

**BOARD OF GOVERNORS COMMITTEE TO ADVISE ON MATTERS OF SOCIAL RESPONSIBILITY****REPORT to the BOARD on DIVEST MCGILL SUBMISSION of FEBRUARY 2015  
MARCH 17, 2016****I Introduction**

In February 2015, *Divest McGill* submitted an extensive expression of concern to the Committee to Advise on Matters of Social Responsibility (CAMSR). The submission, entitled **Carbon at All Costs: The Fossil Fuel Industry and the Case for Divestment**, outlines key arguments for McGill's divestment of investments from the top 200 fossil fuel companies. This report summarizes CAMSR's consideration of, and consensus response to the submission.

The *Divest McGill* initiative is similar to numerous proposals for divestment from fossil fuel holdings associated with an international campaign under the auspices of **350.org** that have been directed at endowment and pension funds of postsecondary institutions, religious organizations, foundations and other public entities. Students and faculty have launched comparable undertakings at approximately 34 Canadian universities. A summary overview is appended as Annex A.

The submission of 2015 is the second in recent years from *Divest McGill* proposing divestment from fossil fuel companies, following on an expression of concern in February 2013. On that occasion the focus was on the activities of fossil fuel companies engaged in the Alberta oil sands and the Plan Nord of the Quebec government. In that case CAMSR advised the Board that it did not find social injury had occurred due to the actions of the fossil fuel companies.

The Committee appreciates the time and thought that members of *Divest McGill* have committed to preparing the current comprehensive submission, and to raising awareness of climate change within the University community. The document addresses the relationship between fossil fuel use and climate change, attempts to establish that fossil fuel companies are responsible for social injury and explores the main elements of the divestment argument, presenting these in a coherent way and citing research and evidence that it believes support the case being made.

During the course of its work, the Committee reviewed reports from other universities which have dealt with proposals for fossil fuel divestment. Some of these (e.g., Queen's, University of Toronto) have thoroughly examined the concept of social injury. We refer the reader to these (see Annex A), which more fully address many of the points touched on in this report.

This report throughout uses the generic term 'fossil fuel companies', which is meant to reference the group of fossil fuel companies that are the focus of the *Divest McGill* submission. We understand this term to refer to companies engaged in the extraction, refining and distribution of fossil fuels/hydrocarbons primarily oil and gas and coal.

## **II Process and Timeline**

CAMSR is a standing committee of the Board of Governors with a mandate to advise the Board on matters concerning social responsibility related to University investments overseen by the Board's Investment Committee. The Investment Committee has responsibility for investing the University's endowment fund.

As part of its mandate, CAMSR has a particular role and responsibility to "consider, report and make recommendations to the Board with respect to written expressions of concern from the University community about matters of social responsibility related to University investments". The Divest McGill submission was found to meet the criteria of an expression of concern.

The Board Chair and Secretary met with a delegation of Divest McGill members to receive the submission on February 2, 2015. Since then CAMSR has met on nine separate occasions to receive additional input from Divest McGill and other members of the McGill community, to consider the issues raised by Divest McGill and to deliberate on this report.

Four of these nine meetings involved representatives of Divest McGill, and, in some cases, members of the McGill Faculty and Librarians for Divestment, who had an opportunity to speak and make presentations in support of the submission. The Vice-Principal (Administration and Finance), who also serves as steward to CAMSR, and the Secretary of the Committee met on four separate occasions with representatives of Divest McGill to discuss issues raised in the submission.

Throughout the process the Committee received and responded to correspondence from Divest McGill and the McGill Faculty and Librarians for Divestment. One focus of this correspondence in Fall 2015 was a proposal that CAMSR recommend to the Board an interim freeze on additional fossil fuel investments pending the completion of its deliberations on the original submission. CAMSR heard from Divest McGill in support of this proposal at its October 22 meeting, and ultimately decided not to make such a recommendation.

During the process, the Faculty Councils of Arts and Law approved resolutions supporting the Divest McGill proposal to divest from fossil fuel companies. The Chair and other members of the Board received approximately 16 messages from individuals in response to an initiative of the faculty association to invite expression of opinions on whether to divest from fossil fuel investments. These messages have expressed a mix of opinions for and against.

A chronology of the process and CAMSR's response to the proposal for an interim freeze is attached as Annex B.

CAMSR assessed the merits of the submission relative to the criterion of social injury as defined in its terms of reference, reviewed the responses of other Canadian, and some non-Canadian universities to similar submissions for divestment from fossil fuel companies, considered the phenomenon of climate change and the contribution of fossil fuel companies to it, and examined the efficacy of divestment as a means of influencing the behaviour of fossil fuel companies and of mitigating climate change.

CAMSR also addressed the question of whether any of its members might be in a position of conflict or potential conflict of interest. Members of the Board of Governors and its committees including CAMSR are subject to the Code of Ethics and Conduct for Members of the Board of Governors of McGill University.

Based on the annual Declaration and Disclosure of Conflict of Interest Form by each CAMSR member in Summer 2014 and 2015, no conflict or potential conflict relative to the Divest McGill submission was apparent. A further process of due diligence was undertaken in the course of finalizing CAMSR's report on the Divest McGill submission to explicitly canvass members on whether any one may be in a real or perceived conflict of interest within the meaning of the Code in relation to the Divest McGill submission for divestment from fossil fuel companies. In summary, no real or perceived conflicts of interest with respect to CAMSR's consideration of the Divest McGill submission were found. A table setting out the questions asked and the responses of each member, along with the most recent Declaration and Disclosure of Conflict of Interest Form of each member of CAMSR since February 2015 is attached as Annex C.

### **III Summary of evidence and arguments presented by Divest McGill**

Before outlining CAMSR's overall response to the *Divest McGill* submission, we summarize below the primary arguments and evidence put forth in the February 2015 report. Given the extensive analysis and broad scope of the submission, we include here only high level findings and a sample of the evidence that has been cited.

#### **1. Fossil Fuel Consumption Causes Climate Change**

In its submission, *Divest McGill* presents compelling and now widely accepted scientific evidence that fossil fuel use has a direct impact on climate change. The report emphasizes that the science on this matter is largely settled, with 97% of climate scientists and 200 scientific bodies worldwide recognizing anthropogenic climate change.

*Divest McGill* carefully and methodically presents substantial evidence demonstrating the impact of fossil fuel consumption on climate, and cites the conclusions of several international science bodies and experts, including:

- The International Panel on Climate Change (IPCC) 5th Assessment Report which concludes that "It is extremely likely that human influence has been the dominant cause of the observed warming since the mid-20th century." The five major reports of the IPCC in 1990, 1995, 2001, 2007 and 2014 have all drawn similar conclusions, and outlined in detail the causes and consequences of climate change
- The national science academies of the G8 countries plus Brazil, China, South Africa, and India which noted in a joint statement that the need "for urgent action to address climate change is now indisputable". They indicated as well that the goals of limiting global warming to 2°C would require a very rapid worldwide implementation of all currently available low carbon technologies

## **2. Fossil Fuel Companies Engage in Activities Causing “Social Harm”**

*Divest McGill* argues that the business model of the fossil fuel industry is wholly dependent on the extraction of current and future reserves. Thus the industry spends large amounts annually (\$744 billion in 2013) on exploration and finding new reserves of oil and gas to perpetuate growth and long term profitability.

