VICTORIA UNIVERSITY
IN THE UNIVERSITY OF TORONTO

Victoria University Responsible Investment Policy

1. Purpose and Scope

The Victoria University Responsible Investment Policy ("Policy") affirms Victoria University's commitment to responsible investment by integrating environmental, social, and governance (ESG) considerations into its investment decision-making processes and stewardship practices. The policy applies specifically to the University's Endowment Fund ("Fund") investments which encompass equities, private equity, fixed income, private debt and infrastructure and replaces the previous ESG Investment Guidelines adopted by the Investment Committee in June 2020.

The University acknowledges that ESG factors may materially influence the present and future value of investments and therefore merit consideration in investment strategies.

2. Guiding Principles

Victoria University's approach to responsible investment is underpinned by the following principles:

- **Fiduciary Responsibility**: The application of this Policy and the incorporation of responsible investing considerations must align with all other policies and legal obligations of the Investment Committee. Embedding ESG factors is intended to enhance the Fund's long-term financial performance and support the fiduciary duties of the Investment Committee to the Board of Regents and the University's beneficiaries.
- **Ethical Stewardship**: Investments should reflect the University's core values, including environmental sustainability, human dignity, social justice, and sound governance.
- **Transparency**: The University is committed to transparent and consistent reporting on ESG-related practices and outcomes.
- **Global Alignment**: The Policy supports the University's ongoing commitment to align with internationally recognized standards for responsible investment such as the United Nations-supported Principles for Responsible Investment ("UN PRI").

In accordance with these principles, the Investment Committee of the Board of Regents undertakes, where relevant and material, the following actions:

- Incorporate ESG considerations into Investment Manager[1] selection
- Collaborate with the University's Investment Consultant[2] and Investment Managers to integrate ESG considerations into ownership practices.
- Seek appropriate ESG-related disclosures from Investment Consultant and Investment Managers.

3. ESG Integration

ESG refers to corporate Environmental, Social and Governance responsibility, standards and actions. This may include, but is not limited to, the following:

- **Environmental**: Climate change, greenhouse gas emissions, biodiversity, pollution, and resource efficiency.
- **Social**: Human rights, labour practices, diversity and inclusion, community impact, and ethical supply chains.
- **Governance**: Board composition, transparency, executive remuneration, and shareholder rights.

<u>Expectations of Investment Managers:</u>

Investment managers are expected to integrate ESG criteria into their investment analysis, underwriting, and monitoring processes. The Investment Committee, in connection with its review of the Fund's asset allocation, and in collaboration with the Investment Consultant will progressively select investment managers who are signatories to the UN PRI.

[1]Investment Managers and Investment Consultant in accordance with Victoria University's Statement of Investment Policies and Guidelines

4. Stewardship and Active Ownership

Victoria University exercises active ownership through the following mechanisms:

- **Engagement**: The Investment Committee, through its Investment Consultant, will engage with investment managers to advocate for enhanced ESG integration. The Investment Consultant will annually report on the investment managers' ESG integration.
- **Advocacy**: Administration will engage, directly or collaboratively with peer institutions to advance ESG-related objectives.
- **Monitoring**: Investment Consultant will provide annual reporting on the Investment Manager's ESG performance (further described below).

Investment Manager Selection:

The Investment Committee will incorporate ESG considerations into its due diligence process when selecting investment managers. This includes evaluating:

- The manager's responsible investment philosophy;
- The integration of ESG factors into the investment approach;
- Investment Managers are a signatory of the UN PRI;
- ESG ratings, where available;
- Other relevant ESG-related information.

Ongoing Monitoring:

The Investment Committee will monitor ESG performance across its investment portfolio. On an annual basis:

- Investment Managers will identify ESG developments relevant to the Fund;
- The Investment Consultant will provide ESG ratings and rationale for any changes;
- The Investment Committee will review evolving ESG standards and practices, with support from the investment consultant.

If an investment manager is found to be insufficiently addressing ESG considerations (e.g., a down grade in ESG rating), the Committee will communicate its concerns, reaffirm the importance of ESG alignment, and may reconsider the Funds' continued investment.

5. Climate Action Commitments and Divestment

Recognizing the existential threat posed by climate change, the University commits to the following actions:

- Full divestment from funds with direct fossil fuel producer investments by 2030;
- Where appropriate for Victoria University, align the endowment portfolio's net-zero emissions objectives with those of the broader University of Toronto community such as UTAM.

6. Governance and Oversight

The Investment Committee to oversee the implementation of this policy.

Responsibilities include:

- Policy development and periodic review;
- Establish responsible investing objectives, including those specifically related to climate issues
- Reviewing annual Investment Manager's ESG reports;
- Monitoring best practices and regulatory developments;

7. Transparency and Reporting

The University is committed to transparency in its responsible investment practices. To this end, the administration will:

- Provide annual reports to the Investment Committee detailing ESG integration, proxy voting, engagement, and advocacy activities by the investment managers;
- Submit an annual summary report to the Board of Regents on the University's progress to promote ESG goals;
- Publish responsible investment updates on the University's website;
- Communicate responsible investment initiatives publicly through digital platforms.

8. References

- Victoria University's Statement of Investment Policies and Guidelines
- United Nations Principles for Responsible Investment

Effective Date: June 18, 2026
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Review Cycle: Annually