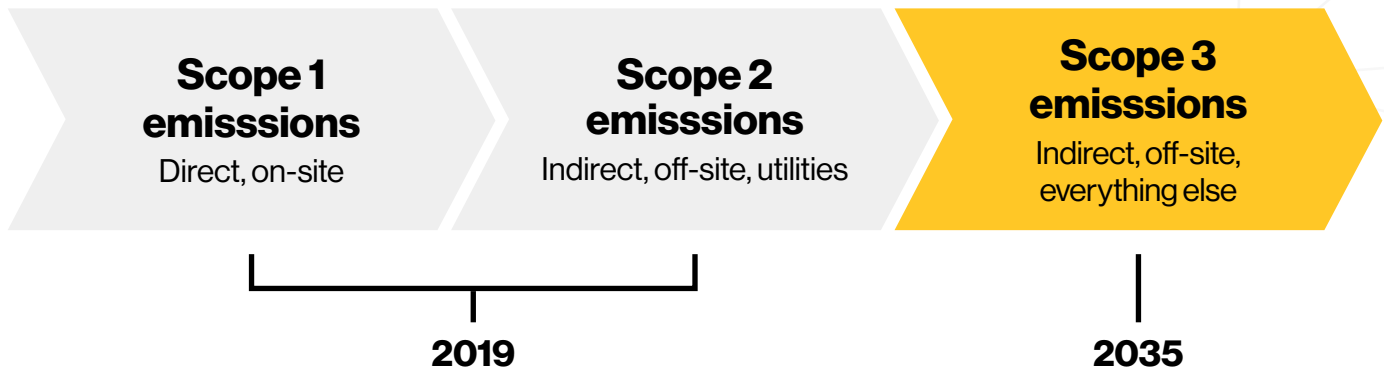


Value alignment and investing

Arizona State University achieved carbon neutrality for Scope 1 and 2 emissions in 2019, well ahead of its 2025 target. ASU is now working to achieve **carbon neutrality for Scope 3 emissions by 2035**.



As the steward of ASU's endowment, the ASU Foundation recognizes the need to align our investment portfolio with the university's long-held values while upholding our fiduciary responsibilities.

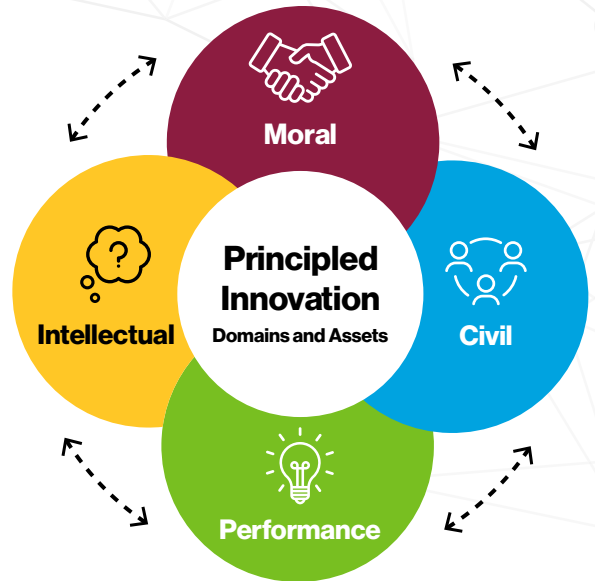
How we engage our work

At the core of the ASU Foundation's responsible investing philosophy is [the university's charter](#). As such, we focus on an investment strategy that enables us to impact the economic, social, cultural and overall health of the communities we serve.

This approach has led to compelling and impactful investments in areas such as education technology, clean technology, and attainable housing. In addition, it means we have maintained ownership in a multitude of publicly traded companies across a broad set of sectors.

This ownership gives us a line to company management to ensure strategies are in the best interest of shareholders and align with our values.

Arizona State University has committed itself to practicing principled innovation as its ninth design aspiration, placing character and values at the center of its decisions and actions.



As the prototype of the New American University, ASU is committed to the overall health of the communities it serves. ASU has a longstanding track record of serving as a transformational catalyst — highlighting the intersection of sustainability and finance, supporting innovative firms solving the biggest challenges, and influencing how capital is invested.

In support of this work, the ASU Foundation **ensures that its investments align with ASU's values.** We thoughtfully and intentionally choose to engage with the most impactful players in the climate space through diverse strategies.

Investor advocacy and stewardship



Proxy voting

The ASU Foundation meets with fund managers to share our guidelines and review their policies. We then follow up to check on our priorities and better understand broader responsible investment trends. Our fund managers provide us with statistics and metrics that allow us to engage them in any areas of concern.



Shareholder resolutions

When necessary, the ASU Foundation is open to collaborating with other shareholders and prepared to drive policy changes at the corporations we invest in. We believe there is a long-term financial and moral benefit when companies are more holistic in considering all stakeholders – including communities – in their business practices.

During the 2023 proxy voting season, our managers cast 2,100 votes at 130 companies to drive progress on critical environmental and social issues, strengthen cultures of transparency and promote diversity in board membership.

Higher ed carbon footprint 5%, learning imprint 100%

Sustainability student managed fund

Capstone project to help with our roadmap

SIFI to extend reach in engagement

Student engagement is a key component of our value alignment strategy. Through programs like the student-managed funds, capstone projects and the Sustainable and Impact Finance Initiative, we're preparing the next generation of investors to approach their analysis in new ways.

Future priorities



Direct stock ownership

The ASU Foundation is working to increase our direct stock ownership. This initiative began with our student-managed funds. Today, we're moving some of our investments from commingled funds into separately managed accounts and from exchange-traded funds to direct index products. About \$100 million of our public equity exposure is now direct stock ownership.



Commingled voting rights

Advances in digital information technology have encouraged some fund managers to develop systems that would return direct voting rights to shareholders. We're collaborating with our fund managers to see how these technologies might allow us to engage on issues that matter to ASU and its work.



University coalitions

The ASU Foundation is pursuing partnerships with other university endowment managers. We hope to deepen our networks, build consensus that reflects our schools' values and drive impact that makes a real difference in the world.