U.C. Investments: ESG Integration Dashboards
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.

Doing so provides us with a better risk-reward calculation.

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 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.
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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

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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 & Communication
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.

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.

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.

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

Continued to source investable opportunities in climate solutions.

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

Continued to de-risk portfolio via focus on commingled funds.
Completed “fossil free” assurance review of assets under management.
Prepared annual carbon footprint.

Continued to source investable opportunities in climate solutions.

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 D&I Learning Opportunities

CIO led interviews with prominent women & diverse leaders. Finalized new recruiting & hiring process.

Diversified Returns: Partners

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

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.