RI TRANSPARENCY REPORT
2018

University of Toronto Asset Management Corporation (re University of Toronto Pension Plan)
**OO 01.1** Select the type that best describes your organisation or the services you provide.

- [x] Non-corporate pension or superannuation or retirement or provident fund or plan
- [ ] Corporate pension or superannuation or retirement or provident fund or plan
- [ ] Insurance company
- [ ] Foundation
- [ ] Endowment
- [ ] Development finance institution
- [ ] Reserve - sovereign or government controlled fund
- [ ] Family office
- [ ] Other, specify

**OO 02.1** Select the location of your organisation’s headquarters.

Canada

**OO 02.2** Indicate the number of countries in which you have offices (including your headquarters).

- [x] 1
- [ ] 2-5
- [ ] 6-10
- [ ] >10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

20

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- [ ] Yes
- [x] No

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2017

**OO 04.2** Indicate your total AUM at the end of your reporting year, Exclude subsidiaries you have chosen not to report on and any advisory/execution only assets.

<table>
<thead>
<tr>
<th>Total AUM</th>
<th>CAD</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,986,897,000</td>
<td>3,028,235,736</td>
<td></td>
</tr>
</tbody>
</table>

**OO 05.1** Provide an approximate percentage breakdown of your AUM at the end of your reporting year using the following asset classes:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Internally managed (%)</th>
<th>Externally managed (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td>0</td>
<td>10-50%</td>
</tr>
<tr>
<td>Fixed income</td>
<td>0</td>
<td>10-50%</td>
</tr>
<tr>
<td>Private equity</td>
<td>0</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>Property</td>
<td>0</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0</td>
<td>&lt;10%</td>
</tr>
<tr>
<td>Commodities</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>0</td>
<td>10-50%</td>
</tr>
<tr>
<td>Forestry</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Farmland</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inclusive finance</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Indicate whether your organisation uses fiduciary managers.

- Yes, we use a fiduciary manager and our response to OO 5.1 is reflective of their management of our assets.
- No, we do not use fiduciary managers.

Select how you would like to disclose your asset class mix.

- as percentage breakdown
- as broad ranges

Publish asset class mix as per attached image [Optional].

Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.

Provide a breakdown of your organisation’s externally managed assets between segregated mandates and pooled funds.

Indicate the breakdown of your organisation’s AUM by market.

Select the active ownership activities your organisation implemented in the reporting year.

- Listed equity – engagement
  - We engage with companies on ESG factors via our staff, collaborations or service providers.
  - We require our external managers to engage with companies on ESG factors on our behalf.
  - We do not engage directly and do not require external managers to engage with companies on ESG factors.

- Listed equity – voting
  - We cast our (proxy) votes directly or via dedicated voting providers
  - We require our external managers to vote on our behalf.
  - We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

- Fixed income SSA – engagement
  - We engage with companies on ESG factors via our staff, collaborations or service providers.
  - We require our external managers to engage with companies on ESG factors on our behalf.
  - We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

- Fixed income Corporate (financial) – engagement
  - We engage with companies on ESG factors via our staff, collaborations or service providers.
  - We require our external managers to engage with companies on ESG factors on our behalf.
  - We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

- Fixed income Corporate (non-financial) – engagement
  - We engage with companies on ESG factors via our staff, collaborations or service providers.
  - We require our external managers to engage with companies on ESG factors on our behalf.
  - We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.
### Fixed income Corporate (securitised) – engagement

- We engage with companies on ESG factors via our staff, collaborations or service providers.
- We require our external managers to engage with companies on ESG factors on our behalf.
- We do not engage directly and do not require external managers to engage with companies on ESG factors. Please explain why you do not.

We do not engage directly and do not require external managers to engage with companies on ESG factors due to the relatively small exposure to this asset class as well as the difficulty of engaging when investments are in a securitized structure.

### 00 11

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Gateway</th>
<th>General</th>
</tr>
</thead>
</table>

### 00 11.2

Select the externally managed assets classes in which you and/or your investment consultants address ESG incorporation in your external manager selection, appointment and/or monitoring processes.

<table>
<thead>
<tr>
<th>Asset class</th>
<th>ESG incorporation addressed in your external manager selection, appointment and/or monitoring processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed equity</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
<tr>
<td>Fixed income - SSA</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
<tr>
<td>Fixed income - corporate (financial)</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
<tr>
<td>Fixed income - corporate (non-financial)</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
<tr>
<td>Fixed income - securitised</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
<tr>
<td>Private equity</td>
<td><em>We incorporate ESG into our external manager selection process</em>&lt;br&gt;<em>We incorporate ESG into our external manager appointment process</em>&lt;br&gt;<em>We incorporate ESG into our external manager monitoring process</em>&lt;br&gt;<em>We do not do ESG incorporation</em></td>
</tr>
</tbody>
</table>
Provide a brief description of how your organization includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

UTAM incorporates responsible investment considerations into investment manager selection, appointment and monitoring processes through the inclusion of the following factors, where appropriate to the mandate:

Selection:
- Issue ESG due diligence questions, review responses and follow up where appropriate.
- Review the manager’s responsible investment policies.
- Meet with staff members who are focused on responsible investing in order to assess their skills and competence.
- Discuss current governance and management of the firm’s responsible investing activities.
- Assess any collaborative initiatives or direct engagements with the management teams of companies in the investment portfolio.
- Evaluate the quality of the manager’s investment policy and its reference to ESG.
- Assess how ESG implementation is enforced.
- Review how the manager evaluates ESG materiality.
- Examine the process for defining and communicating ESG incidents.
- Review the manager’s proxy voting policy and processes (in cases where UTAM would not direct voting).
- Determine whether the manager is a signatory to the PRI and/or other relevant initiatives and organizations.
- Review responsible investment reporting to clients and/or the public.
- Communicate our expectations for future ESG reporting.
- Evaluate the coverage and quality of the firm’s ESG-related research.
- Assess current strategies for incorporating ESG factors, as well as the manager’s ability to identify and manage ESG-related issues.
- Review ESG-related characteristics of the investment portfolio.
- Investigate the impact of ESG factors on specific investment decisions and, where relevant, subsequent stock and portfolio performance.
- Discuss securities in the manager’s portfolio that appear to have material ESG risks.

