



Title: Procedure for Special Requests Related to Responsible Investing (“RI”)

Status: Draft

Date Established: N/A

Approver: N/A

Introduction

The University of Windsor ("University") has been a signatory to the Principles for Responsible Investment (PRI) since 2020, reaffirming its dedications to integrating environmental, social, and governance ("ESG") factors into its investment strategies. Recognizing that concepts and definitions of Responsible Investing are not fixed, the University remains committed to being agile and responsive to new developments, ensuring that its investment practices continue to align with evolving best practices in sustainability and ethical governance.

This procedure provides a clear and structured process for addressing Special Requests related to Responsible Investing within the University's governance framework. It allows for the voices and concerns of stakeholders in the University community to be heard and thoughtfully considered. Furthermore, the procedure emphasizes the importance of balancing financial stewardship and fiduciary responsibility with our social responsibility.

By adopting this procedure, the University demonstrates its responsible investment philosophy, reflecting its roles as an academic institution and a prudent custodian of its financial assets.

Principles

The primary objective in making investment decisions is to uphold the University's fiduciary responsibility to maximize long-term investment returns while maintaining an acceptable level of risk. The University, as fiduciary, must invest assets in the financial best interests of the beneficiaries, and only take into account factors relevant to financial performance. Alongside this financial responsibility, the University recognizes that integrating Environmental, Social, and Governance (ESG) considerations into its investment decision-making process is consistent with the University's fiduciary duty and that, conversely, ignoring or failing to consider ESG information that might materially affect the financial risk-return profile of the investments could be a breach of fiduciary duty.

A process should be established to address concerns on matters where specific investments may be perceived as threatening an imbalance in the risk-return balance of the University's investments as a result of ESG factors.

Investment decisions and responses to special requests should be guided by the following principles:

1. **Fiduciary Responsibility:** The University, as a prudent investor, has a fiduciary obligation to seek to maximize economic returns while managing risk in accordance with guidelines set by the Investment Committee of the Board of Governors. Financial prudence and the maximization of returns remains the cornerstone of all investment decisions and shall be the top consideration.
2. **Social Injury:** The concept of "social injury," as defined by Yale University, is applied in this procedure. "Social injury" refers to "the injurious impact which the activities of a company are found to have on consumers, employees, or other persons, particularly including activities which violate, or frustrate the enforcement of, rules of domestic or international law intended to protect individuals against deprivation of health, safety, or basic

freedoms; ... social injury shall not consist of doing business with other companies which are themselves engaged in socially injurious activities.”¹

3. **Governmental Actions:** Any actions taken by the Ontario or Canadian governments concerning investments in specific countries, industries, or organizations, will also be taken into account. These actions provide a necessary external context for evaluating the appropriateness of certain investments and ensuring alignment with broader legal and ethical standards.

Procedure

Step 1 University Community	<p>A Special Request to review or reconsider specific investments may only be initiated by members of the University community, which is defined as five key constituencies: faculty, staff, students, alumni, and retirees. Any request must be accompanied by a petition of at least 400 signatures. These signatures must come from at least three of the five constituencies, with a minimum of 20 signatures from each of the selected constituencies. Each individual may only sign the petition once, regardless of whether they belong to multiple constituencies.</p> <p>The submission must include a clear and detailed outline of the proposed actions, specifying the issue at hand and the desired response(s). All Special Request documents must be submitted to the University Secretariat for consideration.</p>
Step 2 University Secretariat	<p>The University Secretariat will verify whether the submission meets the minimum endorsing requirements. If the submission satisfies these conditions, the Secretariat will forward it to the Governance Committee of the Board of Governors for further consideration.</p>
Step 3 Board of Governors Governance Committee	<p>The Governance Committee of the Board of Governors will determine whether, in their sole judgment, the concern merits the establishment of an ad hoc Review Committee.</p>
Step 4 Review Committee	<p>The Review Committee will review the submission and will consult with subject-matter experts as necessary. In its assessment, the Review Committee will consider a broad range of factors, including but not limited to:</p> <ul style="list-style-type: none">• Whether the Special Request is repetitive, vexatious, frivolous, or otherwise inappropriate. For repetitive submissions, the Review Committee will determine if there is new material information that may warrant reconsideration;• Consistency with principles outlined in this procedure and other existing University policies. It is noted that the top principle considered by the Committee shall be fiduciary responsibility;• Feasibility of proposed actions, including the one-time and ongoing resources required to address the concerns;• Potential impacts on the overall investment portfolios; and• Whether the Special Request could be more effectively addressed through other mechanisms available to the University or its investment managers and consultants. This includes any active ownership practices such as dialogue with the company/ies or investment manager(s) in question and proxy voting. <p>Following their evaluation, the Review Committee will submit a report, with recommendations (if any), along with the original Special Request, to the Investment Committee of the Board of Governors.</p>

¹ Yale University 2024, *Policies and Past Actions*, <https://acir.yale.edu/policies-and-past-actions>

Step 5
Investment Committee of
the Board of Governors

The Investment Committee will assess the report and the feasibility and/or appropriateness of any recommendations and will forward its any final recommendations to the Board of Governors.

Step 6
Board of Governors

The Board of Governors, on the recommendation of the Investment Committee, will review the final report and any recommendations for approval. The submitters will be notified of final decisions and the rationale for decisions.

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