

# Responsible Investment Report 2025

The University, consistent with its values and as set out in its strategy [From Manchester for the world](#), is fully committed to acting in a socially responsible manner, with social responsibility underpinning everything we do. We believe that our investments should be consistent with our values and that Environmental, Social and Governance (ESG) issues should be considered when making investment decisions.

We work with our investment advisers and managers to ensure that investments meet the requirements of our [Policy for Responsible Investment](#) and [Investment Beliefs and Objectives](#)

Our investment portfolio is made up of endowment funds. These are gifts from donors intended to be held on trust to generate a return, usually for specific purposes within the University. We invest these funds across a range of asset classes, including equities, property, cash, diversified growth funds and multi asset credit funds.

## 2025 highlights



### exceeded 50% target

Exceeded our 50% target for reduction in the weighted averaged carbon intensity (WACI) of equity holdings by 2027: 67% reduction from 31 December 2019 to 31 July 2025 (59% in 2024).



### exceeded 40% target

Exceeded our 40% target for reduction in the WACI within the investment grade credit allocation by 2027: 45% reduction from the benchmark figure at 31 December 2019 to 31 July 2025 (39% in 2024)

No direct shareholdings in companies producing tobacco or manufacturing controversial weapons, or companies with the lowest ESG rating (as defined by MSCI) throughout 2025. There was a brief direct shareholding in energy companies that may have had a fossil fuel link due to an error in the application of the University's fossil fuel exclusion by one of its investment managers. This was spotted by the University and immediately rectified by the relevant investment manager.



## Stewardship

During 2025, we invested in listed equities through two active managers, Ruffer and Ninety One (the latter until April 2025) and one passive fund via Mercer (Mercer Passive Sustainable Global Equity Fund). ESG issues are fully integrated into investment processes and managers directly engage with companies and vote at shareholder meetings on our behalf.

Ruffer, Ninety One and L&G (Legal & General – the underlying manager for the Mercer Passive Sustainable Global Equity Fund) are signatories to the UN Principles for Responsible Investment (PRI)

and members of the Institutional Investors Group on Climate Change (IIGCC), Climate Action 100+ and the Transition Pathway Initiative.

Note: The Net Zero Asset Managers (NZAM) Initiative launched a review of the initiative due to recent global developments (see update from the [Net Zero Asset Managers initiative](#))– owing to this announcement, NZAM suspended its activities to track signatory implementation and reporting. An update to this expected in early 2026.

### Ruffer

- Stewardship activity in 2025 included ongoing engagement with Barrick Mining on carbon emissions and biodiversity. Ruffer attended the annual sustainability update encouraging additional disclosure on GHG emissions and ascertaining the rationale for the shift from absolute carbon emission reduction targets to intensity-based targets. Ruffer also asked for an update on Barrick's white rhinoceros project next to its Kibali mine site. Having introduced 16 rhinos to the Garamba National Park it has now entered phase 2 with a further 64 to be introduced.
- Ruffer engaged with Newmont Mining in 2025 on carbon emissions and health and safety. Ruffer wished to understand carbon reduction targets post the acquisition of Newcrest and encourage the company to publish a marginal abatement cost curve (MACC). Ruffer also asked what Newmont were doing to resolve recurring health and safety issues. It was encouraged that H&S metrics now feature explicitly in annual incentive plans.
- Ruffer also met with Arcelor Mittal, the global steel manufacturer and, as part of the CA100+ collaborative engagement, tabled several questions at the company's AGM [[corporate.arcelormittal.com](https://corporate.arcelormittal.com)]. Ruffer suggested two ways the company could give investors comfort on its pathway to Net Zero: disclosing a marginal abatement cost curve (MACC); and a qualitative discussion or scenario analysis expanding on its dependencies (such as reliable supply of economically priced hydrogen), uncertainties and challenges. Ruffer continued to monitor the implementation of the dss+ safety audit recommendations following the Kostenko mine disaster in October 2023. Given there were still fatalities in 2024, albeit considerably less than in 2023, implementation of the recommendations will continue to be a focus of engagement activity.