Appointment:
When appointing managers, we will seek to include relevant ESG considerations into the investment mandate. Where appointing a manager under an investment management agreement, we will include specific investment parameters where applicable, as well as reporting obligations. Where investing in a manager’s commingled product, we will seek to include terms specific to disclosure and reporting in any side letter we negotiate where applicable.

Monitoring:
- Issue ESG due diligence questionnaires annually, following up on the manager’s responses where appropriate.
- Include responsible investment as a standard agenda item at annual performance review meetings.
- Highlight examples of good practices by other managers in the area of responsible investing.
- Encourage the manager to join responsible investing initiatives or organizations, and to participate in collaborative projects with other investors.
- Review the manager’s responsible investment reporting.
- Meet regularly with staff members who are focused on responsible investing to discuss current research and review any changes in the manager’s approach since the last meeting.
- Review ESG-related characteristics of the investment portfolio.
- Request details of the integration of ESG factors in specific investment decisions.
- Discuss securities in the manager’s portfolio that appear to have material ESG risks.
- Incorporate a review of ESG considerations in our internal manager review memos, including rating the manager’s ESG capabilities.
Below are all applicable modules or sections you may report on. Those which are mandatory to report (asset classes representing 10% or more of your AUM) are already ticked and read-only. Those which are voluntary to report on can be opted into by ticking the box.

**Core modules**
- ☑ Organisational Overview
- ☑ Strategy and Governance

**RI implementation directly or via service providers**
- ☑ Direct - Listed Equity active ownership
  - ☑ Engagements
  - ☑ (Proxy) voting

**RI implementation via external managers**
- ☑ Indirect - Selection, Appointment and Monitoring of External Managers
  - ☑ Listed Equities
  - ☑ Fixed income - SSA
  - ☑ Fixed income - Corporate (financial)
  - ☑ Fixed income - Corporate (non-financial)
  - ☑ Fixed income - Securitised
  - ☑ Private Equity
  - ☑ Property
  - ☑ Infrastructure

**Closing module**
- ☑ Closing module

<table>
<thead>
<tr>
<th>.TabStop0</th>
<th>Mandatory to Report, Voluntary to Disclose</th>
<th>Gateway</th>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>OO SAM 01.1</td>
<td>Provide a breakdown of your externally managed listed equities and fixed income by passive, active quant and, active fundamental and other active strategies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OO SAM 01.2</td>
<td>Additional information [Optional].</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

- Yes

SG 01.2 Indicate the components/types and coverage of your policy.

**Policy components/types**

<table>
<thead>
<tr>
<th>Policy setting out your overall approach</th>
<th>Coverage by AUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formalised guidelines on environmental factors</td>
<td>✔️ Applicable policies cover all AUM</td>
</tr>
<tr>
<td>Formalised guidelines on social factors</td>
<td>○ Applicable policies cover a majority of AUM</td>
</tr>
<tr>
<td>Formalised guidelines on corporate governance factors</td>
<td>○ Applicable policies cover a minority of AUM</td>
</tr>
<tr>
<td>Asset class-specific RI guidelines</td>
<td></td>
</tr>
<tr>
<td>Sector-specific RI guidelines</td>
<td></td>
</tr>
<tr>
<td>Screening/exclusions policy</td>
<td></td>
</tr>
<tr>
<td>Engagement policy</td>
<td></td>
</tr>
<tr>
<td>(Proxy) voting policy</td>
<td></td>
</tr>
<tr>
<td>Other, specify (1)</td>
<td></td>
</tr>
<tr>
<td>Other, specify (2)</td>
<td></td>
</tr>
</tbody>
</table>

SG 01.3 Indicate if the investment policy covers any of the following:

- ✔️ Your organisation’s definition of ESG and/or responsible investment and it’s relation to investments
- ✔️ Your investment objectives that take ESG factors/real economy influence into account
- ✔️ Time horizon of your investment
- ✔️ Governance structure of organisational ESG responsibilities
- ✔️ ESG incorporation approaches
- ✔️ Active ownership approaches
- ✔️ Reporting
- ✔️ Climate change and related issues
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4 Describe your organisation’s investment principles and overall investment strategy, and how they consider ESG factors and real economy impact.

UTAM’s sole purpose is to manage certain assets of, or under the administration of, the University of Toronto. Our entire focus is on managing these assets prudently and in accordance with our client’s objectives and constraints. As part of this process, a benchmark portfolio (aka the Reference Portfolio) has been created (see https://utam.utoronto.ca/reference-portfolio/). The Reference Portfolio serves as an objective benchmark to measure the value gained or lost by UTAM’s active management activities.