The submission presents the view that this business model of continuous exploration and exploitation necessarily causes serious social injury by exacerbating climate change, disrupting and damaging ecosystems and the environment, and violating the rights of indigenous and local communities. The report notes that “tremendous environmental harm has been committed by a majority of fossil fuel companies,” and many such companies have “horrific records regarding human rights” as well as “corrupt business practices on an international scale”.

To highlight the social injury arising from fossil fuel corporations, the report cites the activities of two companies- Royal Dutch Shell and Enbridge – as emblematic of industry-wide practices. The account of these two companies includes allegations of serious human rights abuses and large-scale environmental impact and disruption. With regard to Shell, for example, the case is presented that the company’s exploration activities in Alberta and the Arctic puts it on a “collision course with indigenous land titles, fragile ecosystems, and the stability of the world climate”.

## **3. Significant Carbon Reserves must remain unused to achieve 2% global temperature target**

In 2009, within the United Nations Framework of Climate Change, 196 nations agreed that global temperature rise must not surpass 2°C if the world is to limit the impact of climate change. *Divest McGill* argues that the continuing activities of fossil fuel companies are unsustainable, and incompatible with the 2°C limit. They argue that 60% - 80% of the reserves of the fossil fuel industry must stay in the ground to stay below the 2°C limit, effectively pushing for an end to exploration for fossil fuels and a pledge from companies to keep the unburnable portion of fossil fuel reserves underground. They cite evidence that burning just the world’s proven reserves of coal, oil, and natural gas would produce 2,795 gigatonnes of carbon dioxide—nearly five times as much as the acceptable carbon budget to stay within the 2 degree target.

#### **4. Fossil Fuel Companies Impede Action on Climate Change**

*Divest McGill* presents the argument that fossil fuel companies intentionally delay and impede government action on climate change as well the enforcement of existing regulations and laws on the environment. The report notes that in 2013, fossil fuel industries spent an estimated \$213 million lobbying U.S. and EU decision makers. Within the US particularly, lobbyists and legislators supporting the fossil fuel industry have achieved success in delaying climate, renewable energy and environmental legislation.

The report notes that within Canada, the Canadian Association of Petroleum Producers (CAPP) has met with the federal government more than 2700 times since 2008, nearly double that of any other industry. *Divest McGill* argues that the influence of such lobbyists has diminished environmental protections written into federal legislation, including most recently Omnibus bill C-38, known as the Jobs, Growth and Long-term Prosperity Act. *Divest McGill* claims that none of the top 200 fossil fuel companies have credible business plans for shifting from fossil fuels to renewable energy sources.

In the view of *Divest McGill*, fossil fuel industries also manage to skew public opinion about the status of global climate change by funding biased science. Exxon Mobil has allegedly spent at least \$22 million since 1998 funding studies, journalists and think-tanks to publish climate denial material.

#### **5. Divestment is Financially Viable**

*Divest McGill* argues that divestment of the top 200 fossil fuel companies carries little if any financial risk. The report points to several studies that have attempted to quantify the financial consequences of taking environmental factors into account in the investment management process, and concludes that these “studies have found no significant impact on investment risk in predictive models, nor a performance penalty in tests using historical data”. The report, for example, points to a study by S&P Capital IQ, commissioned by the City of Seattle, which showed that over the past ten years, investment in the S&P 500 excluding fossil fuel companies would have received marginally higher returns (30 basis points) than a portfolio including them.

Moreover, the report presents the view that the beneficiaries of McGill University investments will be well-served by fossil fuel divestment by helping to reduce risk exposure from holding equity in companies which may become ‘stranded assets’ or whose value may decline in the long term whether due to regular market forces or government action on climate change.

Finally, *Divest McGill* makes the argument that shareholder activism to compel industry change has little hope of being successful since it would require that the industry adopt an entirely new core business model, focused on a transition to renewable energy and cessation of all exploration.

#### **IV General Observations**

CAMSR acknowledges and accepts the findings of climate science and the importance of action to mitigate climate change as most recently demonstrated in the Paris agreement of December 2015 and the World Economic Forum in January 2016. Global warming is a source of stress for human and planetary well-being. The continued emission of greenhouse gasses due to the burning of fossil fuels will cause further warming and long-term adverse effects. We concur with the consensus that for global warming to be kept within the accepted limit of 1.5 to 2 degrees, there also must be a limit to the amount of carbon released into the atmosphere in future. We understand and agree with the goals of Divest McGill to reduce fossil fuel consumption and in turn the extent of climate change.

The impact of fossil fuel consumption is nonetheless a reflection of the dependence globally, in both developed and developing societies, on fossil fuels for energy, agricultural and industrial production. Such basic necessities as clean water, refrigeration and food supply are based on fossil fuel usage. A significant decrease in fossil fuel use without a corresponding increase in alternatives would adversely affect the well-being and human rights of people around the world. While there is widespread agreement that a transition to a new energy system is needed, it is foreseen that the transition must be orderly.

On analysis, the brief and information produced by Divest McGill is persuasive as a call for action against climate change, and for engagement by the University in this quest. Whether divestment of investment in the fossil fuel industry is an appropriate action for the University is the main question. Our report will address this question and the more general challenge of how the University can best respond to the pressing issue of global warning.

As has been reiterated in divestment responses to date, a university exists to pursue an academic mission centered around education and research of the highest calibre. The university's core mission is the creation of knowledge through research, scholarly activity and innovation, dissemination of knowledge through teaching and learning and service to local, national and global communities of many kinds. The best way for McGill to contribute to mitigating climate change is through actions that are consistent with and build on its mission such as climate-oriented interdisciplinary and collaborative research, scientific discovery, enabling students to engage in climate-informed learning, building public awareness to support and shape public policy and doing what it can to reduce its own carbon footprint and adopt climate-friendly practices in its operations.

## V Social Injury

As noted above, other universities have grappled with the concept of social injury and the link between social injury and divestment. Their reports on fossil fuel divestment are helpful in providing a comprehensive understanding of the concept. In drafting the McGill-specific summary below, the Committee has not repeated everything others have said.

The Committee's mandate with respect to the Divest McGill submission is set out in the Terms of Reference of CAMSR (S. 5.2 c.): which states that it may "consider the merits of an expression of concern and make findings exclusively on the criterion of social injury defined in section 2".

Section 2 states that for the purposes of CAMSR's mandate, "*...the term "social injury" means the grave injurious impact which the activities of a company is found to have on consumers, employees, or other persons, or on the natural environment.* The full terms of reference is appended as Annex D.

Section 2 goes on to indicate that the kinds of activities that may have grave injurious impact "*include those 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, or to protect the natural environment*".

