



YORK UNIVERSITY ADVISORY COMMITTEE ON RESPONSIBLE INVESTING

2014-2015 Annual Report

for the

Vice-President Finance & Administration

Draft June 2015

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, 2015.

The Terms of Reference states 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 comprised 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:

- Advise 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;
- Advise 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, Faculty of Fine Arts

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

TBA, representative of the PSC Student Subcommittee

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 2014-2015

For the year ended June 30, 2015, the full Advisory Committee met on four separate occasions to

undertake its work. An engagement subcommittee met on three separate occasions to draft a process for responsible investment representations from York University community.

The Committee started a process of research and education to assist the Committee in exercising their responsibilities under the Terms of Reference. Unfortunately, due to the labour dispute, a second educational panel looking at various investment perspectives had to be cancelled. This panel will be re-scheduled for the Fall of 2015.

Activities completed to date include:

1. Held an education panel on “ESG Best Practices” from an external expert(s) in the field
2. Developed a process for community engagement (See Appendix A)
3. Undertook research on “Best Practices” at Universities (ESG policies, proxy voting guidelines, coalition engagement, ESG screening)

Activities planned for 2015-16

The Committee identified a number of activities to be included in their work plan for 2014-2015.

The activities include:

1. Development of proxy voting guidelines
2. Review ESG practices of each Endowment Investment Manager