In our investment of the university’s assets, we are committed to a responsible investing approach because we believe that material ESG factors can have a significant impact on long-term investment returns. Therefore, we have incorporated ESG considerations into our investment analysis and decision-making processes, particularly with respect to our selection and monitoring of investment managers. As outlined elsewhere in this report, we have developed a comprehensive set of questions and activities that we undertake when selecting and monitoring investment managers. In addition, we’ve developed ways to engage with companies, to help ensure ESG-related risks are effectively managed. We also cast proxy votes, where possible, applying an ESG-focused policy. We believe that taking this broader perspective will result in better outcomes for our client.

SG 01.5 Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

Over the past two years, UTAM has worked with the University of Toronto leadership to strengthen and formalize our shared commitment to responsible investing.

As we balance prudent risk management with our efforts to generate sustainable returns, we also take a broader view of the managers we invest with - because we believe that material ESG considerations can have a significant impact on investment performance. We’ve therefore incorporated ESG considerations into our investment analysis and decision-making processes as part of our long-term strategy, as well as our day-to-day management of the university’s pension, endowment and short-term working capital assets.

We define responsible investing as the incorporation of environmental, social and governance (ESG) factors into investment decision-making processes, active ownership - through proxy voting and engagement - and disclosure. UTAM pursues a responsible investing approach because we believe that material ESG factors can have a significant impact on long-term investment returns. ESG considerations are part of our investment analysis and decision-making processes, particularly in our selection of investment managers. We’ve developed ways to engage with companies, both directly and with other like-minded institutional investors, to help ensure ESG-related risks are effectively managed. We cast our proxy votes, where possible, applying an ESG-focused policy.

Moreover, we disclose our responsible investing activities on a regular basis, via an annual responsible investing report (https://utam.utoronto.ca/utams-new-responsible-investing-report-is-now-available/) and through other updates published on our website (https://utam.utoronto.ca/news/). We believe that taking this broader perspective allows us to make better-informed decisions and ultimately results in better outcomes for our client.

The PRI framework guided us in crafting our comprehensive Responsible Investing Policy (https://issuu.com/utam/docs/utam-responsible-investing-policy?e=2956501/59442745), which was published in December 2017 and applies to all assets under our management. The six Principles also underpin the deliberations of our Responsible Investing Committee, which meets regularly to consider all matters relating to the development and implementation of our responsible investing practices. Although we have generally taken an integration approach to ESG considerations, our client has directed us to exclude certain tobacco-related securities in our investment universe within certain parameters. That is the only exception to our standard responsible investing approach.
Putting our principles into action

PRI Principle #1: We will incorporate ESG issues into investment analysis and decision-making processes.

UTAM Actions
- Evaluate ESG-related risks across all portfolios.
- Integrate consideration of ESG factors into our investment and operational due diligence policies, and into other policies where relevant and material.
- Incorporate ESG considerations into our manager selection and monitoring processes, where relevant and material.
- Support development of ESG-related tools, metrics and analyses.
- Encourage academic and other research on ESG integration.
- Provide and promote ESG training for our investment professionals.

PRI Principle #2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

UTAM Actions
- Adopt a proxy voting policy that is ESG-focused and apply this, where possible, to all public equity segregated account mandates, as well as to public equity funds in which the university’s Pension and Endowment portfolios are the only investors.
- Encourage managers to adopt ESG-focused voting policies, where relevant.
- Support corporate and regulatory proposals that contribute to improved governance practices and more effective boards.
- Participate in collaborative engagement initiatives.

PRI Principle #3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

UTAM Actions
- Discuss ESG risks in managers’ portfolios and in relation to particular securities those managers hold.
- Ask managers to undertake and report on ESG-related engagements with companies in their portfolios.
- Support collaborative initiatives promoting ESG disclosure by companies.

PRI Principle #4: We will promote acceptance and implementation of the Principles within the investment industry.

UTAM Actions
- Encourage managers to become signatories to the PRI.
- Communicate our ESG expectations to managers.
- Support the development of tools for benchmarking ESG integration.
- Support regulatory or policy developments that enable implementation of the Principles.

PRI Principle #5: We will work together to enhance our effectiveness in implementing the Principles.

UTAM Actions
- Support and participate in networks and information platforms in order to share tools and pool resources.
- Address relevant emerging issues collectively with other asset owners and managers.
- Identify and support appropriate coalitions whose beliefs are aligned with the Principles.

PRI Principle #6: We will each report on our activities and progress towards implementing the Principles.

UTAM Actions
- Disclose how ESG issues are integrated within our investment process.
- Disclose active ownership activities (e.g., voting, engagement and policy dialogue).
- Communicate with stakeholders on ESG issues and the Principles.
- Report on progress and achievements relating to the Principles.
- Make use of reporting to raise awareness among a wider group of stakeholders.

SG 02.1: Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.

- Policy setting out your overall approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
<table>
<thead>
<tr>
<th>SG 62.2</th>
<th>Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your organisation’s definition of ESG and/or responsible investment and its relation to investments</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>Time horizon of your investment</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>Governance structure of organisational ESG responsibilities</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>ESG incorporation approaches</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>Active ownership approaches</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>Reporting</td>
<td>URL/Attachment</td>
</tr>
<tr>
<td>Climate-related issues</td>
<td>URL/Attachment</td>
</tr>
</tbody>
</table>
SG 02.3  Indicate if your organisation’s investment principles, and overall investment strategy is publicly available

- Yes
- No

SG 03.1  Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

- Yes
- No

SG 03.2  Describe your policy on managing potential conflicts of interest in the investment process.

The University of Toronto Master Trust has provisions within the Statement of Investment Policies and Procedures addressing the management of potential conflicts of interest in the investment process and more broadly arising from other relationships and activities in the management of pension plan assets.