To establish that the criterion of social injury has been met requires that three elements be present. There must be an injurious impact. Such impact must be grave. Such grave injurious impact must result from the activities of a company (or companies).

### ***Injurious Impact***

The Committee recognizes that climate change is an injurious impact that has occurred based on the elaborate body of climate science research. The science establishes that climate change, if not mitigated, will have harmful effects on the future well-being of people and the natural environment. Climate change is in turn linked significantly to the burning of fossil fuels and the resulting emission of carbon-intensive gasses. This is sufficient basis to merit mitigating action.

### ***Grave Injurious Impact***

Whether the injurious impact of climate change can be considered grave, is, in part, a question of degree; the plain meaning of grave in this usage is extremely serious or threatening. To be extremely serious or threatening implies quantum, imminence and persistence of harm.

As underscored by the Paris agreement of December 2015, widely seen as a major turning point in the global fight against climate change, there is widespread acceptance that the rise in average global temperatures must be held well below 2°C (not more than 1.5°C) above pre-industrial levels between now and 2050 if humankind is to avoid irreversible effects of climate change. Without negating the current injurious impact, this suggests that the most pronounced and harmful effects of climate change have not yet been experienced, and may not happen if the Paris agreement goal is achieved and concerted related action is taken. If the most pronounced effects materialize, it will involve a measurable worsening of conditions from present levels and will occur in the future. In this context grave injurious impact is a threshold which arguably has not been reached and can yet be avoided. Indeed, the report of the Massachusetts Institute of Technology entitled **A Plan for Action on Climate Change** dated October 21, 2015 succinctly sums up this point.

A warming of about 2°C (3.6°F) above pre-industrial levels marks a threshold after which the resulting damage to societies and natural systems becomes increasingly grave.

In weighing the degree of injurious impact one must take into account the full context including the beneficial impact of the fossil fuels industry. Society, both in the developed and developing worlds, depends on energy to support housing, production and distribution of goods and services, transportation and many amenities. The latest OECD calculation estimates that approximately 80% of the world's energy is generated from the burning of hydrocarbons. The Committee must give regard to this global reliance on fossil fuel energy. Energy is essential to economic development, health, reduction of poverty and social justice. Alternative sources of energy are not broadly or uniformly available to society at this time.

Fossil fuels and their petro-chemical derivatives also are important inputs to many products and technologies that underpin everyday life around the world. Currently society has no cost effective and reliable alternative to these inputs.



Fossil fuel usage is indispensable to society as we know it today, and to the standard of living and quality of life enjoyed by people around the world. In this context and at this time the producers of fossil fuels are essential in meeting this demand, and contribute in socially beneficial ways, to the functioning and welfare of society. Fossil fuels will remain an irreplaceable component of modern life until we can make an orderly transition to a new energy system and economy.

The Committee is persuaded that the beneficial impact of fossil fuel companies offsets or outweighs injurious impact at this time.

### ***Activities of companies***

The injurious impact of climate change/global warming cannot be attributed primarily to the activities of fossil fuel companies which extract and produce fuel. Recent figures suggest that 80-90% of total greenhouse gas emissions emanate from the end use of products in industry, power plants, buildings and transportation by both companies and individuals. For instance, 60% of oil produced is consumed in transportation. (WEF p 9). Admittedly, the extraction, refining and distribution of fossil fuels account for up to 20% of emissions, but the comparatively small proportion of supply side activity impact cannot be substituted for the whole impact resulting from the end-use consumption of fossil fuels. A significant proportion of the injurious impact of fossil fuels is caused by their burning, which mostly takes place beyond and outside the activities of the fossil fuel companies identified in the Divest McGill submission. A view that responsibility for climate change lies with the supply side (extracting and producing fossil fuels) is partial and unsatisfactory. Only a holistic and balanced view that focuses on both supply and demand (usage) will enable meaningful action to address climate change.

As outlined above, it may be said that fossil fuel companies and companies that use fossil fuels, engage in activities that to some degree have an injurious impact. Indeed, in the industrial age and society in which we find ourselves, much human activity may be said to have an injurious impact on the natural environment. CAMSR fails to see the logic or virtue in singling out the activities of fossil fuel companies for special attention, when concerted efforts are needed on a mass scale to change the behaviour of many companies and individuals.

Divest McGill argues that certain other activities of fossil fuel companies *de facto* cause social injury, namely: continuing exploration for fossil fuels despite global warming limits; lobbying and supporting campaigns aimed at preventing action on climate change; refusing to pledge to keep the unburnable portion of fossil fuel reserves underground; and failing to meet national and international standards for obtaining the consent of indigenous communities on whose lands they operate.

Divest McGill cites infractions of domestic and international laws by some of these companies, for which they were sanctioned. This tends to show that these companies operate within the law, although they, like commercial ventures in other areas of activity, sometimes breach specific laws or regulations. Such an outcome does not demonstrate that the company's activities frustrate the enforcement of rules or domestic and international law as described in our terms of reference. Fossil fuel companies are lawful entities. They operate within an extensive body of legislation and regulation around the world. There must be a nexus between incidents of unlawful behaviour and grave injurious impact by the responsible company (ies) in order to establish social injury.

The Committee is not persuaded that the combined effects of these four actions identified by Divest McGill have a grave injurious impact that meets the test of social injury contained in the Committee's terms of reference. For example, lobbying against some measures does not automatically violate or frustrate the enforcement of rules of domestic or international laws against deprivation of health, safety or basic freedoms or to protect the environment. Continuing to explore or refusing to keep unburnable reserves underground does not directly have grave injurious impact on individuals or the natural environment.

Climate change is an injurious impact primarily due to the burning of fossil fuels by end-users rather than activities of fossil fuel companies.

### ***Finding on Social Injury***

There is not the degree or extent of injurious impact at this time that results from the activities of fossil fuel companies that would warrant a finding of grave injurious impact. Arguably, cutting off access to fossil fuels would be more likely to result in grave injurious impact in the short-term than the continued reliance on fossil fuels

For all of the reasons outlined above, the Committee remains unconvinced that grave injurious impact resulting from the activities of the top 200 fossil fuel companies or a particular fossil fuel company has occurred at this time. In the absence of the three elements required to establish social injury, namely the existence of injurious impact that is grave and attributable to the activities of one or more companies, the criterion of social injury is not met.

## **VI Divestment**

In its submission Divest McGill proposes that the University divest from investments in the 200 fossil fuel companies with the largest carbon reserves.

In keeping with the CAMSR terms of reference, determination of social injury would be a prerequisite for a recommendation for divestment of holdings in a company or companies.

Although, as explained in section **V** of this report, CAMSR has determined that the activities of fossil fuel companies do not meet the criterion of social injury, we believe it worthwhile to offer observations on divestment and other actions McGill might consider to address climate change.

Even where CAMSR were to make a finding of social injury, and is of the opinion that action is warranted, it may recommend action within a broad range of options including divestment.

CAMSR is of the view that divestment would be an appropriate action only where exceptional and compelling circumstances exist to justify such an intervention in the normal oversight of endowment investments carried out by the Board's Investments Committee and professional investment managers.

