



UBC INVESTMENT  
MANAGEMENT

# RESPONSIBLE INVESTING REPORT 2025

## 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 (Endowment), the UBC Staff Pension Plan (SPP) and the UBC Long-Term Liquidity Pool. In cooperation with our key stakeholders, we have developed and advanced a comprehensive Responsible Investment Strategy to inform our investment activities and decision-making that continues to evolve over time. This report highlights our responsible investing progress over the past year in support of the funds we manage.

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**UBCIM**  
INVESTMENT MANAGEMENT



## MESSAGE FROM THE CEO



**I AM PLEASED TO SHARE** UBC Investment Management's 2025 Responsible Investing Report.

Recently, we have seen a reframing of responsible investing priorities for a number of investors. However, responsible investing remains a priority for the University of British Columbia community and a priority at UBCIM.

We are proud of our ongoing success in meeting and exceeding the university's financed emissions reduction goals within the portfolio. In 2025, the two key areas we measure within the portfolio, carbon emissions and carbon intensity, were well below baseline levels established in 2019 for both the Endowment and the Staff Pension Plan.

This past year, we also made significant enhancements to the work we have been doing in the areas of understanding the breadth and relevancy of social risks (including human rights) for investors, and developing a framework to address the way in which to manage social risks, in a manner consistent with the University's legal and fiduciary duties.

It's important to note that the integration of social risk factors within current investment processes is in its infancy. But in keeping with our responsible investing strategic focus to use leadership and influence among our postsecondary education peers and within the

broader institutional investing sector, we are taking an active role to advance industry thinking and actions when assessing and managing social risks. With our help, a leading consultant in the field published a new piece of research designed to help investment arms of post-secondary institutions in Canada understand, identify and consider social and human rights risks in university investment portfolios.

We also established a dedicated Working Group to help align the university, the Board of Governors and UBCIM in our responsible investing activities. In cooperation with the Working Group, we produced a Social Risk (including Human Rights) Framework to help advance our approach within UBCIM's investment process in the months and years ahead.

We will be completing the update to our Responsible Investing Strategy in 2026. Our strategy has served us well, and this next evolution of our strategy will only further strengthen our responsible investing integration processes on behalf of the funds we manage.

**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. The key pillars of the Responsible Investing Strategy are:



## 2025 RESPONSIBLE INVESTING HIGHLIGHTS

### Working Group established to advance RI considerations

A **RESPONSIBLE INVESTING WORKING GROUP** was established in 2025 to continue to advance responsible investing and social risk considerations within the portfolios we manage. The Working Group includes representatives from the UBC Board of Governors, senior UBC Administration officials and the UBCIM Board, ensuring comprehensive oversight and alignment with UBC's values and objectives. Representatives of the Working Group have also met with student and staff stakeholders about their concerns throughout the past year. A key deliverable for the Working Group in 2025 was the development of a Social Risk (including Human Rights) Framework (see below).

### UBCIM catalyst behind important research paper on social risk assessment



**UBCIM LED THE DEVELOPMENT** of an important new piece of research designed to help post-secondary institutions in Canada advance their understanding about how social and human rights risks are appropriately identified and considered in university investment portfolios.

Leadership and Influence are two of the core pillars of UBCIM's Responsible Investing Strategy. With that in mind, UBCIM engaged SHARE (the Shareholder Association for Research and Education) — a leading Canadian consultant in the space — to develop an educational primer that outlines how social risks emerge in institutional investment portfolios and how investors can identify and manage them. The primer serves as both an educational resource for university stakeholders and a practical tool to assist the broader Canadian university sector in understanding and addressing these issues.

The primer was specifically commissioned for Canadian universities that manage relatively small capital pools and who implement their portfolios using a “manager of managers” approach — a consideration fundamental to understanding how most post-secondary institutions manage their endowments and pension plans. A copy of the primer can be found [here](#) on the SHARE web site.

