

## Purpose:

*To scan major universities investment policies for formalized RI (Responsible Investing) practices/procedures in those policies.*

Certain universities refer to responsible investing in their investment policies. Some actually have formal RI policies; many simply have more general statements imbedded in their investment policies. There has been increasing activity across many universities on “disinvestment” especially of equities related to fossil fuels. This is NOT a scan of those activities. It is more an observation of which universities in Canada have formal polices/processes and how they may map on to RI practices. RI practices can be defined in several ways.

The following is a summary of the more common ones that may or may not be part of more formal policies or RI frameworks.

## 1. Screening of investments

- a. Negative/exclusionary screening: The exclusion from a fund or portfolio of certain sectors, companies or practices based on specific environmental, social or governance (ESG) criteria;
- b. Positive/best-in-class screening Investment in sectors, companies or projects selected for positive ESG performance relative to industry peers;
- c. Norms-based screening; Screening of investments against minimum standards of business practice based on international norms.

## 2. Integration of ESG factors

The systematic and explicit inclusion by investment managers of ESG factors into traditional financial analysis.

## 3. Sustainability-themed investing

Investment in themes or assets specifically related to sustainability (for example clean energy, green technology or sustainable agriculture).

## 4. Impact/community investing

Targeted investments, typically made in private markets, aimed at solving social or environmental problems. Impact investing includes community investing, where capital is specifically directed to traditionally underserved individuals or communities, or financing that is provided to businesses with a clear social or environmental purpose.

## 5. Corporate engagement and shareholder action

This strategy employs shareholder power to influence corporate behavior including through direct corporate engagement (i.e. communicating with senior management and/or boards of companies), filing or co-filing shareholder proposals, and proxy voting that is guided by comprehensive ESG guidelines.

## **Summary of Scan**

The following is a very high level summary of a scan of some major universities in Canada and their RI polices/practices that are opening disclosed on their websites. If warranted, further investigation could be undertaken to explore actual implementation issued.

There can be a disconnection between certain policies statements (or non-statements) and practices. For example disinvestment can be formally considered however a process or even recognition of disinvestment may not be referenced in a policy e.g., Dalhousie.

# Scan Of University RI Policies | **2015**

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<b>University</b>	<b>Comments</b>	<b>Screening</b>	<b>ESG Integration</b>	<b>Targeted Investing</b>	<b>Corp. Engagement</b>
Concordia	NO RI policy ...yet. Process underway	NA	NA	\$5 million to sustainability fund (2015)	NA
Dalhousie		No....but recent news indicated consideration of disinvestment	YES as principles in the overall investment policy. Focus on ESG via investment managers	No	NO
McGill	Investment Policy not disclosed but advisory committee of Social Responsibility (CAMS)R	Can receive “expressions of concern”. Reviews and advises within context of governance process Notion of “Social Injury”	Unknown (perhaps in policy)	Evidence of specialize funds - “SRI Pool”	Via CAMSR
McMaster	Have a RI policy (circa 1980). General statement of principles and considerations	No specific recognition of process, However in the hands of the Finance Committee to investigate issues	Not referenced	No evidence	Possible
Queens	Relatively new (2009). Provision for Ad Hoc committee's	“Special Action” around “social injury” and creation of Ad Hoc committee Recommends to Board			Yes – possible
Simon Fraser	New policy (2014). Emphasis on ESG in decision making. Standing Responsible Investment Committee. Power to recommend changes.	? could be under the processes	Yes: adopted UN- PRI (Principles)	No evidence	Possible under recommendations?
Alberta	No evidence of RI policy	?	?	?	?

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UBC	Responsible Investment Committee; reporting to the Board (9 members). To advisor on matters of concern. Specific TOR's	Defined process for receiving and reviewing specific	Yes: in general: a criterion for manager selection (3 years' time line)	Through campus projects	Via managers?
Calgary	Stated "Committee on Investor Responsibility"....but no on-line evidence. STARs rated.	?	?	?	?
University of Ottawa	Para as part of overall policy; "...follows responsible investing approach aligned with ....UN-PRI. Purview of the Finance and Treasury Committee of the Board.	?	?	?	?
Toronto	Ad Hoc advisory committee. Report to the President – who decides...and then reports to the Board. Specific TOR's for the ad hoc Committee	Defined process for receiving and reviewing specific	Underway? ...general reference to ESG in investment decision making	?	?
U Victoria	Sustainability Policy. ESG reference in "investment beliefs"	?	"ESG incorporated into investment management decisions....". Reports by investment managers	?	?
Western University	New (2014) Responsible Investing component in overall policy. ESG factors in making decisions...through investment managers	Monitor and report ....disclose investment....	Reports from investment managers		Be knowledge on RI issues...engagement where possible...via groups and organizations
YORK	Advisory Committee on Responsible Investment (2013)	Part of mandate of the committee...to review issues and advise.	"Expand the practice of incorporating ESG factors into management of investment....s	?	