Download [Ruffer TCFD report 2024](#)

### Ninety One

- Ninety One prioritise their stewardship activity & engagement efforts where change can have the greatest impact, focussing on materiality.
- In line with the Institutional Investor Group on Climate Change (IIGCC) net-zero investment type framework, the Multi-Asset Credit portfolio managed by Ninety One has seen an increased proportion of investments fall into an aligned or aligning category. This scoring illustrates a broad spectrum of progress towards a net zero world, in what will inevitably be a journey with a variety of twists and turns along the way. Ninety-One's largest current category, which includes companies that are committed to a low carbon transition or have the potential to transition, is swollen in size largely from a strong representation of lower carbon emitting industries such as services, healthcare, media and technology; these corporates often have yet to fully embrace a transition plan and show progress along that journey. Interestingly it is often the heavy emitting sectors/ corporates that are most advanced in their transition planning and execution.

Download [Ninety One – Sustainability and Stewardship Report](#) for the year ended 31 March 2025

## Mercer

- L&G are the underlying investment manager of the Fund and vote at shareholder meetings on behalf of investors in the fund. Both Mercer and L&G are signatories to the UK Stewardship Code, considered the “gold standard” of stewardship practices.
- The fund aims to reduce carbon emissions with a view to achieving net zero carbon emissions by 2050. The environmental and social characteristics of the fund are achieved through tracking the performance of the Solactive Sustainable Global Developed Equity EU Paris-Aligned Index.
- Mercer worked closely with L&G to design the benchmark to enhance exposure to positive environmental, social and governance (“ESG”) factors and stay compliant with EU Paris-Aligned benchmark regulatory requirements and provide low carbon emission exposure with a view to achieving the long-term global warming objectives of the Paris Agreement.
- The University also invested in fixed income through Mercer, in the Absolute Return Fixed Income Fund. The fund discloses information under Article 8 requirements (Article 8 of the EU’s Sustainable Finance Disclosure Regulation identifies products that promote environmental and/or social characteristics, while also addressing governance).

Download [Mercer – Our investment approach to climate change 2024](#)

## BlackRock – Property

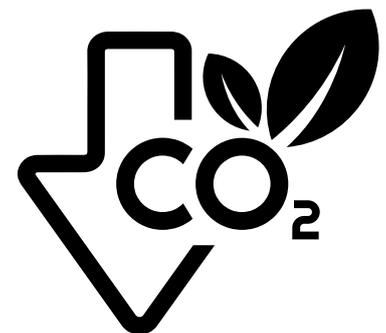
- Aligned with BlackRock’s firmwide commitment, the BlackRock UK Property Fund (BUKPF) aims to achieve net zero greenhouse gas emissions by 2050 or sooner. As part of this commitment, BUKPF is classified under the Sustainable Finance Disclosure Regulation (SFDR) as an Article 8 Fund which promotes, among other characteristics, Environmental and/or social characteristics by which the investments are made in accordance with sustainability and good governance practices.
- BUKPF is a member of GRESB (formerly Global Real Estate Sustainability Benchmark) and is the recipient of its Green Star rating for excellent performance for ten consecutive years to date.
- Notable initiatives include the Fund’s integration of IBOS (Intelligent Building Operating System) across several properties which has seen excellent results. IBOS fully optimises building systems to maintain optimal environmental conditions. Since implementation, the Fund has witnessed an average energy reduction of 24% across the IBOS portfolio. This equates to 7,488,106 kWh, 1,690,075 kgCO<sub>2</sub> and £1,634,605 saved in energy consumption and costs with the Fund continuing to look for good candidates within the portfolio to implement the IBOS and other sustainability related technology to consumption.
- BUKPF continuously looks to improve Fund performance through strategic and active asset management initiatives that are aligned with their net zero and regulatory targets as outlined above.

Download [BlackRock - 2024 Climate Report](#)

## 2026 plans

This year, we will review our Policy for Responsible Investment and continue to work towards our decarbonisation targets, enabling the transition towards our target of net zero direct carbon emissions in the investment portfolio by 2038 and net zero indirect carbon emissions by 2050 – this will include investing 10% of the portfolio in an impact investment fund aligned with UN sustainable development goals.

Note that the University will also be investing in another property investment fund in 2026 – the CBRE Global Alpha Fund.



**2050**