### 40 Manager Assessments completed using proprietary ESG assessment tool

**OUR ESG DUE DILIGENCE PROCESS** forms an important part of our deep-dive manager research approach. Each year, our investment team conducts a review of each external manager to assess the materiality of ESG risks in the investment strategy, whether integration practices have improved or deteriorated, and whether any rating revisions are warranted. In 2025, we completed 40 assessments using UBCIM's framework, which evaluates managers across five dimensions: materiality, integration, organizational commitment, reporting and transparency. Assessments draw on both quantitative data and qualitative evidence gathered through manager dialogue and documentation review.

The team observed steady incremental improvement across the manager base in 2025 despite increasing legal and political pressure to withdraw from collaborative networks and limit public disclosures. Staff continue to observe strong ESG integration at the investment decision-making level, indicating responsible investing is genuinely embedded in managers' processes. UBCIM also continued its human rights baseline review using PRI technical guidance and observed increasing sophistication among several managers in their human rights due diligence practices.



## SOCIAL RISK FRAMEWORK IN PLACE

**WITH LEARNINGS FROM SHARE'S SOCIAL RISK PRIMER** as a guide and in cooperation with the Responsible Investing Working Group, UBCIM developed a comprehensive Social Risk (including Human Rights) Framework. The Framework is designed to provide a broad structure for managing a variety of social risks that may occur within a diversified portfolio and across different asset classes, reflecting the complexity of modern institutional portfolios and our evolving world. The Framework establishes four key pillars: Governance, Risk Management, Investment Manager Accountability, and Collaboration and Leadership. Each pillar contains specific

actions that will be integrated into the refresh of UBCIM's broader Responsible Investing Strategy in 2026.

It is important to reinforce among all stakeholders that the implementation of the Framework's action items will take time and persistence. Company reporting and data availability on social risks remains limited compared to climate-related disclosures. Despite these challenges, UBCIM is committed to advocating for enhanced transparency, promoting responsible business practices, and helping UBC play a leading role in the Canadian education sector in this work.

### Social risk (including human rights) framework

<b>GOVERNANCE</b>	Strengthen governance and oversight of social risk factors, including human rights, by further integrating these considerations into investment governance frameworks, enhancing board oversight, and communicating progress on framework implementation.
<b>RISK MANAGEMENT</b>	Develop approaches to identify, assess, and address social risk factors across the portfolio, with deeper analysis of high-risk holdings and use these insights to inform manager engagement and oversight.
<b>INVESTMENT MANAGER ACCOUNTABILITY</b>	Further embed social risk expectations into manager selection, contracting, and ongoing evaluation, while setting clear expectations for advancement in due diligence and stewardship practices and encouraging continual learning and leadership among managers.
<b>COLLABORATION &amp; LEADERSHIP</b>	Work with peers, networks, and experts to strengthen the implementation of global norms and international standards, promote responsible business conduct, and participate in investor-led efforts to improve corporate reporting of social-related risks.

## 2025 CLIMATE-RELATED RESULTS

**IN ESTABLISHING THE CLIMATE METRICS** we use to monitor the funds we manage, UBC Investment Management considers two primary measures: financed emissions[1], defined as greenhouse gas emissions per \$1 million invested; and carbon intensity, defined as greenhouse gas emissions per \$1 million of sales, which allows for comparison between companies of different sizes. Our financed emissions measurement approach aligns with the Partnership for Carbon Accounting Financials methodology. Our financed emissions calculations for the period ended December 31, 2025, include public equity and corporate bond exposures, covering 45% of the UBC Endowment Fund and 37.5% of the SPP Portfolio.

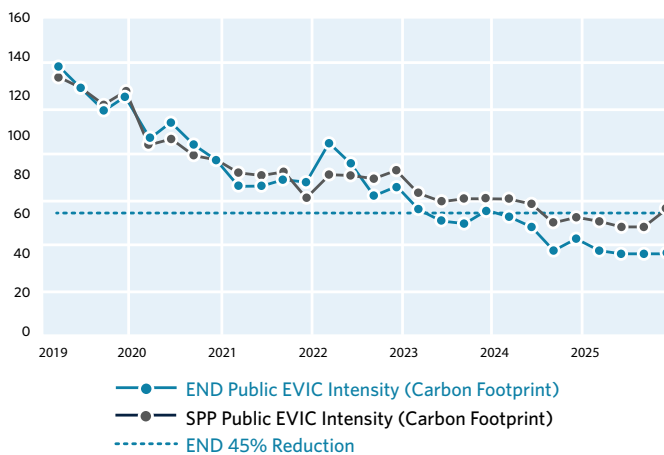
Climate-related principles or targets that UBCIM implement are approved by our Internal Partners at UBC and the UBC Staff Pension Plan Board respectively and are incorporated into policies that provide direction to UBCIM. When a climate-related objective or target is approved in a policy, the UBCIM Board 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 by 45% by 2030 compared to a 2019 baseline and to divest from fossil fuel extracting companies by 2030.

