



2025 Investor Responsibility Report

The University of Virginia Investment Management Company (UVMCO) is an independent organization that is governed by a Board of Directors. We provide investment management services to the University of Virginia (UVA) and associated organizations to serve the University's mission. Our primary objective is to maximize long-term, inflation-adjusted returns commensurate with the risk tolerance of the University. UVMCO manages approximately \$14.7 billion on behalf of the University and associated organizations and has consistently outperformed our passive policy portfolio and our median peer benchmark, represented by the TUCS All Master Trust Universe, over the past 5, 10, and 20 years.

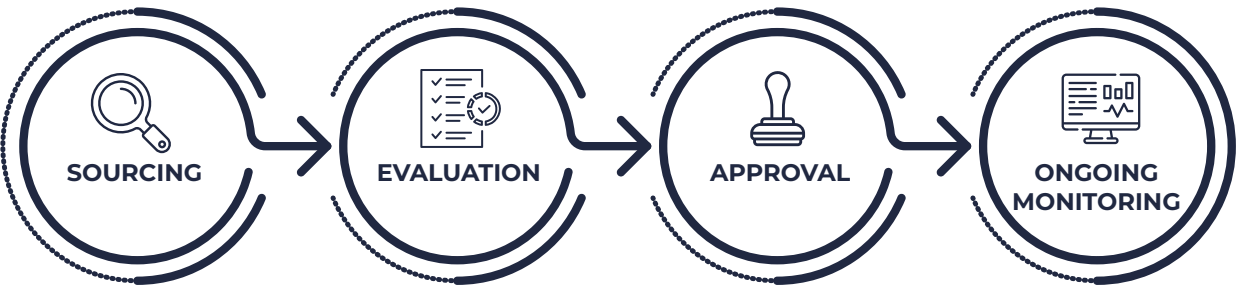
For more information about UVMCO's investment performance and philosophy, please refer to our [2024 Annual Report](#).¹

¹ All data referenced in the 2025 Investor Responsibility Report is for the 2024 calendar year (1/1/2024 through 12/31/2024), unless otherwise noted.

Responsible Investment

At UVIMCO, our primary objective is to generate inflation-adjusted, long-term returns in excess of the University of Virginia’s spending rate. As an endowment, we plan for investment horizons of not just years, but decades. We believe that consideration of responsible investment practices supports our mission to deliver long-term financial results for the University. Through our partnerships with external managers, UVIMCO has the opportunity to implement responsible investing practices by understanding how our managers consider material risks and opportunities in their investment processes. UVIMCO’s [Investor Responsibility Framework](#) outlines our approach to ESG integration throughout the investment lifecycle.

INVESTMENT PROCESS: ESG INTEGRATION



UVIMCO’s external investment managers maintain a range of approaches to responsible investment—largely dependent on asset class, size of AUM/team, and type of investment. For instance, we would expect a large Resources manager with investments in traditional energy to have a very different approach than a Venture Capital manager with investments in technology startups. UVIMCO formally assesses prospective managers’ responsible investment practices throughout the manager selection process, including a screening of the manager’s ESG policy and stewardship practices at the firm- and portfolio-level prior to investment.

Post-investment, we monitor our managers using a bespoke approach to inform our prioritization of manager engagements regarding material issues that might be a risk or opportunity for the portfolio. Manager engagements are informed by our manager survey and other information, allowing us to have productive conversations around managers’ stewardship activities and risk mitigation efforts to ensure appropriate approaches depending on the manager.

Through our manager selection process, robust data collection, and proactive engagement, we ensure that consideration of all material ESG factors are integrated into investment decisions made by our external partners. This approach not only drives stronger long-term value for the University of Virginia but also reinforces UVIMCO’s commitment to responsible investment.



Manager Survey Highlights

On a biannual basis, UVIMCO undertakes a survey of our managers to better understand their approach to responsible investment. In 2024, a majority of managers indicated that ESG risks and opportunities are considered in their investment process, showing that many of our managers view ESG integration as part of financial value protection and creation. A smaller percentage, but still almost half of our managers, have codified their responsible investment approach in a formal policy, a document that UVIMCO requests when reviewing prospective managers. The application of investor responsibility practices, ranging from ESG

integration to negative screening and active portfolio engagement, varies significantly depending on a manager’s investment strategy and asset class. The effectiveness of each approach is closely tied to the manager’s ability to incorporate these methods within the context of their specific investment framework. For instance, managers focused on long-only investments in public companies typically adopt different approaches to investor responsibility when compared to managers utilizing high-frequency, quantitative trading strategies, where thousands of securities are traded in fractions of a second.