The Investment Committee of the Board has a fiduciary duty to oversee the investment and effective management of the University's endowment funds to generate optimal, risk-adjusted returns in accordance with the Statement of Investment Policy and its terms of reference. The endowment is made up of thousands of donations received over many years for purposes related to our academic mission as designated by generous benefactors. The University holds endowment funds in perpetuity to advance its mission.

The University depends on the return on investment of the endowment fund to generate income to support donor-designated objectives such as student scholarships and bursaries, research, academic chairs, facilities and special programs. The Investment Committee has the responsibility to generate returns in order to make annual payouts and to protect the capital value of the endowment fund indefinitely into the future. One of the fundamental strategies for prudent management of investments is portfolio diversification. The exclusion of any lawful investment sector or class of assets would necessarily restrict the range of investment options, which, in turn could have a negative impact on the overall health of the endowment fund. Divestment could increase the risk to capital and to the generation of optimal returns. Accordingly, we have reservations against divesting holdings for reasons unrelated to the endowment's financial well-being. Only serious unacceptable activities of particular companies would warrant the deployment of a divestment strategy. The bar for justifying divestment is and must continue to be set very high.

Even if CAMSR had found that the activities of fossil fuel companies resulted in social injury, it would be disinclined to recommend divestment unless it could be demonstrated that divestment was required in order to have an impact on redressing the social injury similar to the impact that divestment was seen to have in the cases of tobacco and South Africa. If the grave injurious impact is climate change, we do not see that divestment would be an effective or meaningful form of action to address climate change at this time.

Let us examine the possible consequences of divestment. Divestment can be used to bring pressure to bear or to influence the behaviour of a company through direct financial impact, e.g., by depleting its capitalization. As economists and other commentators have pointed out, universities hold a very small fraction of the total market capitalization of fossil fuel companies. If McGill and other universities were to divest our holdings at this moment, it is likely these assets would find other willing buyers with little or no economic effect on the companies. At the same time, divestment would reduce or remove the influence we may be able to exert on fossil fuel companies by remaining invested. In this light, divestment is likely to have negligible financial or other tangible impact on fossil fuel companies.

Secondly, divestment may be used for symbolic reasons, to make a statement or send a signal of disapproval of a company's activities with the goal of affecting public opinion and perhaps public policy. Symbolism affects reputation and attempts to impart a measure of stigmatization. Divest McGill itself has stated that divestment would be largely a symbolic and political act.

CAMSR shares the view articulated by Drew Faust, President of Harvard, in October 2013.

We should, moreover, be very wary of steps intended to instrumentalize our endowment in ways that would appear to position the university as a political actor rather than an academic institution. Conceiving of the endowment not as an economic resource, but as a tool to inject the University into the political process or as a lever to exert economic pressure for social purposes, can entail serious risks to the independence of the academic enterprise. The endowment is a resource, not an instrument to impel social or political change.

Divestment, whether to exert financial influence or for symbolic purposes, would not be an effective means of addressing climate change. It is an ultimate action that is disconnected from the intended outcome of reducing the injurious impact represented by climate change. It also is a distraction to efficacious forms of action, and somewhat overreaching relative to reasonable next steps given the current economic and political reality. The Committee sees no advantage or benefit for McGill to engage in action that would have negligible impact on climate change. Furthermore, since fossil fuel companies are not engaged uniformly in activities which result in grave injurious impact, a blanket divestment strategy would be unprincipled and inappropriate.

CAMSR could find no instance among Canadian universities of a decision to divest from fossil fuel companies. Beyond Canada there have been relatively few such decisions by universities, and sometimes, as in the case of Stanford, these have been rather limited in scope and significance.

At the University of Toronto, the President's Advisory Committee on Divestment from fossil fuels recommended a strategy of targeted divestment from fossil fuel companies which "engage in egregious behaviour and contribute inordinately to social injury." In that Committee's view "fossil fuel firms engaging in activities that blatantly disregards the 1.5 degree threshold are engaging egregiously in socially injurious behavior that is irreconcilable with internationally agreed limits ...." and "the University should, in a targeted and principled manner, divest from its direct holdings in such firms". This approach may offer some promise in establishing a concrete measure of social injury that would justify selective divestment. However, at this time, as the University of Toronto report acknowledges, a method to evaluate whether a given fossil fuel company's actions meet this test does not exist and must first be determined. CAMSR considered the question of partial divestment targeted at companies engaged in production and burning of coal but in current circumstances do not see this as effective or constructive in reducing coal production and use.

## **VII Other Forms of Climate Action**

In the Committee's view, action by McGill to counter climate change is appropriate irrespective of the determination of social injury per CAMSR's terms of reference. We agree with Divest McGill that issues of climate change must be addressed.

McGill already has important programs and initiatives underway that are significant in promoting socially responsible investments and combatting climate change.

- In 2007 it established an Office of Sustainability and has adopted a strategic plan for sustainability, Vision 2020 that has resulted in achievement of many action objectives. The Sustainability Projects Fund (SPF) is financed 50/50 by the students and the administration for a total of \$ 850,000 / year. The University also contributes \$42,000 annually to the operating budget of the Office of Sustainability.
- McGill contributes over approximately \$500,000 annually to a dozen research projects related to Sustainability. In addition, the university provided \$750,000 in funds to match philanthropic donations given for the Trottier Institute for Sustainability in Engineering and Design and the Sustainable Engineering Support Fund.

- McGill has undertaken a series of energy management initiatives since 2002 intended to reduce energy consumption and realize savings in energy costs. McGill's Five-Year Energy Management Plan initiated in 2010 promotes energy conservation and reduction through projects ranging from technological upgrades to changes in user behaviour. The 2013 updated plan calls for investments that will generate a reduction in annual energy consumption of 480,000 gigajoules and a reduction in annual energy costs of \$5.3 million by fiscal year 2018.
- The Office of Investments and the Investment Committee have promoted the adoption of ESG (Environmental, Social, Governance) policies and signing on to the UNPRI (United Nations Principles of Responsible Investing) to McGill's 38 investment managers.
- Beginning in Fiscal Year 2017, McGill has committed \$2 million per year over the next 5 years to sustainability sciences across a range of disciplines. This is a highly integrated approach to identifying, quantifying, modelling and addressing sustainability challenges through five interconnected research themes: biodiversity; climate modelling/climate change; green chemistry; advanced materials and nanotechnology; economics, policy and governance. The University also is pursuing additional funding of \$20 million in research grants and philanthropic donations to support this commitment.
- In 1998, McGill established the McGill School of Environment (MSE), involving the Faculties of Agricultural and Environmental Sciences, Arts and Science. Areas of study include Biodiversity and Conservation, Environment and Development as well as Renewable Resource Managing. MSE programs lead to degrees at the Bachelor and graduate level.
- McGill offers various student study programs such as the Major in Managing for Sustainability in the Desautels Faculty of Management which integrates management studies with fundamentals of environmental science and sustainability, and is offered in collaboration with the McGill School of Environment and the Department of Geography.

