

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

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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 Ris



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.

ESG Integration Dashboard:

July-September, 2020

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: 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.