UTAM has provisions within its Code of Ethics to identify actual or potential conflicts of interest between its staff and its client. Controls are prescribed for the disclosure, mitigation, or avoidance of such conflicts. In the investment management process, actual or perceived conflicts of interest that an external investment manager may have with UTAM and/or its client (ultimately, the investor) are addressed in both the investment and operational due diligence processes before investment and in ongoing monitoring following initial investment.

SG 04.1  Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

- Private

SG 04.2  Describe your process on managing incidents

Private

SG 05.1  Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not set/reviewed

SG 05.2  Additional information. [Optional]

UTAM formally sets and reviews responsible investment objectives at least annually, however responsible investing is the subject of ongoing dialogue between UTAM and the University of Toronto administration and governance bodies, including in the case of the University of Toronto Pension Plan, the Pension Committee.

SG 06.1  List the main responsible investment objectives that your organisation set for the reporting year.

Private

SG 06.2  Additional information.

Private

SG 07.1  Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

**Roles present in your organisation**

- Board members or trustees
- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
- Oversight/accountability for responsible investment
- Implementation of responsible investment
SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

0

SG 08 Voluntary Additional Assessed General

**SG 08.1** Indicate if your organisation’s performance management, reward and/or personal development processes have a responsible investment element.

Private

**SG 08.3** Provide any additional information on your organisation’s performance management, reward and/or personal development processes in relation to responsible investment.

Private

**SG 08.4** Describe the level of experience board members/trustees/chief-level staff have with incorporating ESG factors into investment decision-making processes.

Private

SG 09 Mandatory Core Assessed PRI 4,5

**SG 09.1** Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

- Principles for Responsible Investment
  - Your organisation’s role in the initiative during the reporting period (see definitions)
    - Advanced
      - Provide a brief commentary on the level of your organisation’s involvement in the initiative. [Optional]

    UTAM became a signatory to the PRI in December 2016 and has since defined the activities that we will undertake in support of the principles. The principles and the activities have been reflected in our Responsible Investment Policy which was developed in 2017 and is publicly available on our website at https://utam.utoronto.ca/responsible-investing/.

    In 2017 we have been supportive of PRI initiatives including signing the ESG in Credit Ratings letter and hosted a workshop on this issue.

    Our Chief Risk Officer is a member of PRI’s Asset Owner Advisory Committee.

- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- AFIC – La Commission ESG
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

- Your organisation’s role in the initiative during the reporting period (see definitions)
  - Moderate
We undertook a lead role in contacting a number of companies requesting their participation in the disclosure requests issued by CDP.

**Your organisation’s role in the initiative during the reporting period (see definitions)**

- Basic
- CDP Forests

**Your organisation’s role in the initiative during the reporting year (see definitions)**

- Basic
- UTAM supports the work of CCGG and participates in its activities as considered appropriate.
- Responsible Investment Association (Canada) (RIA)
### SG 09.2
**Mandatory to Report, Voluntary to Disclose**

**Descriptive**

**PRI 1**

Indicate approximately what percentage (+/- 5%) of your externally managed assets are managed by PRI signatories.

### SG 10
**Mandatory**

**Core Assessed**

**PRI 4**

### SG 10.1
**Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.**

- **Yes**

### SG 10.2
**Indicate the actions your organisation has taken to promote responsible investment independently of collaborative initiatives. Provide a description of your role in contributing to the objectives of the selected action and the typical frequency of your participation/contribution.**

- **Provided or supported education or training programmes (this includes peer to peer RI support) Your education or training may be for clients, investment managers, actuaries, broker/dealers, investment consultants, legal advisers etc.)**

#### Description

UTAM hosted a workshop held by the PRI to discuss its inclusion of ESG factors in the work of credit rating agencies. This was instructive for all participants.

- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

- **Provided financial support for academic or industry research on responsible investment**

#### Description

UTAM participated in the project described below by speaking with the author and by connecting the author with other institutional investors. This project is interested in exploring how institutional investors understand and seek to manage “climate risk.” It is particularly interested in the risks associated with investment in fossil-fuel producers in the light of climate change and its physical, political and economic impacts.

Questions being posed by the project include, but are not limited to, the following: What strategies, metrics and models do investors employ to evaluate, manage and mitigate climate risk? How do questions of fiduciary responsibility interact with climate risk issues? Do investors have the power to discipline fossil-fuel producers to invest in cleaner energy? And where do “stranded assets” sit on investors’ list of climate concerns? The project is being conducted by Brett Christophers, Professor of Geography at Uppsala University in Sweden (http://katalog.uu.se/profile/?id=N8-1036). The intended outcome of the project will be one or more publications in scholarly journals.

- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

- **Encouraged better transparency and disclosure of responsible investment practices across the investment industry**

#### Description

We wrote to the Canadian Federal Minister of Innovation, Science and Economic Development in support of proposed amendments to the Canada Business Corporations Act addressing enhanced corporate governance practices including diversity disclosure.

- **Frequency of contribution**
  - Quarterly or more frequently
  - Biannually
  - Annually
  - Less frequently than annually
  - Ad hoc
  - Other

- **Spoke publicly at events and conferences to promote responsible investment**

#### Description

UTAM’s Chief Operating Officer has participated in a panel with other institutional investors moderated by the Responsible Investing Association of Canada to explain how responsible investment may be implemented in practice.
- Biannually
- Annually
- Less frequently than annually
- Ad hoc
- Other

☐ Wrote and published in-house research papers on responsible investment
☐ Encouraged the adoption of the PRI

Description
UTAM engages in dialogue with third-party investment managers, encouraging them to consider adoption of the PRI.