## Recommendations

CAMSR proposes that the Board ask the Investment Committee, while exercising its fiduciary duty, to consider and report back on by December 2016, measures such as set out below.

- Establishing a socially responsible investment fund option for donors interested in such an option - similar to the fund established for pension investments
- Looking at opportunities for, and supporting, sound investments in alternative (renewable) energy firms, alternative technology development and commercialization
- Developing ESG principles and guidelines for endowment investments
- Asking investment managers to report annually on ESG and UNPRI implementation and compliance, which will in turn be reported to the Board
- Supporting and initiating shareholder resolutions to encourage changes in company practices deemed inconsistent with ESG and UNPRI

CAMSR also proposes that the Board ask the University administration to provide it by the May 2016 meeting with a preliminary overview of all current sustainability and climate-related activities. This overview would form the basis for the Board and senior administration to work collaboratively on further integrating and expanding initiatives, consistent with the McGill mission, to create a comprehensive climate action plan. CAMSR also proposes that the Board ask the University administration to report annually to the Board on all sustainability and climate initiatives. Such initiatives would encompass, but not be limited to:

- ✓ Sustainability research and education across all fields of study, efforts to advance understanding of climate change and promote innovative mitigation and adaptation solutions
- ✓ Ongoing implementation of Vision 2020 and the development of a further sustainability strategic plan and action plan for 2017-2020
- ✓ Projects to quantify and reduce McGill's own carbon footprint that set measurable goals and contain indicators of performance and progress

In closing, CAMSR thanks Divest McGill for helping to bring the issues of climate change and sustainability and the need for climate action to prominent attention at McGill and especially at the Board of Governors, and for its commitment to the University and to improving policy, practices and operations. We also commend Divest McGill for fostering debate and building a sense of responsibility within the University on important issues ranging from sustainability and climate change to socially responsible investing. While we acknowledge differences in the views held by CAMSR and Divest McGill, we express our appreciation for the respectful and constructive approach that Divest McGill has brought to our exchanges throughout the process.





# Canadian Universities

## Synopsis of Fossil Fuel Divestment Campaigns

Annex A  
March 2016

### U15 Universities

University of Alberta		No Campaign
University of British Columbia		Rejected Divestment: <a href="http://www.cbc.ca/news/canada/british-columbia/ubc-board-of-governors-votes-against-divestment-from-fossil-fuel-industry-1.3317816">http://www.cbc.ca/news/canada/british-columbia/ubc-board-of-governors-votes-against-divestment-from-fossil-fuel-industry-1.3317816</a>
University of Calgary		The University of Calgary indicated that it will not alter its investment policy should an activist movement to divest from fossil fuels reach its campus, and is not looking at making changes to its current investments in the energy industry.
Dalhousie University		Rejected divestment  <a href="#">Dalhousie University Board Investment Committee Report to the Board of Governors November 25, 2014</a>
Université Laval		No campaign. Université Laval (UL) moves to become the first "carbon neutral" university in Quebec. <a href="http://www.ledevoir.com/plaisirs/loisirs/457400/carboneutralite-l-universite-laval-montre-la-voie">http://www.ledevoir.com/plaisirs/loisirs/457400/carboneutralite-l-universite-laval-montre-la-voie</a>
University of Manitoba		Campaign ongoing
McMaster University		Campaign ongoing
Université de Montréal		Campaign ongoing
University of Ottawa		Campaign ongoing
Queen's University		Rejected Divestment <a href="http://www.queensu.ca/principal/sites/webpublish.queensu.ca.opvcwww/files/files/QU-Advisory-Committee-on-Divestment.pdf">http://www.queensu.ca/principal/sites/webpublish.queensu.ca.opvcwww/files/files/QU-Advisory-Committee-on-Divestment.pdf</a>
University of Saskatchewan		No campaign
University of Toronto		The University's President is considering a report of the President's Advisory Committee on Divestment
University of Waterloo		Campaign ongoing
Western University		Campaign ongoing

### OTHER Canadian Universities

Memorial University		Board of Regents considering a request
Trent		Rejected divestment ( <a href="http://www.trentu.ca/newsevents/newsDetail_old.php?newsID=9690">http://www.trentu.ca/newsevents/newsDetail_old.php?newsID=9690</a> )
University of Guelph		Report of the Ad Hoc Working Group on Responsible Investing, July 2015
Simon Fraser University		Rejected divestment: SFU adopted UN Principles for Responsible Investment and created a Responsible Investment Committee Campaign ongoing

# Canadian Universities

## Synopsis of Fossil Fuel Divestment Campaigns

**Annex A**  
March 2016

Concordia University		Campaign outcome: Concordia University initiated \$5 million fund to explore divesting from fossil fuels and investing in sustainable, socially responsible holdings. <a href="http://www.newswire.ca/news-releases/divest-concordia-denounces-concordia-university-foundation-refusal-to-divest-from-fossil-fuels-516567711.html">http://www.newswire.ca/news-releases/divest-concordia-denounces-concordia-university-foundation-refusal-to-divest-from-fossil-fuels-516567711.html</a> ; see also <a href="http://montrealgazette.com/news/local-news/concordia-becomes-first-canadian-university-to-begin-divesting-from-fossil-fuels">http://montrealgazette.com/news/local-news/concordia-becomes-first-canadian-university-to-begin-divesting-from-fossil-fuels</a>
University of Victoria		Campaign ongoing <a href="http://www.martlet.ca/in-spite-of-protests-university-shirks-divestment-decision/">http://www.martlet.ca/in-spite-of-protests-university-shirks-divestment-decision/</a>
Lakehead University		Campaign ongoing
Kwantlen University		Rejected Divestment: <a href="http://runnermag.ca/2014/12/kwantlens-board-of-governors-declines-divestment-initiative/">http://runnermag.ca/2014/12/kwantlens-board-of-governors-declines-divestment-initiative/</a> Appears that a Campaign is ongoing
Saint Mary's University		Campaign ongoing: <a href="https://www.facebook.com/DivestSMU/info/?tab=page_info">https://www.facebook.com/DivestSMU/info/?tab=page_info</a>
University of New Brunswick		Campaign ongoing
Mount Allison University		Campaign ongoing
York University		Campaign ongoing
Ryerson University		Campaign ongoing
University of Winnipeg		Campaign ongoing <a href="http://uwinnipeg.ca/divestment/">http://uwinnipeg.ca/divestment/</a>
Carleton University		Rejected divestment <a href="https://apps.carleton.edu/governance/cric/assets/Board_Response_to_CRIC_Report.pdf">https://apps.carleton.edu/governance/cric/assets/Board_Response_to_CRIC_Report.pdf</a>
St. Francis Xavier		Campaign ongoing
Laurentian		Campaign ongoing
University of King's College		Campaign ongoing
University of P.E.I.		Campaign ongoing
Université de Sherbrooke		Campaign ongoing

## CAMSR Timeline (2015-2016)

### **February 2, 2015**

- Secretariat received a submission from Divest McGill calling for divestment from fossil fuels.

