UC INVESTMENTS PROXY VOTING GUIDELINES
Revised as of March 2023

Introduction

As a fiduciary, UC Investments recognizes the importance of shareholder voting as a means of promoting long-term shareholder value for our beneficiaries. UC Investments integrates material environmental, social and governance considerations into our investment process, including proxy voting. We outline our approach to voting in this document.

While we generally vote in accordance with management's recommendations on routine business matters, our voting guidelines pay particular attention to risks and opportunities associated with material environmental, social and governance factors, consistent with our Sustainable Investing Framework (link) and the Investment Policy Statement of the UC Board of Regents (link).

We retain a third-party proxy advisory and voting service, Institutional Shareholder Services (ISS), to vote our proxy using our proxy voting guidelines. These guidelines are not intended as mandatory — UC Investments retains the authority to override any recommendation, consistent with our fiduciary duty. UC Investments' proxy voting guidelines are a combination of ISS Socially Responsible Investment (SRI) Guidelines and our custom enhancements.

ISS SRI Guidelines

- SRI U.S. Voting Guidelines (link) for U.S. Securities
- SRI International Voting Guidelines (link) for non-U.S. Securities

UC Investments Custom Enhancements

Climate Change-Related Risk

We encourage the companies we invest in to monitor, assess, disclose and mitigate their material climate risks to help create long-term value. UC Investments generally votes in favor of proposals that:

- disclose a company's climate-related financial, physical or regulatory risks and how it identifies, measures and manages such risks;
- call for the reduction of greenhouse gas (GHG) emissions or adoption of GHG goals;
- reveal research that informed company policies around climate change;
- request reports on GHG emissions from company operations and/or products;
- seek the preparation of a report on company activities related to the development of renewable energy sources;

- request that a company report its policies and plans to measure, monitor, mitigate and set quantitative targets for reducing methane emissions (including actions that exceed regulatory requirements, when material) and require updates on establishing any methane reduction targets and progress toward such targets.

We generally withhold support from a company's audit, sustainability and environmental, health and safety committee members or those responsible for climate risk oversight, including the board chair or the entire board if a company fails to:

- implement a strong governance framework, demonstrate board oversight on climate risks, or show board climate competency;
- acknowledge climate change and the net-zero transition as a material risk to the company in certain sectors such as oil and gas or minerals and mining;
- adopt robust climate targets;
- perform strong climate risk assessment;
- demonstrate transition strategies aligned with the Paris Agreement; or
- report on material information recommended by the Task Force on Climate-Related Financial Disclosures.

Corporate Governance Risk: Board Diversity

UC Investments is persuaded by the extensive research linking cognitive and demographic diversity on a board of directors to long-term financial performance. The benefits can include a larger candidate pool from which to pick top talent, a better understanding of consumer preferences, a stronger mix of leadership skills, and improved risk management.

In lieu of the SRI Voting Guidelines section on Board of Directors>Composition>Board Diversity, UC Investments leverages our proxy voting to encourage U.S. companies to:

- institutionalize a commitment to diversity in their nominating committee charter;
- include women and minority candidates in every pool from which board nominees are chosen, a practice commonly referred to as the diverse slate rule;
- align the director nomination process and policy to consider a diverse mix of skills, background, experience and demographics that are most appropriate to their long-term business needs ; and
- publicly disclose the demographic composition of their board and their workforce.

We generally recommend voting against members of the Nominating Committee when companies have not previously disclosed director gender or race demographics or a director skills matrix (for Russell 1000 Index companies).

We generally vote in support of proposals that promote and report EEOC-related activities, including reporting on supplier, contractor or other third-party diversity efforts that:

- ask the company to report on its diversity and/or affirmative action programs;
- call for legal and regulatory compliance and public reporting related to nondiscrimination, affirmative action, workplace health and safety, and labor policies and related practices that may affect long-term corporate performance;
- request nondiscrimination in salary, wages and benefits;
- call for action on equal employment opportunity and antidiscrimination;
- include language in equal employment opportunity statements specifically barring discrimination based on disability; and
- require the company to demonstrate that their reasonable accommodation policy is in accordance with the Americans with Disabilities Act and state disability law and is available and accessible to all employees.

We generally vote in support of proposals regarding pay gap or wage analysis that request or require:

- an internal gender and/or racial pay gap analysis; and
- the company to share the results of such analysis with shareholders.

Corporate Governance Risk: Executive Compensation

Say on pay proposals:

UC Investments may vote against management say on pay proposals where:

- the ISS SRI Guidelines vote against;
- the percentage of the CEO's performance-based equity pay (long-term incentive plan) is less than 60%;
- more than half the peer group is comprised of companies that exceed 1.5 times the company's revenues/assets; or
- the company has paid a discretionary or retention bonus.