MANAGER RESPONSIBLE INVESTMENT PRACTICES¹

ESG risks and opportunities reviewed during investment process	64%
Responsible investment policy in place	48%
Negative screening utilized when reviewing investments	42%
Human rights issues reviewed in investment screening	39%
Portfolio companies engaged on responsible investment issues	35%

>90% 2024 SURVEY RESPONSE RATE OF MANAGERS

¹ Percentage of surveyed managers responding yes to listed responsible investment practices in 2024.

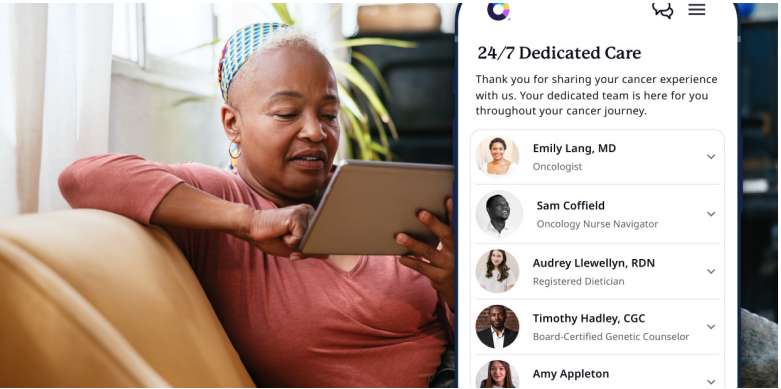
Impact Investments

As part of our portfolio, UVMCO partners with managers who invest in companies that are delivering innovative solutions to global social and environmental challenges while capitalizing on financial opportunities to access new markets and customer bases. Below are two examples of investments in our private portfolio:

CASE STUDY: Color Health



Color Health is a health technology company dedicated to increasing the accessibility of cost-effective cancer care. [Color Health](#) offers a comprehensive platform for cancer care that spans diagnosis management, cancer treatment and care, and long-term survivorship care. By partnering with major employers, unions, and health plans, Color Health seeks to improve early intervention outcomes. The company's platform allows users to determine individual cancer risk and access at-home screening to improve early detection, which lowers overall treatment cost.¹



In 2024, Color Health developed a virtual cancer clinic in partnership with the American Cancer Society (ACS) to connect patients to a broad network of oncologists and healthcare providers. The virtual cancer clinic was piloted for 45 organizations in 2024 and became widely available in 2025. Pilot study results indicated that the clinic's guidelines-based screening program could double to triple adherence rates in just eight weeks, increasing early diagnoses and getting patients the care they need to lower costs and improve outcomes.

COMPOUNDING SAVINGS

>\$30K

Average lowered cost per cancer case

EXCEPTIONAL CARE

4.8/5.0

Average patient satisfaction score with Color Health's care team

CASE STUDY: Charm Industrial



[Charm Industrial](#) is a pioneering provider of carbon removal services through bio-oil sequestration. By converting agricultural waste and excess woody biomass into a carbon-rich bio-oil and injecting it deep underground, Charm effectively locks away CO₂ captured by plants, protecting it from wildfires, erosion, and land use changes and providing carbon offsets for companies looking to reduce their net emissions. The price of Charm's carbon removal process is projected to decline by 37% between 2024 and 2030 as operations scale, enabling more efficient and higher volume carbon sequestration.²

Beyond climate change mitigation, Charm aims to partner with conservation groups, power companies, and public agencies to harness excess biomass, reduce wildfire risk in rural areas, and support local environmental stewardship objectives. As demand for carbon removal continues to rise, Charm Industrial is positioned to expand its reach and impact.



7,530 tonnes CO₂e

Total tonnes of carbon dioxide removed by Charm Industrial carbon sequestration services as of year-end 2024



Advisory Committee on Investor Responsibility

Throughout 2024, UVMCO continued to engage with the UVA community on our investment process through stakeholder meetings. The ACIR discussed climate initiatives, including challenges with emissions measurement and reporting, as well as our approach to investments in areas facing social and geopolitical conflict. After careful consideration, the ACIR and UVMCO continue to believe that active engagement is the best way for UVMCO to address ESG risks in the portfolio and take a leading role as responsible investors among university endowments. We recognize this will require ongoing work with managers and companies to encourage implementation of responsible practices and look forward to continuing these efforts in collaboration with the ACIR. We remain focused on investor responsibility in support of long-term financial value through individual conversations regarding material ESG risks and opportunities in the portfolio.

UVMCO continues to pursue the commitments we set out in our Investor Responsibility Framework. As we shape our ongoing approach to responsible investment, we will consider best practices of peer institutions and consult university stakeholders through the ACIR.