### **February 9, 2015**

- Secretary-General met with Professors Greg Mikkelson and Shaun Lovejoy regarding the Faculty letter in support of divestment.

### **CAMSR Meeting of Feb 19, 2015**

- CAMSR met to review the Divest McGill petition and to discuss process.

### **CAMSR Meeting of Feb 26, 2015**

- CAMSR met to consider petition and to hear from members of Divest McGill.
- Received the Executive Summary of the group's submission.

### **CAMSR Meeting of April 15, 2015**

- Representatives of Divest McGill attended a portion of the meeting to deliver a presentation in support of their petition.
- Distributed to members of CAMSR:
  - Divest McGill Presentation slides
  - Supplemental reports provided by Divest McGill
    - Stranded Asset Program "*Stranded assets and the fossil fuel divestment campaign: what does divestment mean for the valuation of fossil fuel assets?*"
    - Enbridge and Shell Brief

### **CAMSR Meeting of May 8, 2015**

- Representatives of Divest McGill invited for a portion of the meeting. Divest McGill PowerPoint Presentation addressed the questions Committee members submitted to Divest McGill on April 15
- Letter addressed to Gerald Butts from Richard Janda "*Re: Jurisdiction of CAMSR to Refer an Expression of Concern to the Royal Society of Canada*"

### **May 25 2015**

- Prof. Derek Nystrom and Prof. Darin Barney letter regarding Divest McGill Expression of Concern and CAMSR Terms of Reference sent to CAMSR.

## CAMSR Timeline (2015-2016)

### August 17, 2015

- Secretariat received a letter from Divest McGill which was distributed for the August 18<sup>th</sup> meeting of CAMSR. Response to the letter provided by Secretary-General on behalf of the Chair on August 19.

### CAMSR Meeting of August 18, 2015:

#### Meeting overview:

- Further Process for Considering the Question of Social Injury:
  - CAMSR considered the definition of social injury as defined by its terms of reference.
  - Members were apprised of updates related to divestment submissions that were being considered at other universities.
  - CAMSR discussed the types of actions that the McGill community could take to address climate change.

### August 25, 2015

- Vice-Principal Administration and Finance and Secretary-General met with David Summerhays, Emily Boytinck and Guillaume Joseph from Divest McGill.

### September 5, 10, 2015

- Email from Divest McGill and McGill Faculty & Librarians for Divestment– response provided by the Secretary-General on behalf of the Chair on September 11.

### September 21, 2015

- Email from Divest McGill requesting freeze on future investments in fossil fuels. Response provided by Secretary-General on behalf of Chair September 21.

### CAMSR Meeting of October 22, 2015

- Consultations with academic staff on climate change issues.
- Presentation from Divest McGill which focused on the group's request to freeze future investment in the top 200 fossil fuel companies and divest within one year from Shell and Enbridge, as well as to commit to wider divestment from the top 200 companies within three years.

### CAMSR Meeting of November 11, 2015

- Consultation with another member of academic staff on climate issues.
- CAMSR decided not to recommend immediate freeze to the Board.
- First discussion of CAMSR report to the Board.

## **CAMSR Timeline (2015-2016)**

### **January 13, 2016**

- Meeting with Stuart Cobbett, Michael Di Grappa, Stephen Stropole and David Summerhays.

### **CAMSR Meeting of January 14, 2016**

- CAMSR received:
  - Three Reports on Climate Change/Divestment from other universities:
    - (U of T; MIT and the University of Edinburgh)
  - Three questions to assist the Committee's work: intended to frame the Committee's discussions of the Divestment McGill submission in the context of developing a report to the Board of Governors (Circulation of the report outline of report to CAMSR for input).
- Meeting Overview:
  - Further Discussion of Divest McGill Submission and discussion of CAMSR Report to the Board of Governors.

### **February 17, 2016**

- Meeting with Stephen Stropole, Michael Di Grappa, Sophie Leblanc and David Summerhays.

### **February 19, 2016**

- Secretary-General sent a request to members of CAMSR to ascertain potential conflict of interest in relation to the CAMSR submission.

### **CAMSR March 17, 2016**

- Meeting of CAMSR reviewed and revised its report to the Board.

Appendix "A"  
McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form  
(June 1, 2014 – May 31, 2015)

Name Courtney Ayukawa  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

1. Principal occupation:

Employer (Company Name): SSMU  
Position Title: President  
Occupation: \_\_\_\_\_

2. Type of involvement in other organizations (e.g. board member, president, member):

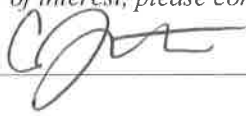
Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 17 day of June 20 14. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature 

Appendix "A"  
**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form**  
(September 1, 2015- August 31, 2016)

Name STUART H. COBBETT  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): RETIRED  
Position Title: \_\_\_\_\_  
Occupation: \_\_\_\_\_

**2. Type of involvement in other organizations (e.g. board member, president, member):**

Name of Organization: REX MEDIA CAPITAL  
Type of Involvement: Executive Chairman

Name of Organization: CITIBANK CANADA  
Type of Involvement: Board member

Name of Organization: THE JOHN DOBSON FOUNDATION  
Type of Involvement: Board member

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 15<sup>th</sup> day of July 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature SH Cobbett

FONDS DE DOTATION DES GRANDS BALLETS CANADIEN  
Board member



## Appendix "A"

**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form  
(September 1, 2015- August 31, 2016)**

Name RONALD H. CRITCHLEY  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): MCGILL UNIVERSITY  
Position Title: ACADEMIC ADVISER BCOM OFFICE  
Occupation: ACADEMIC ADVISER

**2. Type of involvement in other organizations (e.g. board member, president, member):**

- Name of Organization: MCGILL UNIVERSITY NON-ACADEMIC STAFF ASSOCIATION  
Type of Involvement: PRESIDENT
- Name of Organization: CONFERENCE DES ASSOCIATIONS DE CADRES ET DES PROFESSIONNELS  
DES UNIVERSITES QUEBECOISES  
Type of Involvement: PRESIDENT
- MRC HAUT ST. LAURENT, COMITE CULTUREL - MEMBER
- Name of Organization: SCABRIC CHATEAUGUAY WATERSHED AGENCY  
Type of Involvement: MEMBER, CONSEIL D'ADMINISTRATION
- SALABERRY-SURDIT CONSERVATIVE ASSOCIATION - FINANCIAL AGENT

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 23<sup>RD</sup> day of JULY 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature Ronald Critchley



Appendix "A"  
McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form  
(September 1, 2015- August 31, 2016)

Name \_\_\_\_\_  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code").

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

1. Principal occupation:

Employer (Company Name): MCGILL UNIVERSITY  
Position Title: PRINCIPAL AND VICE-CHANCELLOR  
Occupation: \_\_\_\_\_

2. Type of involvement in other organizations (e.g. board member, president, member):

Name of Organization: SCIENCE, TECHNOLOGY AND INNOVATION COUNCIL (STIC)  
Type of Involvement: VICE-CHAIR

Name of Organization: UNIVERSITIES CANADA  
Type of Involvement: MEMBER OF THE BOARD

Name of Organization: MONTREAL INTERNATIONAL  
Type of Involvement: MEMBER OF THE BOARD  
CONFERENCE BOARD OF CANADA / MEMBER OF THE BOARD.

