Office of the Chief Investment Officer

TO MEMBERS OF THE COMMITTEE ON INVESTMENTS / INVESTMENT ADVISORY GROUP:

DISCUSSION ITEM

For Meeting of February 20, 2015

UPDATE ON SUSTAINABLE INVESTING

EXECUTIVE SUMMARY

An update will be provided on the steps the Office of the Chief Investment Officer (CIO) is taking to develop its framework and culture of sustainable investing. The framework will guide the adoption of sustainable investment practices, including but not limited to the integration of environmental, social, and governance factors into the investment process; active ownership; manager selection and monitoring; investing in solutions; risk management; and measurement and reporting.

Review of the study conducted on the practices of five global peers and industry leaders in sustainable and responsible investment will be provided. Ongoing engagement and discussions with academia, practitioners, and industry leaders are being held to inform the Office of the CIO on what is necessary to lead this effort.

The Office of the CIO is building and developing a culture and resources around sustainable investment to identify investment solutions and opportunities to collaborate with peers and industry leaders, and developing a business plan for deploying $1 billion over five years in climate and sustainability solutions.

The Office of the CIO has joined its peers in becoming a member of the following organizations:

1. United Nations-supported Principles for Responsible Investment
2. Ceres’ Investor Network on Climate Risk
3. CDP (formerly the Carbon Disclosure Project)

The Office of the CIO also:

1. Signed the Montreal Carbon Pledge to measure and disclose the portfolio carbon footprint
2. Joined a year-long Asset Owners Climate Change Strategy project led by Principles for Responsible Investment

(Attachment)