Frequency of contribution
☐ Quarterly or more frequently
☐ Biannually
☐ Annually
☐ Less frequently than annually
☐ Ad hoc
☐ Other

☐ Responded to RI related consultations by non-governmental organisations (OECD, FSB etc.)
☐ Wrote and published articles on responsible investment in the media
☐ A member of PRI advisory committees/working groups, specify

Description
UTAM’s Chief Risk Officer is a member of the PRI’s working group considering how ESG factors can be incorporated into passive investment mandates.

Frequency of contribution
☐ Quarterly or more frequently
☐ Biannually
☐ Annually
☐ Less frequently than annually
☐ Ad hoc
☐ Other

☐ On the Board of, or officially advising, other RI organisations (e.g. local SIFs)
☐ Other, specify

☑ No

SG 11 Voluntary Additional Assessed PRI 4,5,6

SG 11.1 ☐ Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or regulators in support of responsible investment in the reporting year.

SG 11.4 ☐ Provide a brief description of the main topics your organisation has engaged with public policy-makers or regulators on.

SG 12 Mandatory Core Assessed PRI 4

SG 12.1 ☐ Indicate whether your organisation uses investment consultants.

☐ Yes, we use investment consultants
☐ No, we do not use investment consultants.

SG 13 Mandatory Descriptive PRI 1

SG 13.1 ☐ Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated:

☐ We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
☐ We execute scenario analysis which includes factors representing the investment impacts of future social trends
☐ We execute scenario analysis which includes factors representing the investment impacts of future governance trends
☐ We consider scenario analysis that includes factors representing the investment impacts of future climate-related risks and opportunities

☐ Is this scenario analysis based on a 2°C or lower scenario?

☐ Yes
☐ No

☐ We execute other scenario analysis, specify

TRANSPARENCY
We also analyze the impact of a 6°C scenario.

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- We do not execute such scenario analysis and/or modelling

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify
- We do not consider ESG issues in strategic asset allocation

SG 14 Mandatory to Report, Voluntary to Disclose Additional Assessed PRI 1

SG 14.1 Describe the process used to identify short, medium and long-term risks and opportunities that could have a material impact on your organisation and its activities.
- Private

SG 14.2 Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.
- Private

SG 14.6 Additional information [Optional]
- Private

SG 15 Mandatory to Report, Voluntary to Disclose Descriptive PRI 1

SG 15.1 Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
- Private

SG 17 Mandatory Core Assessed PRI 6

SG 17.1 Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Describe what processes are in place and the outputs or outcomes achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed income</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>- Corporate</td>
<td></td>
</tr>
<tr>
<td>(financial)</td>
<td></td>
</tr>
<tr>
<td>- Corporate</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>(non-financial)</td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>- Securitised</td>
<td></td>
</tr>
<tr>
<td>Property</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>Hedge funds</td>
<td>Select whether you use the PRI Hedge Fund DDQ</td>
</tr>
<tr>
<td>- DDQ</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
<tr>
<td>- Yes</td>
<td></td>
</tr>
<tr>
<td>- No</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>We follow the same approach for all asset classes. See our response to OO 11.4.</td>
</tr>
</tbody>
</table>

Note that we do not use the PRI Hedge Fund DDQ in full; we have in some cases modified them and supplemented these questions with our own.

SG 18 Voluntary Descriptive General

SG 18.1 Indicate whether any specific features of your approach to responsible investment are particularly innovative.
- Private

SG 18.3 Additional information.
- Private

SG 19 Mandatory Core Assessed PRI 6
SG 19.1 Indicate whether your organisation proactively discloses asset class specific information. Select the frequency of the disclosure to clients/beneficiaries and the public, and provide a URL to the public information.

### Listed equity - Engagement

**Do you disclose?**
- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**
- Yes
- No

**Disclosure to public and URL**
- Details on the overall engagement strategy
- Details on the selection of engagement cases and definition of objectives of the selections, priorities and specific goals
- Number of engagements undertaken
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the progress achieved and outcomes against defined objectives
- Examples of engagement cases
- Details on eventual escalation strategy taken after the initial dialogue has been unsuccessful (i.e. filing resolutions, issuing a statement, voting against management, divestment etc.)
- Details whether the provided information has been externally assured
- Outcomes that have been achieved from the engagement
- Other information

Annually

https://utam.utoronto.ca/responsible-investing/

### Listed equity - (Proxy) Voting

**Do you disclose?**
- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public

**The information disclosed to clients/beneficiaries is the same**
- Yes
- No

**Disclosure to public and URL**
- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

Annually

https://utam.utoronto.ca/responsible-investing/

### Selection, Appointment and Monitoring

**Do you disclose?**
- We do not disclose to either clients/beneficiaries or the public.
- We disclose to clients/beneficiaries only.
- We disclose to the public
The information disclosed to clients/beneficiaries is the same

- Yes
- No

Disclosure to public and URL

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and/or active ownership
- Other

Quarterly or more frequently

[https://utam.utoronto.ca/responsible-investing/](https://utam.utoronto.ca/responsible-investing/)
**SAM 01**

**Mandatory**

**Gateway**

**PRI 1**

---

**SAM 01.1** Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf for all your listed equity and/or fixed income assets:

**Active investment strategies**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Listed Equity</th>
<th>FI - SSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Passive investment strategies**

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Listed Equity</th>
<th>FI - SSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screening</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration</td>
<td>✔️</td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**SAM 01.2** Additional information. [Optional]

We implement Responsible Investing through an ESG integration approach, which means that we take into account ESG risks and opportunities in our investment decision-making process. However, as directed by our client, we do not invest in tobacco-related securities within certain parameters.

