



UBC INVESTMENT
MANAGEMENT

RESPONSIBLE INVESTING REPORT 2024

ABOUT THIS REPORT

UBC INVESTMENT MANAGEMENT (UBCIM) is a professional investment management company providing comprehensive portfolio management and advisory services to The University of British Columbia. Funds under management include the UBC Endowment Fund, the UBC Staff Pension Plan and the UBC Working Capital Fund. In cooperation with our key stakeholders, we have developed and advanced a comprehensive Responsible Investing Strategy to inform our investment activities and decision-making in the months and years ahead. This report outlines that strategy and highlights our responsible investing progress over the past year in support of the funds we manage.

MESSAGE FROM THE CEO	2
OUR RESPONSIBLE INVESTING STRATEGY	3
2024 RESPONSIBLE INVESTING HIGHLIGHTS.....	4
2024 CLIMATE RELATED RESULTS.....	5
2024 MANAGER ESG ASSESSMENTS	6
LOOKING FORWARD	7



UBCIM
INVESTMENT MANAGEMENT



MESSAGE FROM THE CEO



I AM PLEASED TO SHARE UBC Investment Management’s 2024 Responsible Investing Report summarizing what we have done to advance our Responsible Investing Strategy this past year.

This is work that began at the university in 2014 and continues to evolve as the ESG landscape evolves. UBCIM last updated our Responsible Investing Strategy in 2020, and we have continued to execute against the plan, making responsible investing a core component of our work on behalf of the funds we manage. As part of our 2025-26 fiscal year business plan, we will update our Responsible Investing Strategy to reflect advancements in our responsible investing practices and changes in the industry, while ensuring we continue to advance the university’s environmental, social and governance priorities.

Specific to UBC’s carbon emissions reduction objective, we continue to see solid progress in reducing climate related risks to the UBC Endowment Fund. In addition to our climate risk-related progress, late last year, UBCIM had the opportunity to update the Finance Committee of the UBC Board of Governors on the progress we have made on the broader responsible investing front. It was a very constructive session, as we were able to increase a shared understanding of the work already being done to advance social

considerations that include human rights risk concerns within our Investment Framework, while committing to further developments in this area in the year ahead.

Recently, we’ve witnessed a concerning trend of investors, fund managers and corporations retreating from responsible investing commitments and broader diversity objectives. We recognize that responsible investment is not always easy - the additional transparency, monitoring complexity and explicit costs are real. For UBCIM, we continue to be guided by the university’s deep history in sustainability and evolving priorities in responsible investment. We understand our obligation to incorporate risk considerations — including ESG risks — to the investments we make on behalf of the funds we manage and will continue to bring our expertise to bear to provide meaningful value and service to the university community.

Dawn Jia, CFA

President and Chief Executive Officer

OUR RESPONSIBLE INVESTING STRATEGY: AN OVERVIEW

ALIGNED WITH THE UNITED NATIONS-SUPPORTED Principles for Responsible Investment (PRI) and our investment implementation model working with external managers, UBC Investment Management has developed a comprehensive Responsible Investing Strategy that reflects the key objectives of the funds we manage relating to responsible investing and ESG considerations.

UBCIM’s Board oversees our team’s responsible investing implementation, consistent with its fiduciary obligations, and under the terms of UBC Board of Governors (BoG) approved policies. The key pillars of UBCIM’s Responsible Investing Strategy are:



2024 RESPONSIBLE INVESTING HIGHLIGHTS

Enhancing data analytics reporting on human rights and social performance

SINCE 2023, UBC INVESTMENT MANAGEMENT has established more than 20 social and governance metrics to our monitoring dashboard — including human rights risks — to help us advance our work in the area. These include evaluating human rights controversies, labour standards and supply chain scores, workforce diversity, Board diversity and more. These metrics are aligned with UBC's areas of focus outlined in UBC's Statements on Responsible Investing.

