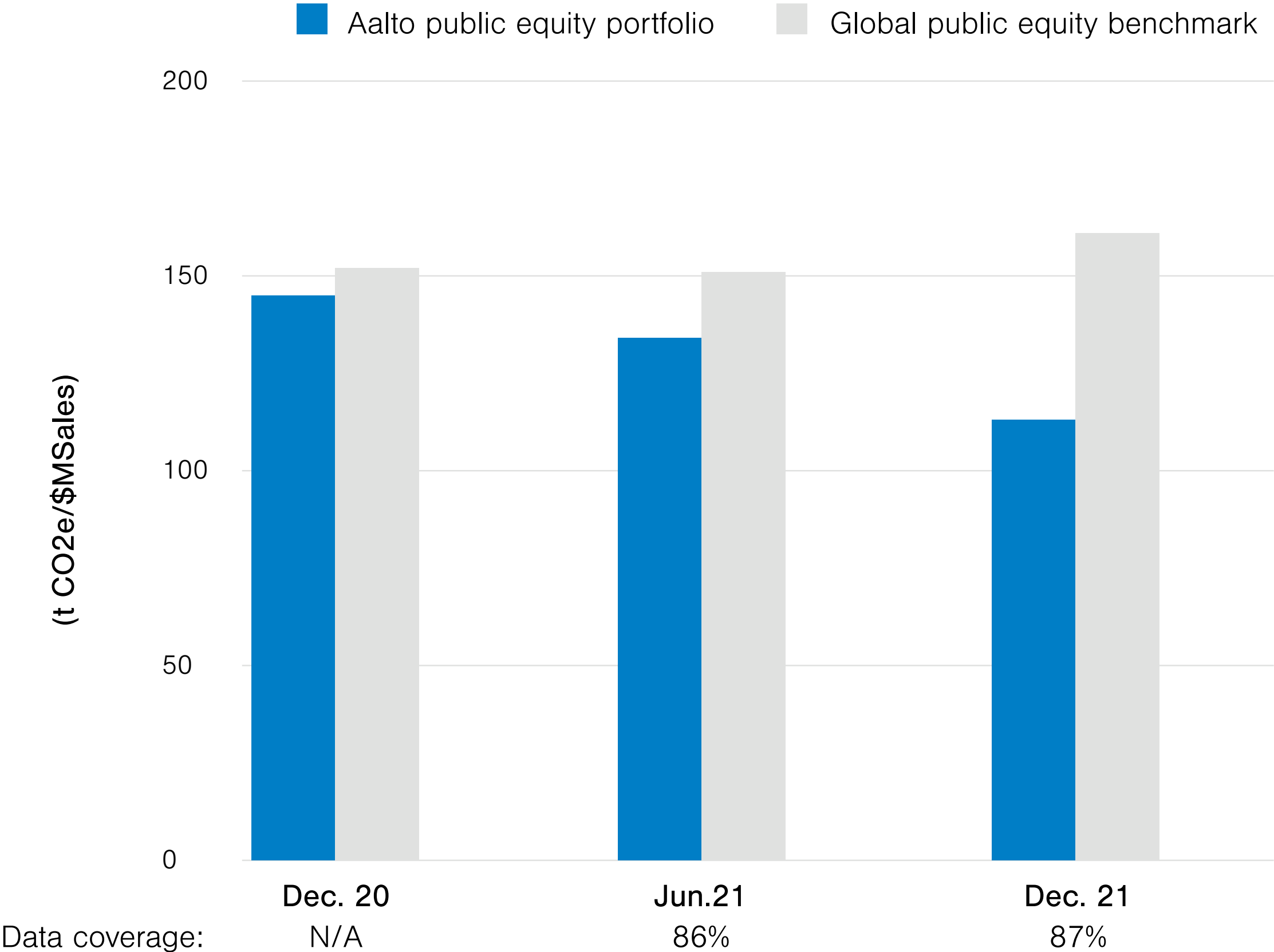


According to MSCI definition, Leaders are rated AAA or AA, Laggards are rated B or CCC. The data coverage for the Aalto Public equity portfolio is 88.7% and the figures have been rescaled to represent this sub-group. The benchmark coverage is 99.6%.

# Public equity portfolio sustainability profile

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## Weighted average carbon intensity\*



\*The Dec.20 and Jun.21 benchmark numbers have been restated to match the calculation method and data source of the endowment portfolio.

# Sources

Sustainalytics, Bloomberg, MSCI, Aalto Endowment 2021 ESG Survey, Aalto Endowment Policy for Sustainable Investment.

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