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the Code of Ethics of the McGill Board of Governors.

Dated this 1st day of October 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature Suzanne Patte

Appendix "A"  
McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form  
(September 1, 2015- August 31, 2016)

Name GIUSEPPE FORTINO  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

1. Principal occupation:

Employer (Company Name): McGill University  
Position Title: Analyst  
Occupation: Analyst / Programmer

2. Type of involvement in other organizations (e.g. board member, president, member):

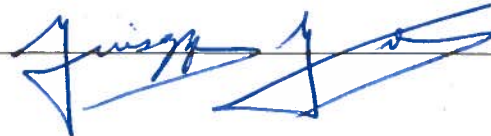
Name of Organization: Shamrocks FC / Soccer Deux-Montagnes  
Type of Involvement: Vice-President

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 28<sup>th</sup> day of July 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature 

Appendix "A"

McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form  
(September 1, 2014 - August 31, 2015)

Name Gerald Butts  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code").

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

1. Principal occupation:

Employer (Company Name): Justin Trudeau  
Position Title: Principal Advisor  
Occupation: \_\_\_\_\_

2. Type of involvement in other organizations (e.g. board member, president, member):

Name of Organization: Musik School U of T  
Type of Involvement: Director

Name of Organization: \_\_\_\_\_

Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the Code of Ethics of the McGill Board of Governors.

Dated this 21 day of July 2014. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature [Handwritten Signature]

**Appendix "A"**  
**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form**  
**(June 1<sup>st</sup>, 2015- May 31, 2016)**

Name Kareem Ibrahim  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): Students' Society of McGill University  
Position Title: President  
Occupation: President Student

**2. Type of involvement in other organizations (e.g. board member, president, member):**

Name of Organization: \_\_\_\_\_

Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_

Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 8<sup>th</sup> day of July 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature 

**Appendix "A"**  
**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form**  
**(September 1, 2015- August 31, 2016)**

Name RAM PANDA  
 PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): INVERA INC  
 Position Title: PRESIDENT  
 Occupation: EXECUTIVE & DIRECTOR

**2. Type of involvement in other organizations (e.g. board member, president, member):**

Name of Organization: SHANKAR INC (President)  
 Type of Involvement: Firm is the General Partner in Tara L.P., the owner of the property - 4333 Ste. Catherine West, Westmount  
 Name of Organization: ALIGO, MSBIV, Montreal Science Centre Fndn  
 Type of Involvement: Board Member  
 Name of Organization: McGill Faculty of Engineering  
 Type of Involvement: Member - Faculty Advisory Board

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 15<sup>th</sup> day of JULY 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature Ramanda

**Appendix "A"**  
**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form**  
**(September 1, 2015- August 31, 2016)**

Name GERALD SHEFF  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): GRUNDIG SHEFF + ASSOCIATES INC.  
Position Title: CO-FOUNDER AND DIRECTOR EMERITUS  
Occupation: \_\_\_\_\_

**2. Type of involvement in other organizations (e.g. board member, president, member):**


Name of Organization: SEE ATTACHED  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 20<sup>TH</sup> day of JULY 20 15. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature 



Updated: August 11, 2014/RG

**Gerald Sheff**  
**Other Officer or Director Positions Held**

**Canadian Centre for Architecture**

Member, Board of Directors	December 2005 – Present
Member, Finance Committee	January 2012 – May 2014
Member, Operations Committee* (*merge of the Finance and HR Committees)	May 2014 – Present

**Art Gallery of Ontario Foundation**

Trustee	May 2004 – Present
Vice President	May 2005 – Present
Member, Investment Cttee.	January 2006 – Present

**Law Society of Upper Canada**

Bencher	August 2012 – Present
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*Appendix "A"*  
**McGill University Board of Governors Declaration and Disclosure of Conflict of Interest Form**  
*(September 1, 2015- August 31, 2016)*

Name ALVIN SHRAGE  
PLEASE PRINT

I acknowledge that, as a member of the Board of Governors and/or Board committee(s) of McGill University, I must adhere to the highest standard of conduct in carrying out my duties and responsibilities as a Governor and/or committee member.

I accept the obligation to act honestly, in good faith and in the best interests of the University.

I will avoid conflicts of interest and facilitate their management in accordance with the *Code of Ethics and Conduct for Members of the Board of Governors of McGill University and Trustees of the Royal Institution for the Advancement of Learning (the "Code")*.

I undertake to disclose any real or perceived conflicts of interest as such conflicts arise and in accordance with the Code.

I undertake to keep in strictest confidence all confidential or proprietary information communicated or disclosed to me as a member of the Board of Governors and/or a Board committee member.

**1. Principal occupation:**

Employer (Company Name): McGill University  
Position Title: PROFESSOR  
Occupation: PROFESSOR

**2. Type of involvement in other organizations (e.g. board member, president, member):**

Name of Organization: JEWISH Rehabilitation Hospital  
Type of Involvement: Vice-President Board of Directors  
ended March 31, 2015

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

Name of Organization: \_\_\_\_\_  
Type of Involvement: \_\_\_\_\_

With my signature I confirm that all of the information I have provided above is true and accurate and I declare myself in conformity with the *Code of Ethics* of the McGill Board of Governors.

Dated this 27 day of July 2015. (In the future, should you become aware of any conflicts of interest, please contact the Secretary-General).

Signature 



<b>COMMITTEE MEMBERS</b>	a) Are you an employee, officer or director of, or do you hold a position that would allow you to exercise control or influence with respect to, any fossil fuel company included within the scope of the Divest McGill submission?	b) Are you an employee, partner or owner of a firm that derives a material percentage (10% or greater) of its revenues from fossil fuel companies included within the scope of the Divest McGill submission?	c) Excluding any holdings you may have in mutual fund accounts, pooled investment funds or individual accounts managed by others on a discretionary basis, do you hold specific securities or have direct investments in any fossil fuel company included within the scope of the Divest McGill submission? If so, do such securities or investments represent a material percentage (10% or greater) of your net worth?
COBBETT, Stuart <i>Interim Chair, (ex-officio)</i>	NO	NO	NO
CRITCHLEY, Ron	NO	NO	NO
IBRAHIM, Kareem <i>(Student member)</i>	NO	NO	NO
FORTIER, Suzanne <i>(ex-officio)</i>	NO	NO	NO
PANDA, Ram	NO	NO	NO
SHEFF, Gerald	NO	NO	NO
SHRIER, Alvin	NO	NO	NO



## *McGill University*

### *Board of Governors – Committee to Advise on Matters of Social Responsibility (CAMSR)*

#### *Terms of Reference*

##### **Preamble**

The Committee to Advise on Matters of Social Responsibility (“Committee”) is established under the authority of and is accountable to the Board of Governors (the “Board”) of McGill University (the “University”) and shall function as stipulated in these terms of reference and the *Regulations of the Committees of the Board of Governors of McGill University* (the “Regulations”). In accordance with the Regulations, meetings of Board Committees shall be held in closed session unless the Committee resolves to carry out a meeting or part of a meeting in open session.