We've also been using these metrics actively in our monitoring and engagement with investment managers. Using data analytics, our team is able to map social and governance metrics to our portfolio exposures to understand where, for example, there may be human rights controversies present, and how our manager portfolios compare versus broader benchmarks. We are also able to access each manager's latest holdings and assess those holdings against the designated social risk factors we have identified to prioritize our manager engagements.

This commitment to data-driven analysis and institutional investment best practice should give UBC and the university community confidence that there is a strong professionalized investment team in place to manage these complex risks while meeting the financial objectives of the funds we manage.

2024 PRI Reporting

ESTABLISHING STANDARD REPORTING PRACTICES has been an ongoing challenge within the responsible investing space. However, as a PRI signatory, UBC Investment Management has been using the PRI principles and reporting tools — a globally recognized standard — to guide our annual reporting to our stakeholders. Responsible investing practices and reporting expectations have experienced a rapid period of enhancements over the last five years, including under the PRI reporting framework. In 2024, PRI's reporting framework was kept substantially similar year-over-year and PRI gave signatories that reported in the prior year the option to carry over prior-year reported practices. UBCIM provided updated leadership statements as a signal of our strong commitment to PRI and will continue to be a signatory to PRI on behalf of UBC and the UBC Staff Pension Plan, and remain committed to implementing its six principles as we advance our Responsible Investing Strategy and activities.

UBCIM recognized for holdings transparency

AT THE HEIGHT OF LAST YEAR'S CAMPUS OCCUPATIONS related to the conflict in Gaza, the Globe and Mail published a thorough article outlining how different Canadian university investment groups were responding to student demands for divestment from companies deemed to be supporting Israel's military. The article singled out UBC (and in turn, UBC Investment Management) for its disclosure policies at the individual equity level in comparison to other Canadian universities. This level of transparency has long been part of our disclosure process as we work to make the portfolio managed by our roster of third-party investment managers as accessible as possible. A copy of the article can be found [here](#).

2024 CLIMATE-RELATED RESULTS

IN ESTABLISHING THE CLIMATE METRICS we use to monitor the funds we manage, UBC Investment Management considers two primary measures: total carbon emissions, defined as greenhouse gas emissions per \$1 million invested; and carbon intensity, defined as greenhouse gas emissions per \$1 million of sales in alignment with the Partnership for Carbon Accounting Financials methodology. For publicly traded portfolio exposures, the Standard relies on the same company-reported emissions data as UBCIM has used in our prior reports. However, rather than measuring a portfolio’s share of a company’s emissions based on the market capitalization of equity, the Standard considers a portfolio’s share of a company’s emissions based on the market capitalization of both its equity and debt (i.e., Enterprise Value). Our carbon emissions calculations for the period ended December 31, 2024, include public equity and corporate bond exposures, covering 43% of the UBC Endowment Fund and 38% of the SPP Portfolio.

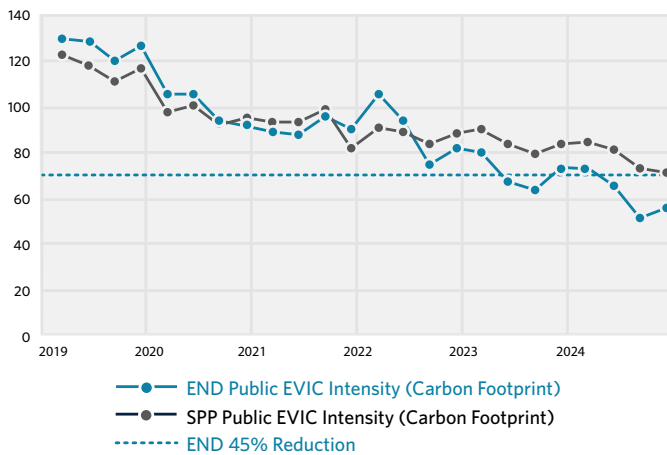
Climate-related principles or targets that UBCIM implement are approved by our Internal Partners at UBC and the UBC Staff Pension Plan Board respectively and are incorporated into policies that provide

direction to UBCIM. When a climate-related objective or target is approved in a policy, the UBCIM Board and team are responsible for meeting these objectives or targets. The UBC Board of Governors has approved two specific targets for UBC’s Endowment Fund in its Statements on Responsible Investing: to reduce the portfolio’s carbon emissions footprint by 45% by 2030 compared to a 2019 baseline and to fully divest from fossil fuel extracting companies by 2030.