---

**SAM 02**

**Mandatory**

**Core Assessed**

**PRI 1**

---

**SAM 02.1** Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers:

<table>
<thead>
<tr>
<th>Information</th>
<th>LE</th>
<th>FI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment strategy and how ESG objectives relate to it</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>ESG incorporation requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ESG reporting requirements</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No RI information covered in the RFPs</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**SAM 02.2** Explain how your organisation evaluates the investment manager’s ability to align between your investment strategy and their investment approach:

**Strategy**

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>LE</th>
<th>FI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess the time horizon of the investment manager’s offering vs. your beneficiaries’ requirements</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess the quality of investment policy and its reference to ESG</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Assess the investment approach and how ESG objectives are implemented in the investment process</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Review the manager’s firm-level vs. product-level approach to RI</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assess the ESG definitions to be used</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None of the above</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**ESG people/oversight**

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>LE</th>
<th>FI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess ESG expertise of investment teams</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Review the oversight and responsibilities of ESG implementation</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Review how is ESG implementation enforced/ensured</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
</tbody>
</table>
## SAM 02.3 Indicate the selection process and its ESG/RI components

<table>
<thead>
<tr>
<th>LE</th>
<th>FI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

- Review ESG/RI responses to RfP, RfI, DDQ etc.
- Review responses to PRI’s Limited Partners’ Responsible Investment Due Diligence Questionnaire (LP DDQ)
- Review publicly available information on ESG/RI
- Review assurance process on ESG/RI data and processes
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers covering ESG/RI themes
- Site visits to potential managers offices
- Other, specify

## SAM 02.4 When selecting external managers does your organisation set any of the following:

<table>
<thead>
<tr>
<th>LE</th>
<th>FI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ESG performance development targets
- ESG score
- ESG weight
- Real world economy targets
- Other RI considerations
- None of the above

## SAM 02.5 Describe how the ESG information reviewed and discussed affects the selection decision making process. [OPTIONAL]

We seek ESG information from investment managers from questionnaires, reviewing manager ESG/RI policies and ESG-focused discussions with current and prospective investment managers. Moreover, for LE strategies, we score the manager’s portfolio and a benchmark portfolio from an ESG perspective using MSCI’s ESG rating methodology and use the output of this analysis to have more detailed conversations on ESG integration with the managers. For all asset classes, the objective of all of this work is to help us better understand how the manager thinks about ESG factors within the context of its investment strategy and process. This information, in combination with an assessment of the relevance of ESG to the strategy (e.g. considering the strategy’s time horizon), is used to determine an ESG rating for the manager, which is considered along with non-ESG metrics, when evaluating current and prospective managers. It is important to note that we do not assign a weight to ESG considerations, or any other consideration for that matter, in our manager selection and monitoring process. Instead, we take a holistic approach and evaluate all considerations together (i.e. we take a “mosaic” approach). We believe that adding this additional ESG “lens” to our process leads to more informed decision-making on our part, and ultimately results in better decisions.
Review the manager’s voting policy

Review the manager’s ability to align voting activities with clients’ specific voting policies

Review the manager’s process for informing clients about voting decisions

Ensure that voting outcomes feed back into the investment decision-making process

Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale

Other active ownership voting issues in your selection process; specify - None of the above

Ensure that voting outcomes feed back into the investment decision-making process - LE

Review the number of votes cast as a percentage of ballots/AGMs or holdings and available rationale - LE

Other active ownership voting issues in your selection process; specify - LE

Describe how you assess if the manager’s engagement approach is effective.

Impact on investment decisions
Financial impact on target company or asset class
Impact on ESG profile of company or the portfolio
Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)
Other, specify
None of the above

Describe how you assess if the manager’s voting approach is effective/appropriate.

Impact on investment decisions
Impact on ESG profile of company or the portfolio
Evidence of changes in corporate practices (i.e. ESG policies and implementation activities)
Other, specify
None of the above

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment and/or commitment process:

Sets standard benchmarks or ESG benchmarks
Defines ESG objectives
Sets incentives and controls linked to the ESG objectives
Requires reporting on ESG objectives
Requires the investment manager to adhere to ESG guidelines, regulations, principles or standards
None of the above
None of the above, we invest only in pooled funds and have a thorough selection process

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers’ appointment.

Asset class

Listed equity (LE)

Benchmark

Standard benchmark
ESG benchmark, specify

ESG Objectives

ESG related strategy, specify
ESG related investment restrictions, specify
ESG integration, specify

While acknowledging that an investment manager’s assessment of a company considers many factors, investment managers agree to incorporate ESG considerations into their investment processes when they believe such considerations are relevant and material.

Engagement, specify
Voting, specify

In segregated account equity mandates we require our managers to surrender proxy voting to ISS and use their Sustainability policy and guidelines. In commingled fund mandates where the University of Toronto’s Pension and Endowment are the only investors, we are
typically able to have the manager surrender proxy voting to ISS and use their Sustainability policy and guidelines.

