U.C. Investments: ESG Integration Dashboards
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

10 CIO led interviews with prominent women & diverse leaders.

Finalized new recruiting & hiring process.

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.

Diversified Returns: Partners

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

Climate Change: Advancing Solutions

$1.04 billion 1 gigawatt renewables installed

Continue to source investable opportunities in climate solutions.

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.

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.

Diversified Returns: Team CIO led interviews with prominent women & diverse leaders.

Finalized new recruiting & hiring process.

ESG Integration Dashboard: FY19-20
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.

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

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

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

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:
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.

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

Active ownership
Shareholder engagement on climate change, governance and diversity:
- 229 engagements
- 74 milestones
- 33 countries

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: Advancing Solutions
Continued to source investable opportunities in climate solutions.

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

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:
September-December, 2020

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Reporting & Communications
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Drafted second annual diversity & inclusion report.
Developed UC Investments content for 2020 UC Sustainability Report.
ESG Integration Dashboard:
March – June, 2021

What We Do

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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 & Communication

Updated & expanded Diversified Returns webpages.

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

Met with New America Alliance board, staff & membership.