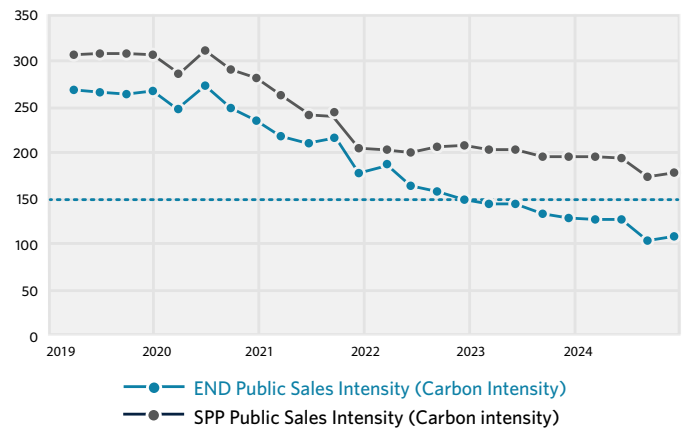
Through December 2024, the UBC Endowment Fund’s carbon emissions footprint was 57% below the baseline level set in 2019, considering Scope 1 and Scope 2 emissions, while the Fund’s carbon intensity is 60% below the baseline level. These results compare favourably against UBC’s stated carbon reduction targets for the UBC Endowment Fund to reduce portfolio emissions by 45% by 2030. In addition, the Endowment Fund’s carbon intensity level was 40% lower than its benchmark at December 31, 2024.

The UBC Staff Pension Plan’s carbon footprint and intensity measures have decreased by 42% and 43%, respectively, over the same period. The portfolio’s carbon intensity was 25% below its benchmark.

Carbon Emissions Trend (tonnes CO2 per million invested)



Carbon Emissions Trend (tonnes CO2 per million \$ sales)



2024 MANAGER ESG ASSESSMENTS

A SIGNIFICANT COMPONENT OF OUR responsible investing strategy is the enhancements made by our investment team to our manager selection and monitoring processes. UBCIM's Investment team conducts in-depth due diligence of the investment managers approved to manage portions of our managed funds, including their capability to mitigate identified ESG-related risks. Beyond our initial assessment, our team conducts annual reviews of each approved manager using our in-house Manager Assessment framework. In 2024, we reviewed 45 managers.

Our evaluation is intended to both assist in monitoring portfolio risks and highlight areas where we may engage with our managers to improve and enhance their ESG integration and active ownership activities. We also track the managers' responsible investing progress since our initial investment. This aligns with our investment sourcing strategy, which aims to develop meaningful and trusted partnerships with investment managers. Our assessment methodology is not a checklist or compliance activity but a foundational element of our due diligence process. It leverages both quantitative information and

qualitative evidence to objectively evaluate the relative importance of ESG factors to each asset class and strategy with each manager.

In 2024, we enhanced our processes by creating interactive Social and Governance-risk dashboards for our investment Manager Selection team. These dashboards highlight engagement priorities using metrics established in 2023. UBCIM also conducted a Human Rights Integration Baseline assessment using PRI's framework to identify and assess human rights risks. The results were reassuring, confirming that our managers have robust ESG integration practices, a clear understanding of how human rights risks may affect their investment decisions, and a strong commitment to mitigating these risks in their strategies when and where they emerge.

We acknowledge there are material data gaps in tracking human rights-related risks, particularly in private markets. Our managers are using third-party data platforms to address these gaps, and we anticipate improved data quality over time to better capture these emerging risks to portfolio returns.