- Promoting responsible investment
- ESG specific improvements
- Other, specify

**Incentives and controls**
- We do not set incentives and controls

**Reporting requirements**
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

- Fixed income - SSA (SSA)

**Benchmark**
- Standard benchmark, specify
  - FTSE TMX Universe All Government Bond Index (Canada only)
- ESG benchmark, specify

**ESG Objectives**
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
  - While acknowledging that an investment manager’s assessment of a bond takes into account many factors, investment managers agree to include ESG considerations in their investment processes when they believe such considerations are relevant and material.
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements
- Other, specify

**Incentives and controls**
- We do not set incentives and controls

**Reporting requirements**
- Ad-hoc/when requested
- Annually
- Bi-annually
- Quarterly
- Monthly

- Private equity

**Benchmark**
- Standard benchmark, specify
  - Absolute return based hurdle
- ESG benchmark, specify

**ESG Objectives**
- ESG related strategy, specify
- ESG related investment restrictions, specify
- ESG integration, specify
  - While acknowledging that an investment manager’s assessment of an investment takes into account many factors, investment managers agree to incorporate ESG considerations into their investment processes when they believe such considerations are relevant and material.
- Engagement, specify
- Voting, specify
- Promoting responsible investment
- ESG specific improvements

**Incentives and controls**
- We do not set incentives and controls
**SAM 04.4**  
Indicate which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Place investment manager on a “watch list”
- Track and investigate reason for non-compliance
- Re-negotiate fees
- Failing all actions, terminate contract with the manager

- Other, specify

- No actions are taken if any of the ESG requirements are not met

**SAM 05.1**  
When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates

<table>
<thead>
<tr>
<th>LE</th>
<th>PRI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG objectives linked to investment strategy</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Evidence on how the ESG incorporation strategy(ies) affected the investment decisions and financial / ESG performance of the portfolio/fund</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Compliance with investment restrictions and any controversial investment decisions</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>ESG portfolio characteristics</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>How ESG materiality has been evaluated by the manager in the monitored period</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Information on any ESG incidents</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>Metrics on the real economy influence of the investments</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>PRI Transparency Reports</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>PRI Assessment Reports</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>RI-promotion and engagement with the industry to enhance RI implementation</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other general RI considerations in investment management agreements; specify</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>None of the above</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

**SAM 05.2**  
When monitoring external managers, does your organisation set any of the following to measure compliance/progress

<table>
<thead>
<tr>
<th>LE</th>
<th>PRI - SSA</th>
<th>Private equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG score</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>ESG weight</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>ESG performance minimum threshold</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Real world economy targets</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Other RI considerations</td>
<td>☒</td>
<td>☒</td>
</tr>
<tr>
<td>None of the above</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

If you select any ‘Other’ option(s), specify

Although we have generally taken an integration approach to ESG considerations, our client has directed us to exclude certain tobacco-related securities in our investment universe within certain parameters.

**SAM 05.3**  
Provide additional information relevant to your organisation’s monitoring processes of external managers. [OPTIONAL]

Please see our responses to SAM 2.5 and DD 11.4.
### SAM 06.1
When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls.

<table>
<thead>
<tr>
<th>(Proxy) voting</th>
<th>LE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report on voting undertaken (with outcomes and examples)</td>
<td>Report on voting undertaken (with outcomes and examples) - LE</td>
</tr>
<tr>
<td>Report on voting decisions taken</td>
<td>Report on voting decisions taken - LE</td>
</tr>
<tr>
<td>Adherence with the agreed upon voting policy</td>
<td>Adherence with the agreed upon voting policy - LE</td>
</tr>
<tr>
<td>Other RI considerations relating to (proxy) voting in investment management agreements; specify</td>
<td>Other RI considerations relating to (proxy) voting in investment management agreements; specify - LE</td>
</tr>
<tr>
<td>None of the above</td>
<td>None of the above - LE</td>
</tr>
</tbody>
</table>

### SAM 07
Mandatory | Core Assessed | PRI 2
---|---|---

### SAM 07.1
For the listed equities for which you have given your external managers a (proxy) voting mandate, indicate the approximate percentage (+/- 5%) of votes that were cast during the reporting year.

- **Votes cast (to the nearest 5%)**
  - 100%

Specify the basis on which this percentage is calculated.

- Of the total number of ballot items on which they could have issued instructions
- Of the total number of company meetings at which they could have voted
- Of the total value of your listed equity holdings on which they could have voted

We do not collect this information.

### SAM 08
Mandatory to Report, Voluntary to Disclose | Descriptive | PRI 1
---|---|---

### SAM 08.1
Describe how you ensure that best RI practice is applied to managing your assets

Private

### SAM 08.2
Additional information. [Optional]

Private

### SAM 09
Mandatory | Additional Assessed | PRI 1,6
---|---|---

### SAM 09.1
Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

| Topic or issue | ESG not specifically incorporated into segregated account IMA |
| Conducted by | Internal staff |
| Asset class | Listed Equity |
| Scope and process | A 2017 internal objective was to incorporate ESG integration language into all segregated account investment management agreements (IMAs). During 2017, we approached relevant managers to further this objective. |
| Outcomes | By year-end 2017 we achieved this objective by including ESG integration language and ESG incident reporting requirements into each segregated account IMA. |

Add Example 2

| Topic or issue | ESG incorporation in passive index mandates |
| Conducted by | Internal staff |
| Asset class | Fixed income – SSA |
| Scope and process | During 2017, we joined a PRI working group to address the question of how ESG can be incorporated into passive investment mandates (in particular those focused on an index or factor replication). We participated in several discussions on the issues with other asset owners and index providers. While the group was largely equity investment focused, in the discussions we raised the difficulty of ESG incorporation in fixed income mandates where the benchmark is a single government bond index (developed world). |
| Outcomes | PRI staff are drafting a paper incorporating views and feedback of the working group participants. |

