



YORK UNIVERSITY ADVISORY COMMITTEE ON RESPONSIBLE INVESTING

2015-2016 Annual Report

for the

Vice-President Finance & Administration

Draft June 2016

Introduction

York University is an institution dedicated to higher learning and founded on values of accessibility, social responsibility and excellence. Building on this foundation, the University seeks to be a leader in sustainability and engagement.

York University is committed to values of sustainability and responsible investing in the management of its investment portfolios of global holding. As such, the Board of Governors has incorporated a high-level statement of investment philosophy into its *Statement of Investment Policy and Procedures* (The Policy) that establishes the underpinnings for the University's investment strategy. The investment philosophy incorporates the principle that investing in companies that adopt sustainable practices aligns the university's portfolios with long-term investment objectives that are suitable to the endowment fund. In order to operationalize this philosophy, the investment strategy would suggest incorporating the concept of integrating environmental, social and governance (ESG) factors into the investment selection and investment decision-making process.

In the Fall of 2013, the University established the York University Advisory Committee on Responsible Investment to further expand its ESG factors into the management of its investments through the establishment of the Advisory Committee on Responsible Investment.

Annual Report Requirements

This is the annual report from the Committee Chair to the Vice-President Finance & Administration as per the Terms of Reference for the York University Advisory Committee on Responsible Investment. This report provides information to the Vice-President Finance & Administration on the activities of the Committee for the year ended June 30, 2016.

The Terms of Reference state that:

“The Chair of the committee shall produce an Annual Report in August of each year for the preceding year, which shall be submitted to the Vice-President Finance and Administration, who will be invited to comment on it.”

Purpose of the Advisory Committee

The Committee will provide a forum for interested parties at the University to discuss and express opinions on responsible investing.

The Advisory Committee will be composed of students, faculty and staff that meet for the purposes of investigating, producing and providing advice to the University that is constructive

and feasible, and an enhancement to the responsible investing process.

Under the Terms of Reference, the scope of the Committee's work includes:

- Advice about investments where investment managers can actively engage;
- Identification of companies that may be involved in activities contrary to the University's principles and beliefs, where active engagement by York's investment managers would be warranted;
- Advice about circumstances in which stocks held by the University may cause social or environmental injury;
- Advice on proxy voting guidelines, including areas in which the University should invoke proxy voting;
- Identification of like-minded organizations, shareholder groups or coalitions, with which the University could potentially affiliate or become a member.

Composition of the Advisory Committee

The Advisory Committee is comprised of nine (9) members as per the Terms of Reference.

The following individuals were appointed or named to the Committee:

Faculty Members

Prof. Irene Henriques, Sustainability & Economics, Schulich School of Business (Chair)

Prof. Walter Whiteley, Mathematics & Statistics, Faculty of Science

Prof. Anna Zalik, Faculty of Environmental Studies

Non-Academic Staff Member

James Pratt, Research Officer, School of the Arts, Media, Performance and Design

Student Members (named by their respective constituencies)

Lucas McCann, representative of the York University Graduate Students' Association

Mithilen Mathipalan, representative of the York Federation of Students

Manisha Joshi-Vijayan, PSC Student Sub Committee

The other members of the YUACRI include:

Trudy Pound-Curtis, Assistant Vice-President Finance and Chief Financial Officer

Laurie Lawson, University Treasurer

Report of Activities 2015-2016

For the year ended June 30, 2016, the full Advisory Committee met on four separate occasions to undertake its work. An engagement subcommittee met on two separate occasions to draft a process for Responsible Investment representations for the York University endowment fund from York University Community.

The Committee continued its research and education activities to assist the Committee in exercising their responsibilities under the Terms of Reference. Unfortunately, due to a weather event, a second educational panel looking at university approaches to carbon exposure and other contentious investment issues had to be cancelled. This panel will be re-scheduled for the Fall of 2016.

