



UVIMCO Expands Commitment to Responsible and Sustainable Investing

The University of Virginia Investment Management Company (UVIMCO), which manages and invests the University's endowment, released the following statement today on new steps the organization is taking to build on its commitment to investing University funds sustainably and responsibly, while continuing to maximize long-term returns. The [Investor Responsibility Framework](#) described below was previously reviewed by UVA's Board of Visitors and approved by UVIMCO's Board of Directors.

The recommendations released today were developed by UVIMCO's Advisory Committee on Investor Responsibility, a group of UVIMCO representatives and UVA students, faculty, staff, and alumni tasked with advising UVIMCO on incorporating environmental, social, and governance factors into investment decisions.

Over the last several years, UVIMCO, University leaders, and many members of the community have been engaged in an important discussion about how UVIMCO can enhance sustainable investing and address climate change as an institutional investor.

Much of that discussion with students and alumni has centered around the principle of 'divestment,' which is the practice of selling investments based on financial, ethical, or moral reasons—in this case from fossil fuel companies. As we considered future investment practices, we began by evaluating the many steps we have already taken to align UVIMCO with UVA's broader commitment to environmental sustainability.

UVIMCO holds no direct investments in thermal coal and tar sands and less than .05% in fossil fuels. The vast majority of UVIMCO's investments are held and managed by external investment managers. Of these indirect investments, less than 6% are invested in natural resources.

We are proud of the practices UVIMCO has developed and followed to date to make sure our investment decisions secure long-term returns for future generations at the University, while reflecting the University's mission and values. With that being said, we can and should do more—especially in the face of urgent threats like climate change.

That is why UVIMCO formed the Advisory Committee on Investor Responsibility (ACIR), a diverse group of UVA community members we have asked to evaluate the investment practices of peer investment companies and develop recommendations for how UVIMCO can increase its focus on environmental, social, and governance (ESG) issues, while continuing to maximize returns for the University.

The first deliverable in the ongoing work of the ACIR is a new Investor Responsibility Framework (IRF), which UVIMCO will use to guide its investor responsibility approach and align with UVA's broader sustainability and social responsibility objectives. UVIMCO is actively working on developing this framework.

A critical element of the new framework is UVIMCO's formal commitment to aligning our investment portfolio to net-zero greenhouse emissions by the year 2050, if not sooner. This goal is in line with the University's goal of going fossil fuel free by the year 2050.

One of the most powerful ways we can reduce the emissions in our portfolio is to use our influence as stakeholders to encourage external managers to work with their investments to reduce their carbon emissions. In addition to that approach, UVIMCO and the ACIR will consider a number of different actions, including shifting our investments over time to lower-emitting companies and those with credible plans to achieve net-zero operations. As necessary, we may also use offsets to help remove carbon from the atmosphere and help offset any remaining emissions in our portfolio. We will also establish interim milestone goals as the process moves forward to ensure that we are actively and plausibly working toward our goal of net-zero by 2050, and we will engage with stakeholders all along the way.

This net-zero strategy, which other institutions have also adopted, is a first step to turn our Investor Responsibility Framework into tangible action to make our portfolio more sustainable and more reflective of the need for action in response to the climate crisis. The new framework will be a guide to help ensure UVIMCO is properly considering ESG risks and opportunities in future investment decisions.

UVIMCO's primary responsibility is our fiduciary duty to maximize long-term returns commensurate with the risk level of the University. We believe that we can and should do that in a way that corresponds with the values of the institution. If applied correctly, these principles will ensure that UVIMCO is working with external managers who also view ESG issues as an important aspect of their investment process. Our view is that those who are doing good will also do well, and the ESG framework will guide us toward those people and investment managers.

This new framework, and our goal of a net-zero emissions portfolio, are only the first steps toward a new chapter in responsible investing at UVIMCO. We are grateful to the members of the ACIR and University community for their contributions, and we look forward to continuing this important work in the years ahead.