



March 7, 2017

Dear Ms Burke, Mr. Sydorenko, Mr. Culpepper, Ms Kashyap, and constituents:

Thank you for your letter of February 9, 2017.

I appreciate your concern over the threats posed by climate change. Indeed, I agree with you; the challenges posed by climate change are of such severity and immediacy that they cannot be ignored and, as an institution, the University of Toronto must play a significant part in the global effort to meet them.

The ad hoc advisory committee was clear in this regard: the University's most valuable and effective contributions to the effort to avert and mitigate the consequences of climate change will flow from our fundamental role as an institution of research and education. I agreed with them on this point, and on many others, in my *Administrative Response* and we have implemented or are in the process of implementing or promoting many of their recommendations. We recently took an important step in this effort in appointing Professor John Robinson as Presidential Advisor on the Environment, Climate Change, and Sustainability. Professor Robinson chairs the new University-wide Committee on the Environment, Climate Change, and Sustainability with a mandate to advance and coordinate U of T's environmental research, innovation, education, and energy consumption initiatives. The Committee has already had its first meeting and is working on an ambitious agenda. I encourage you to reach out to the Committee through Professor Robinson to share your ideas. Also, if you have not already done so, I would encourage you to read my *Administrative Response* for more details on the commitments we have made as a University and the rationale behind them.

The *Administrative Response* also contains details on the University's commitments, and the rationale behind them, regarding the University's investments, the main thrust of your letter. Without revisiting all of the arguments from the *Administrative Response*, let me instead make two points.

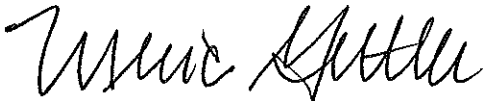
First, the need for substantive, effective measures in response to the challenges of climate change requires us to take both direct actions, as outlined above, as well as a new and comprehensive approach to managing the University's long-term investments. This comprehensive approach will be based on a systematic assessment of environmental, social, and governance ('ESG') factors as they relate to the investments held in the portfolio, applied first to the University's direct investments, with the possibility of ultimately extending this approach to our indirect investments made through pooled and indexed funds. An approach that considers ESG-based factors – including climate-related risk – as they pertain to *all* sectors of our economy, not simply the fossil fuel producing sector – offers the best chance of success in meeting the

challenge of climate change, while simultaneously fulfilling our fiduciary duties to the University's pension and endowment fund beneficiaries. It also has the advantage of being able to take into consideration social and governance factors as they pertain to our investments, including, for example, the rights and well-being of Indigenous communities, which you raise in your letter.

The second point I would highlight is that UTAM and the University more generally are already making excellent progress in the effort to implement an ESG-based process. For instance, last April the University became a signatory to the Carbon Disclosure Project; last June the Pension Committee of the Governing Council approved a statement of investment policies and procedures [SIPP] that highlighted the importance of environmental, social and governance factors in investing; in September 2016, UTAM engaged with Institutional Shareholder Services (ISS) to provide proxy voting services and to advocate directly with management to reduce the risk associated with ESG factors; as 2016 came to an end, the University had also joined the Canadian Responsible Investment Association and committed to adopting the UN Principles for Responsible Investment. These are just some of the steps we have already taken. UTAM will be bringing forward a full progress report in the coming months.

In conclusion, let me commend you for your activism, your leadership, and your collective efforts to improve both our University and our community more generally. I agree that the threats posed by climate change cannot be ignored, and I believe the University of Toronto, in the most influential way it can, is playing an important role to address them.

Sincerely,

A handwritten signature in black ink, appearing to read "Meric S. Gertler". The signature is fluid and cursive, with the first name being the most prominent.

Meric S. Gertler
President