¹ Source: https://www.color.com/improving-access-to-and-utilization-of-cancer-screening?utm_source=launch&utm_medium=press&utm_campaign=virtual-cancer-clinic

² Source: <https://trellis.net/article/carbon-removal-startup-lands-53-million-contract/#:~:text=Charm%20Industrial%20said%20it%20expects%20prices%20to,period%20and%20potentially%20up%20to%2075%20percent>

Climate Change

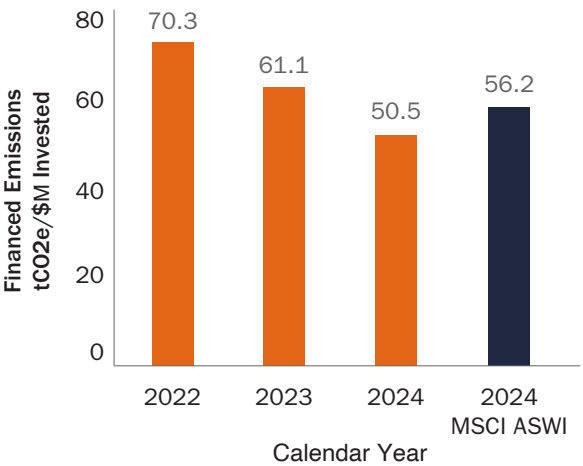
UVIMCO understands the need for ongoing collaboration and action across the global community, including the investment management industry, to better protect humanity from the threat of climate change. UVIMCO views engagement as a more effective tool than divestment to encourage climate action and emissions reduction—which also helps to protect the University’s financial assets from physical and transition risks associated with climate change.

While divestment from these sectors would remove emissions from our investment portfolio, this does not necessarily lead to absolute emissions reduction of these assets. Research on responsible investment shows there are significant opportunities to reduce negative environmental externalities when investing in “brown companies” and enabling them to implement best-in-class sustainability initiatives.¹

As part of UVIMCO’s net zero by 2050 goal, we are working to better understand the emissions profile of our investments to inform our go-forward engagement strategy. We compare the

emissions profile of our Public Equity investments to the MSCI All Country World Index (ACWI), which is the same index used to benchmark our financial performance. UVIMCO plans to continue measuring the carbon emissions of our Public Equity portfolio, and in the future expand the coverage to other asset classes in the portfolio. We support the ongoing efforts of our managers to improve the amount and quality of climate data disclosed in their portfolios.

UVIMCO PUBLIC EQUITY PORTFOLIO EMISSIONS



In addition to the emissions reductions achieved within UVIMCO’s Public Equity portfolio, many public company investments are actively advancing initiatives to lower their carbon emissions and transition to cleaner energy sources.

AMONG UVIMCO’S PUBLIC EQUITY PORTFOLIO . . .

54.3%

Take steps to achieve carbon emissions reduction targets

71.6%

Use cleaner energy sources in their operations

75.4%

Have measures in place for energy consumption management and operational efficiency

27.8%

Offer clean technology in alternative energy, energy efficiency, green buildings, pollution prevention, and/or sustainable water



Chestnut Sustainable Restoration Project site preparation in Cleveland County, Arkansas.

Climate Solutions

Along with manager engagement, investment in climate solutions is UVIMCO’s second lever to drive real world decarbonization. We allocate capital to managers and companies who are capitalizing on market demand for climate technology and services, offering attractive investment opportunities while presenting positive environmental benefits.

Through our Venture Capital portfolio, we have exposure to [Crusoe](#), a company building data centers with a lower environmental impact. The company harnesses natural gas produced as a byproduct of oil extraction, converting the gas into electricity for its data centers. This process utilizes an energy source that is otherwise wasted and reduces flaring—the burning of natural gas that typically results in significant methane emissions.²

In our Resources portfolio, we have an investment in [Chestnut Carbon](#), a startup operating forestry projects in the U.S. to restore and build new ecosystems that support biodiversity, local job creation, and improve local air and water quality. Through these projects, Chestnut Carbon offers high-quality carbon offsets to corporations to support their emissions reduction strategy, creating significant commercial and environmental opportunity. Their projects are verified by Gold Standard, a recognized third-party body that independently audits projects to validate GHG reductions. While carbon offsets are only one component of a comprehensive climate strategy, they are an important tool for businesses as they decarbonize operations.

In January 2025, Microsoft announced that it would buy over 7 million tons of carbon credits from Chestnut Carbon³

\$600⁺ Million within our top 100 holdings is invested in companies working on climate solutions from renewable energy infrastructure to energy efficiency products and other innovative climate technologies

¹ Source: <https://corpgov.law.harvard.edu/2023/11/06/divestment-and-engagement-the-effect-of-green-investors-on-corporate-carbon-emissions/#::-:text=Engagement%20reduced%20emissions%3B%20divestment%20did,might%20lead%20to%20emission%20cuts>.

² Source: <https://crusoe.ai/impact>

³ Source: <https://techcrunch.com/2025/01/30/microsoft-signs-massive-carbon-credit-deal-with-reforestation-startup-chestnut-carbon/>