Attendance Record Advisory Committee Meetings

	NAME	09/12/2015	01/18/2016	03/07/2016	06/13/2016	#	%
1	Irene Henriques	X	X	X	X	4	100%
2	Walter Whiteley	X	X	X	X	4	100%
3	Anna Zalik		X	X	X	3	75%
4	James Pratt	X	X	X	X	4	100%
5	Lucas McCann	X	X	X	X	4	100%
7	Mithilen Mathipalan	X	X		X	3	75%
9	Manisha Joshi-Vijayan	X	X	X	X	4	100%
10	Trudy Pound-Curtis	X	X	X	X	4	100%
11	Laurie Lawson	X	X	X	X	4	100%

Activities completed to date include:

1. Held an education panel (second panel was canceled due to inclement weather): “Responsible Investing: A Multi-Perspective Discussion” on Monday October 5, 2015. A forum of two panelists with diverse backgrounds and viewpoints will consider the complexities and meaning of responsible investing.

Catherine Coumans, Ph.D.

Research Coordinator and Coordinator Asia-Pacific Program at MiningWatch Canada

As Research Coordinator for MiningWatch Canada, Catherine has coordinated and contributed to reports on a wide range of topics such as: full-cost accounting for mining, revitalizing economies of mining dependent communities, the role of the Socially Responsible Investment industry, Human Rights Impact Assessment, Submarine Tailings Disposal, Deep Sea Mining, participatory health assessment and participatory research with women in mining affected communities and with women mine workers. Her policy research and work is currently focussed on corporate accountability (standards, verification, certification systems, due diligence, judicial and non-judicial grievance mechanisms), mining and development, and home country legislative reform to assure access to justice for people who have been harmed by Canadian mining companies overseas.

Catherine has provided expert testimony on mining in two congressional inquiries in the Philippines (1999, 2001), before the Constitutional Court in Indonesian (2005), before the Parliamentary committees in Canada (Sub-Committee on Human Rights and Democratic Development in Canada, 2005; Standing Committee on Foreign Affairs and Democratic Development, 2009, and in an Amici Brief for the Supreme Court of the United States (2008). In 2006 Catherine was asked by the Government of Canada to participate on an Advisory Group for the Canadian Government's National Roundtables on CSR and the Canadian Extractive Industry in Developing Countries. Catherine has participated in numerous Canadian government-led multi-stakeholder processes on mining. She sat on the Executive Committee of the multi-stakeholder Canadian Center for Excellence in Corporate Social Responsibility Extractive Resources (2009-2012).

Gus Van Harten, PhD

Gus Van Harten is a professor at Osgoode Hall Law School. Previously he was a faculty member at the LSE Law Department. He authored *Investment Treaty Arbitration and Public Law* (OUP, 2007) and *Sovereign Choices and Sovereign Constraints: Judicial Restraint in Investment Treaty Arbitration* (OUP, 2013), as well as numerous academic articles, primarily in international investment law. He has an open-access research site www.iiapp.org and new blog www.gusvanharten.wordpress.com on investor-state arbitration. Most of his academic articles are freely available <http://ssrn.com/author=638855>. He is presently the Law Commission of Ontario's scholar in residence at Osgoode Hall Law School, researching the relationship between investment treaties and regulatory change based on interviews with current and former government officials in Canada.

The panel was chaired by Lucas McCann, representative of the York University Graduate Students' Association and member of YUACRI.

The session was video recorded and posted on the YUACRI website.

2. Developed a process for community engagement (See Appendix A)
3. Developed and implemented a communication plan to advertise the community engagement process and the representation process.
4. Undertook research on “Best Practices” at Universities (ESG policies, proxy voting guidelines, coalition engagement, ESG screening)
5. Continued updating the YUACRI website <http://yuacri.info.yorku.ca/>

Activities planned for 2016-17 (To be discussed at our June 13, 2016 meeting)

The Committee identified a number of activities to be included in their work plan for 2016-2017. The activities include:

1. Development of proxy voting guidelines
2. Review ESG practices of each Endowment Investment Manager
3. Further development of the YUACRI website
4. Continued development of a communication plan to advertise community engagement process
5. Renewal of YUACRI membership on committee
6. Organize two panels – a panel entitled: “University approaches to carbon exposure and other contentious investment issues” that was postponed due to inclement weather and another on stakeholder engagement.