

U.C. Investments: ESG Integration Dashboards

UC Investments: ESG Integration Dashboard

As of February 2025

What We Do

Guided by our “Framework for Sustainable Investing,” we systematically integrate risk evaluation of material environmental sustainability, social responsibility and governance factors into our investment process.

Doing so provides us with a better risk-reward calculation and is consistent with our fiduciary duty.

We are committed to continuously improving our integration of ESG over time.



Diversified Returns: Students

The UC Investments Academy, which we created to connect UC undergrads with opportunities in the financial industry, has engaged **3500+** students across **9** UC campuses. The Academy provides free training, tools and coaching to all interested UC students.



Climate Change: Reducing Risk

With limited exceptions, we do not invest in fossil fuel reserve owning companies. Our approach reduces stranded asset risk to our portfolio and has yielded higher 1, 5 and 10 year returns than the MSCI ACWI IMI index.



Active ownership

In the past year, we engaged with **400+** companies on **1,800+** material risks around climate change, human rights, corporate governance and other issues. We also voted our proxy in thousands of shareholder meetings.



Healthy, Efficient Buildings

37% of the value of the UC endowment’s **\$2.8 billion** real estate portfolio is certified by third party experts as energy and water efficient, healthy for workers, or both.



Climate Change: Advancing Solutions

Our **~\$1.1** billion investments in clean energy have resulted in **4.74 gigawatts** of new renewable energy and battery storage projects in the US, Canada, India, Ireland and Japan.



Reporting & Communications

Published **4th** annual climate risk report, prepared using the TCFD reporting protocol. The report contains the carbon footprint of UC’s investments as well as information on risks from the physical impacts of climate change.

UC Investments: ESG Integration Dashboard

As of August 2023

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Diversified Returns: Students

The UC Investments Academy, which we created to connect UC undergrads with opportunities in the financial industry, has engaged **3000+** students across **9** UC campuses. The Academy provides free training, tools and coaching to all interested UC students.



Climate Change: Reducing Risk

We calculate the carbon footprint of our investment portfolio annually. In 2023, the portfolio’s carbon emissions were **~5.5** million tons, a decrease of **5.2%** since 2022.



Active ownership

In the past quarter, we engaged with **500+** companies on **1,800+** material risks around climate change, human rights, corporate governance and other issues. We also voted our proxy in thousands of shareholder meetings.



Diversified Returns: Partners

49% of our US based asset managers are “diverse-owned.” Diverse-owned partner firms manage **~42.5%** - or **\$21.7** billion – of the assets in UC’s pension and endowment.



Climate Change: Advancing Solutions

Our **~\$1.1** billion investments in clean energy have resulted in **4.74** gigawatts of new renewable energy and battery storage projects in the US, Canada, India, Ireland and Japan.



Reporting & Communications

Published **5th** annual Diversified Returns Report, which is recognized as one of the most thorough, transparent reports on asset manager demographics by a public pension fund or university endowment.

UC Investments: ESG Integration Dashboard

As of November 2023

What We Do

Guided by our “Framework for Sustainable Investing,” we systematically integrate risk evaluation of environmental sustainability, social responsibility and prudent governance factors into our investment process.

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Diversified Returns: Students

The UC Investments Academy, which we created to connect UC undergrads with opportunities in the asset management industry, has engaged **1500+** UC students. Our inclusive approach is attracting a diverse cohort of talented students into the pipeline.



Climate Change: Reducing Risk

We calculate the carbon footprint of our investment portfolio annually. In 2023, the portfolio’s carbon emissions were **~5.5** million tons, a decrease of **5.2%** since 2022.



Active ownership

Engaged in dialogue with **700+** companies in **40+** countries. We encourage investee companies to manage material risks around climate change, human rights, corporate governance and other issues.



Diversified Returns: Partners

47% of our US based asset managers are “diverse-owned.” Diverse-owned partner firms manage **~40%** - or **\$21.4** billion – of the assets in UC’s pension and endowment.



Climate Change: Advancing Solutions

Our **~\$1.1** billion investments in clean energy have resulted in **3.15** gigawatts of new renewable energy and battery storage projects in the US, Canada, India, Ireland and Japan.



Reporting & Communications

Published **fourth** annual Diversified Returns Report, which is recognized as one of the most thorough, transparent reports on asset manager demographics by a public pension fund or university endowment.

UC Investments: ESG Integration Dashboard

As of April 2023

What We Do

Guided by our “Framework for Sustainable Investing,” we systematically integrate risk evaluation of environmental sustainability, social responsibility and prudent governance factors into our investment process.

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Diversified Returns: Students

Created new partnership with The Toigo Foundation to fund **20** Toigo Fellows from UC graduate school programs in business and real estate. The partnership’s goal is to cultivate the next generation of leaders in finance.



Climate Change: Reducing Risk

We calculate the carbon footprint of our investment portfolio annually. In 2022, the portfolio’s carbon emissions were **~5.8** million tons, a decrease of **9.4%** since 2021.



Active ownership

Engaged in dialogue with **771** companies in **43** countries. We encourage investee companies to manage material risks around climate change, human rights, corporate governance and other issues.



Diversified Returns: Partners

47% of our US based asset managers are “diverse-owned.” Diverse-owned partner firms manage **~40%** - or **\$21.4** billion – of the assets in UC’s pension and endowment.



Climate Change: Advancing Solutions

Our **~\$1.1** billion investments in clean energy have resulted in **2.7** gigawatts of new renewable energy and battery storage projects in the US, Canada, India, Ireland and Japan.



Reporting & Communications

Published **fourth** annual Diversified Returns Report, which is recognized as one of the most thorough, transparent reports on asset manager demographics by a public pension fund or university endowment.

