

# **DRAFT**

York University Advisory Committee on Responsible Investing

**Friday, February 24, 2017**  
**Room 901, Kaneff Tower**

## **Present:**

Irene Henriques, Chair  
James Pratt, Research Officer, School of the Arts, Media, Performance and Design  
Manisha Joshi-Vijayan, PSC Student SubCommittee  
Mina Rajabi Paak, York University Graduate Students' Association  
Mithilen Mathipalan, York Federation of Students  
Anna Zalik, Faculty of Environmental Studies  
Evan Light, Glendon College  
Trudy Pound-Curtis, Assistant Vice-President and CFO  
Laurie Lawson, University Treasurer

### 1. Chair's Remarks

The Chair welcomed everyone to the Committee. The Chair asked for an update on the status of the "Minority Report and the "In Favour" Reports. The reports are progressing and will be shared once completed and then sent to the Vice-President Finance and Administration.

Evan Light requested that a discussion on Fund Managers be added to the agenda.

### 2. Request for consideration of the Committee

On February 15, 2017 a confidential communication was received via e-mail from a member of the York Community in response to the YU Divest proposal. There was a request that the documents that were attached be treated as confidential and not be distributed outside of YUACRI. There was also an offer from the communicator and two other faculty members to meet with YUACRI to discuss this material. This information could not be shared with YUACRI until a confidentiality agreement was received by all members.

A motion was put forward and all YUACRI members agreed that they would not share the documents outside of the Committee.

#### Action:

- The material will be shared with YUACRI on Feb. 24th with a caveat not to share with anyone outside of the Committee.
- A poll will be sent out to members asking them to respond by March 3<sup>rd</sup> whether they would like to meet with the faculty members.
- Once results are received the Committee will discuss next steps.

### 3. Fund Managers in the Endowment Fund

There was a general discussion on the current investment managers in the Endowment Fund in terms of investment manager fees, rate of return compared to the index fund, and shareholder engagement of investment managers in terms of ESG policies. Trudy reported that meetings are scheduled with all managers to ask them how they address ESG practices and how it relates to

## **DRAFT**

the finances of the stocks. BAE and Lockheed Martin were the only two stocks in the pooled fund who were invested in weapons. The University only owns units within the pooled fund and is unable to sell only two stocks. If a decision was made to divest in these two companies they would have to sell the entire fund (\$66M) which would result in a significant transaction cost to the University. There was also a discussion that the long-term financial implications were not clear. Jamie commented to Laurie that it seems that our time would be best spent coming up with a broader socially responsible investment policy because we need to use that as our shopping list for a fund manager. It was confirmed that as at December 31, 2016 no other managers in the portfolio were invested in weapons.

There was some discrepancy with the interpretation of the motion that was agreed to at the last meeting with respect to a broader socially responsible investment policy versus a specific weapons divestment policy. The minutes of the last meeting will be circulated for clarification.

There was another discussion on the voting status of Trudy and Laurie on the Committee. Trudy asked Legal Counsel for advice on her voting rights in response to the request to include a formal vote on the YU Divest proposal on Feb. 10<sup>th</sup> agenda. Trudy reported that the University Legal Counsel confirmed her status as a voting member on YUACRI and in the best interests of the Proposal she decided to abstain from voting to avoid any perception of Conflict of Interest to Divestment Proposal. The Committee will share the documentation from Legal Counsel on her voting member status once it is completed.

#### **4. Summary of Community Input**

An updated summary of the Community input as of February 24<sup>th</sup> was circulated to committee members for their information.

#### **5. Fossil Free – Research Results Discussion**

Irene provided a brief overview of the Endowment Fund in terms of fossil fuel investments. The total asset allocation in the Energy sector is 6.61% of the total Fund. The presentation also provided a list of fossil fuel investments in both segregated and pooled funds. The work currently in progress includes an ESG analysis of all companies; examination of whether companies are undertaking investments in renewable energy; carbon footprint and financial analysis all companies. A discussion ensued on actively engaging companies to consider alternative energy options and eliminate greenhouse emissions, as well as changes the University can make to continue to improve sustainability at the institution while maintaining fiduciary commitments. Trudy confirmed that upon approval at the next Board Investment meeting, MSCI will be asked to conduct a Carbon footprint analysis of the total Endowment Fund as at December 31, 2016. This project will be completed sometime in April or early May.

In the interest of full disclosure committee members were asked to disclose any personal investments in fossil fuels and arms manufacturing companies. There was a declaration that no one on the Committee was on a Board or was a Director of an oil company. They also declared whether they had any financial investments in fossil fuels and arms. It was determined that no one had a conflict. Mina left the room during this discussion and later confirmed that she did not hold any stock in fossil fuels and arms companies.

## **DRAFT**

The Committee members provided brief summaries of their respective research results on fossil fuels. There was not sufficient time to complete the discussion on the reports and this item will be brought forward at the next meeting.

### **6. Future Meetings**

The next meeting is scheduled for Friday, March 3, 2017.

### **7. Other Business**

As there was no other business to discuss the meeting was adjourned.