The Committee shall meet as needed in accordance with the terms set out below.

##### **1. Composition**

- a. Appointments to the Committee are approved by the Board, normally on the recommendation of the Nominating, Governance and Ethics Committee.
- b. The Committee shall consist of six members, exclusive of *ex officio* members, selected as follows:
  - one from the Board Investment Committee;
  - two from:
    - At-Large members of the Board; or
    - Alumni Association members of the Board; or
    - Governors *Emeriti*; or
    - the general public;
  - one from the Academic Staff or Senate members of the Board;
  - one of the Administrative and Support Staff members of the Board;
  - one student member of the Board.
- c. The Chair of the Board and the Principal shall serve as *ex officio* members of the Committee.
- d. The Chair of the Committee shall be appointed by the Board, normally on the recommendation of the Nominating, Governance and Ethics Committee.
- e. The Vice-Principal (Administration and Finance) shall serve as the Steward to the Committee.

- f. The Secretary-General or her/his delegate shall serve as Secretary and governance advisor to the Committee.
- g. Where necessary or appropriate to facilitate and support the business of the Committee, the Steward may invite University staff to serve as resource persons for particular items of business before the Committee at a meeting.

## **2. Definitions**

For the purposes of the mandate of this Committee, the term “social injury” means the grave injurious impact which the activities of a company is found to have on consumers, employees, or other persons, or on the natural environment. Such activities include those 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, or to protect the natural environment. However, a company shall not be deemed to cause “social injury” simply because it does business with other companies which are themselves engaged in socially injurious activities.

## **3. Mandate of the Committee**

Taking due regard of the mission of the University, and the fiduciary duties of the Board to manage investments prudently to maximize returns, the Committee shall advise the Board on matters concerning social responsibility related to University investments within the mandate of the Investment Committee of the Board.

### ***Matters Subject to the authority of the Board of Governors***

## **4. Social Responsibility and Investment Policy Matters**

Without limiting the generality of the foregoing mandate, the Committee:

- 4.1 Shall meet periodically at the call of the Chair, and at least once per year, to review questions and issues of social responsibility related to University investment policy within the mandate of the Investment Committee of the Board;
- 4.2 Shall report to the Board within a reasonable time frame following each meeting and may make recommendations in writing, with appropriate supporting evidence and documentation, concerning the following:
  - i. proposed revisions to existing policy, guidelines and practices concerning endowment investments;
  - ii. follow-up with a company concerning a matter which was the subject of the Committee’s review or study, including proposed changes in corporate practice;
  - iii. support for shareholder resolutions recommending changes in a company’s management practice;

- iv. proposed alternate actions, other than divestment of holdings, as deemed appropriate by the Committee.
- 4.3 May undertake studies of socially responsible investment policies and best practices;
- 4.4 May review information, data, analysis, reports and publications touching on issues of social responsibility;
- 4.5 May seek input and feedback from the University community as deemed appropriate.

## **5. Expressions of Concern, Submissions and Consideration**

Without limiting the generality of the foregoing mandate, the Committee also:

Shall consider, report on and make recommendations to the Board with respect to written expressions of concern from the University community about matters of social responsibility related to University investments falling within the mandate of the Investment Committee of the Board, in accordance with the following provisions.

### *5.1 Submission of expression of concern*

To be considered by the Committee, expressions of concern from the University community shall be:

- a. initiated by one or more members of that community;
- b. supported by a fully documented brief identifying the concern and alleged “social injury” that should be taken under consideration in investment decisions or the exercise of shareholders’ responsibilities;
- c. supported by a petition of at least 300 signatures, deposited with the Secretary-General, in either hard copy or electronic copy, of which:
  - up to 200 shall be from a single one of the four constituencies of the University community (academic staff, administrative and support staff, students and alumni members); and
  - at least 100 shall be from at least two other University constituencies with a minimum of 25 from any one constituency;
  - all signatures are capable of being authenticated against their respective constituency following the template attached in Appendix A
- d. all signatures must be collected during the same academic year (September 1<sup>st</sup> to August 31<sup>st</sup>) in which the petition is deposited.

## 5.2 *Consideration of an expression of concern*

In its consideration of an expression of concern, submitted in accordance with section 5.1, the Committee may:

- a. establish and communicate the procedures it deems necessary;
- b. invite and receive representations from members of the University community as it deems appropriate;
- c. consider the merits of an expression of concern and make findings based exclusively on the criterion of social injury defined in section 2.

## 5.3 *Report on the consideration of an expression of concern*

- a. Upon the conclusion of its consideration of an expression of concern, the Committee shall report to the Board. The report shall include a summary of the expression of concern, the issue(s) of social responsibility raised and the extent of the concern among members of the University community based on the documents presented and representations made to the Committee.
- b. Where the Committee is satisfied that social injury, as defined in section 2, has occurred, and is of the opinion that action is warranted, it may recommend:
  - i. follow-up with a company concerning conduct which was the subject of the expression of concern, including proposed changes in corporate practice
  - ii. support for shareholders resolutions critical of a company's management practice and an assignment of voting proxies;
  - iii. the preparation and presentation of shareholders resolutions recommending changes in a company's management practice;
  - iv. divestment of holdings;
  - v. any other action deemed appropriate by the Committee.
- c. Where the Committee has made a finding that social injury has occurred, in its consideration of possible actions, it shall take into account the gravity of the social injury, the potential effectiveness of various means of influencing corporate behaviour, the University's need to adhere to sound financial policy, and consistency between the possible actions and the mission of the University.

## **6. General provisions**

- a. The Committee shall meet as soon as is practicable after the date of a submission of a petition that meets the requirements specified above.
- b. The Committee shall report to the Board regularly following its receipt of an expression of concern and at least once a year.
- c. The Committee shall review its terms of reference at least once every three years and recommend any changes to the Board's Nominating, Governance and Ethics Committee.

### **Last Revised:**

Revised – Approved by the Board of Governors on May 22, 2014

### **Previous Amendments:**

Final - Approved by the Executive Committee on September 24, 2007

Revised - Approved by the Executive Committee on January 25, 2010



*Please provide the following information, which will be used to authenticate your signature and verify your status at McGill University. Please print legibly.*

**1. Please print your name and McGill ID:**

**Name:** \_\_\_\_\_

**McGill ID:** \_\_\_\_\_

**2. 2a) Please indicate your home unit, faculty and/or department:**

\_\_\_\_\_

**2b) If Student, state your program and year of study:**

\_\_\_\_\_

**2c) If Alumnus/Alumna, indicate the name of your degree(s) and the year(s) of your graduation from McGill:**

\_\_\_\_\_

**3. Please provide your McGill email address:**

\_\_\_\_\_

**4. Please sign and date:**

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_