ESG Integration Dashboard:

March – June, 2021

What We Do

Guided by our “Framework for Sustainable Investing,” we systematically integrate risk evaluation of environmental sustainability, social responsibility and prudent governance factors into our investment process.

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Diversified Returns: Team

Expanded DEI learning resources available to UC Investments team on our bespoke Diversified Returns app.



Climate Change: Reducing Risk

Managed climate change risk through active engagement with 18 investee companies in multiple sectors, including financials and utilities.



Active ownership

Completed inaugural third party review of proxy voting execution vs. proxy voting guidelines. No material discrepancies found.

Engaged with 271 investee companies on material ESG risks.



Diversified Returns: Partners

100% of new manager searches in FY20-21 used the “diverse slate rule,” to expand access to talent.

Met with New America Alliance board, staff & membership.



Climate Change: Advancing Solutions

As of 6/30/21, our investments in clean energy have resulted in 2.6 gigawatts of new renewable energy – a 54% increase since 6/30/20.



Reporting & Communications

Updated & expanded Diversified Returns webpages.

Initiated research & writing of inaugural TCFD (climate change) Report.

ESG Integration Dashboard:

January – March 2021

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Diversified Returns: Team

Implemented new recruiting outreach tools, resulting in diverse slate of qualified applicants for the one open position we have been able to fill during Covid hiring freeze.



Climate Change: Reducing Risk

Prepared annual carbon emissions footprint of public equities portfolio

Added ex fossil fuel reserves core option in UCRSP.



Active ownership

Established 2021 shareholder engagement priorities: climate change risk, board diversity and human capital management.

Recognized by As You Sow for our custom proxy voting guidelines on executive compensation.



Diversified Returns: Partners

Participated in an ILPA Diversity in Action working group to develop standardized DEI metrics for private equity investment partners and portfolio companies.



Climate Change: Advancing Solutions

Continued to source investable opportunities in climate solutions.



Reporting & Communications

Published 2020 Diversified Returns Annual Report.

Updated climate change webpages.

Responded to Sierra Club’s “Cool Schools” questionnaire.

ESG Integration Dashboard:

September-December, 2020

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Diversified Returns: Team



Developed diversity, equity & inclusion learning toolkit with support from UC Berkeley’s Haas Business School “Equity Fluent Leadership” project team.

Diversified Returns: Partners



Completed 2020 investment partner demographic survey and qualitative interviews with 19 partners.

Completed 2020 diversity & inclusion survey of top business partners.

Joined ILPA’s “Diversity in Action” coalition.

Climate Change: Reducing Risk



Continued to de-risk portfolio via focus on commingled funds.

Continue to de-risk GEP, UCRP and working capital by addressing remaining *de minimis* amount of fossil fuel reserve owning companies.

Climate Change: Advancing Solutions



Continued to source investable opportunities in climate solutions.

Joined Gov. Newsom’s California working group on climate risk disclosure standards.

Active ownership



Shareholder engagement on climate change, governance and diversity:

-  229 engagements
-  74 milestones
-  33 countries

Reporting & Communications



Launched Diversified Returns section of UC Investments website.

Drafted second annual diversity & inclusion report.

Developed UC Investments content for 2020 UC Sustainability Report.

ESG Integration Dashboard:

July-September, 2020

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Diversified Returns: Team



Developed Program Metrics.
Developed 3 Year Program Goals.
Developed annual DR goals for leaders.

Diversified Returns: Partners



Launched 2020 investment partner demographic survey.
CIO email to 21 top investment partners re: diversity, equity & inclusion.

Climate Change: Reducing Risk



Continued to de-risk portfolio via focus on commingled funds.

Completed “fossil free” assurance review of assets under management
Prepared annual carbon footprint.

Climate Change: Advancing Solutions



Continued to source investable opportunities in climate solutions.

Active ownership

Proxy Voting:

Completed “proxy season” using new custom guidelines.



Shareholder Engagement:

 **261** engagements
 **129** milestones
 **32** countries

Reporting & Communications



Developed climate change metrics and text for UC Investments’ section of 2020 UC Sustainability Report.

ESG Integration Dashboard:

FY19-20

What We Do

We systematically integrate risk evaluation of environmental sustainability, social responsibility and prudent governance factors into our investment process.

Doing so provides us with the most accurate risk-reward calculation.

Guided by our “Framework for Sustainable Investing,” we integrate eight key ESG risk factors – including climate change, diversity, governance, inequality, and water and food security – into our investment process.

As a signatory to the UN Principles for Responsible Investing (“PRI”), we are committed to continuously improving our ESG integration over time.

Diversified Returns: Team

10 D&I Learning Opportunities

CIO led interviews with prominent women & diverse leaders.



Finalized new recruiting & hiring process.

Diversified Returns: Partners



~\$1 billion additional allocated to diverse managers in 2020

Added access for Investments team to “Optica,” searchable database with 2400 women and diverse owned

Active ownership

Proxy Voting:

Developed custom guidelines for executive compensation & Board diversity.

Shareholder Engagement:

Retained third party engagement services provider to broaden and deepen our engagement on issues, e.g., climate change & diversity.

Climate Change: Reducing Risk



With MSCI, developed new Index to implement “fossil free” commitment.

Transitioned GEP, UCRP & Working Capital to the new Index. Sold ~\$1 billion of fossil fuel reserve owning assets.

Climate Change: Advancing Solutions



\$1.04 billion

1 gigawatt renewables installed

Continue to source investable opportunities in climate solutions.

Reporting & Communications

Prepared Annual Report to UN PRI.

Completed Sierra Club’s annual “Cool Schools” questionnaire.

Increased transparency by adding searchable database of proxy voting record to website.