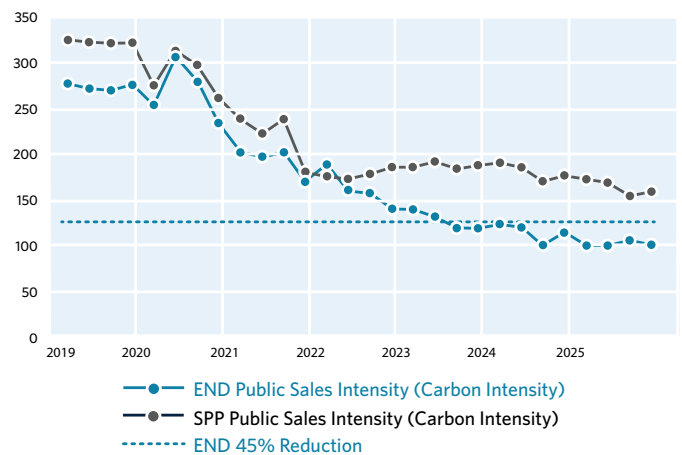
Through December 2025, the UBC Endowment Fund’s carbon emissions footprint was 70% below the baseline level set in 2019, considering Scope 1 and Scope 2 emissions, while the Fund’s carbon intensity is 64% below the baseline level. These results compare favourably against UBC’s stated carbon reduction targets for the UBC Endowment Fund to reduce portfolio emissions by 45% by 2030. In addition, the Endowment Fund’s carbon intensity level was 38% lower than its benchmark, as at December 31, 2025.

The UBC Staff Pension Plan’s carbon footprint and intensity measures have decreased by 52% and 51%, respectively, over the same period. The portfolio’s carbon intensity was 38% below its benchmark.

**Carbon Footprint Trend** (tonnes CO2 per million invested)



**Carbon Intensity Trend** (tonnes CO2 per million \$ sales)





## LOOKING FORWARD

**In 2026, UBCIM will bring forward** its refreshed Responsible Investing Strategy. Building on the 2020 framework, the updated strategy will pursue a strengthened focus on social risk, including human rights, while maintaining a balanced and holistic approach across ESG integration, stewardship, stakeholder engagement, and transparency.

To support this work, UBCIM also plans to enhance our team's capacity and capability to design and implement the refreshed strategy. UBCIM's Responsible Investing Working Group is overseeing the strategy refresh, which will integrate priorities from the Social Risk Framework and will continue advancing our climate risk mitigation approach.

A central element of the refreshed strategy is recognizing the role investors can play in advancing equality and respect for human rights, grounded in international norms. In 2026, our focus will shift to advancing priority initiatives informed by the Social Risk (including Human Rights) Framework and enhancing our ability to identify and address social and human rights risks across the portfolio.

UBCIM believes that collaboration with like-minded investors is often more impactful than acting independently. Accordingly, we will continue to engage with peers, investment managers, and industry initiatives to increase our influence. We will continue to assess the most effective ways to enhance our responsible investing efforts particularly for social factors, operating within our sphere of influence and recognizing that meaningful corporate social and human rights disclosure is still nascent.

In addition, UBCIM will continue to track and manage UBC's climate targets for the Endowment and strengthen our approach to climate risk management. Beyond emissions reduction, this work encompasses ongoing monitoring of near- and long-term climate risks and opportunities in capital markets. In 2026, UBCIM will update our climate scenario analysis for the Endowment which will be integrated into our investment decision-making process to support a holistic assessment of the portfolio's risk and return profile in pursuit of its long-term financial objectives.