Add Example 3
<table>
<thead>
<tr>
<th>Topic or issue</th>
<th>Potential new private equity mandate in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conducted by</td>
<td>Internal staff</td>
</tr>
<tr>
<td>Asset class</td>
<td>Private equity</td>
</tr>
<tr>
<td>Scope and process</td>
<td>During 2017, UTAM evaluated various private equity strategies, including several in China. In addition to various other investment factors, an important consideration was the commitment to responsible investment by the investment staff of the firm. As part of the evaluation, we discussed the manager's responsible investing approach and specifically how it is applied in China. We discussed this approach using specific examples of the manager's previous investments. We stressed the importance of responsible investing principles to us and became convinced that the manager shared a similar commitment.</td>
</tr>
<tr>
<td>Outcomes</td>
<td>The manager agreed to provide specific reporting on their ESG practices as part of their annual reporting provided to limited partners. UTAM considers the manager to be of high quality and obtained confidence that all relevant factors are considered as part of the manager's investment process, including ESG factors. UTAM committed capital to the manager in 2017.</td>
</tr>
</tbody>
</table>

- Add Example 4
- Add Example 5
- We are not able to provide examples
LEA 01 Mandatory Core Assessed PRI 2

LEA 01.1 Indicate whether your organisation has a formal engagement policy.

✔ Yes

LEA 01.2 Attach or provide a URL to your engagement policy.

☐ Attachment provided:
✔ URL provided:
https://issuu.com/utam/docs/utam-responsible-investing-policy?e=29566501/59442745

LEA 01.3 Indicate what your engagement policy covers:

✔ Conflicts of interest
☐ Insider information
✔ Alignment with national stewardship code requirements
✔ Due diligence and monitoring process
✔ Prioritisation of engagements
✔ Transparency of engagement activities
✔ Environmental factors
✔ Social factors
✔ Governance factors
☐ Other, describe

The engagement policy covers our views on engagement and the ways in which we feel we can effectively participate in or support engagements.

☐ None of the above

LEA 01.4 Provide a brief overview of your organization’s approach to engagement

We are committed to active ownership. This requires us to promote good corporate governance, including the exercise of shareholder voting rights. It obliges us to participate in engagement with management and boards of companies to address ESG issues. Sound corporate governance is an essential element of effective company management and long-term performance; it is essential for companies to address risk effectively.

As a member of the Canadian Coalition for Good Governance, the Pension Investment Association of Canada and the Portfolio Management Association of Canada, we endorse the positions of these bodies with respect to corporate governance as reflected in their various position statements, and we contribute to their development where possible.

We participate in formal engagement collaborations through membership, alignment or service arrangements with various organizations. Informal collaborations involve like-minded investors coming together to advocate on matters of interest to all participants. We will participate in these wherever it is likely to be of benefit to the University.

Our engagement service provider’s approach is based on constructive and confidential company dialogue and on building a relationship of trust, where over time they seek to understand how companies manage ESG risks and encourage best practice.

LEA 02 Mandatory Gateway PRI 1,2,3

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Reason for interaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual/Internal staff engagements</td>
<td>☐ To influence corporate practice (or identify the need to influence) on ESG issues</td>
</tr>
<tr>
<td></td>
<td>☐ To encourage improved/increased ESG disclosure</td>
</tr>
<tr>
<td></td>
<td>☐ Other, specify</td>
</tr>
<tr>
<td></td>
<td>✔ We do not engage via internal staff</td>
</tr>
<tr>
<td>Collaborative engagements</td>
<td>☑ To influence corporate practice (or identify the need to influence) on ESG issues</td>
</tr>
<tr>
<td></td>
<td>☑ To encourage improved/increased ESG disclosure</td>
</tr>
<tr>
<td></td>
<td>☑ Other, specify</td>
</tr>
<tr>
<td></td>
<td>✔ To understand issuers’ exposure to and management of ESG risks and opportunities</td>
</tr>
<tr>
<td></td>
<td>☐ We do not engage via collaborative engagements</td>
</tr>
</tbody>
</table>

Please specify why your organisation does not engage via internal staff.

We do not engage via internal staff, as a relatively small plan in terms of assets and staff, we feel that our resources and influence are better exercised via collaborations with like-minded institutional investors either formally or informally or via engagement service providers.
### LEA 05: Service provider engagements

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>To influence corporate practice</td>
<td>(or identify the need to influence) on ESG issues</td>
</tr>
<tr>
<td>To encourage improved/increased ESG disclosure</td>
<td></td>
</tr>
<tr>
<td>Other, specify</td>
<td></td>
</tr>
<tr>
<td>To understand issuers’ exposure to and management of ESG risks and opportunities</td>
<td></td>
</tr>
<tr>
<td>We do not engage via service providers</td>
<td></td>
</tr>
</tbody>
</table>

### LEA 05.1: Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements

- **Yes**
- **No**

### LEA 05.2: Describe the criteria used to identify and prioritise collaborative engagements.

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted by the collaboration
- Materiality of ESG factors addressed by the collaboration
- Systemic risks to global portfolios addressed by the collaboration
- Exposure (holdings) to companies targeted by the collaboration
- In reaction to ESG impacts addressed by the collaboration that have already occurred
- As a response to divestment pressure
- As a follow-up from a voting decision
- Consultation with clients/beneficiaries
- Consultation with other stakeholders (i.e. NGOs, trade unions etc.)
- Other, specify

### LEA 06: Indicate if you define specific objectives for your engagement activities carried out collaboratively.

- **Yes**
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
  - We do not define specific objectives for engagement activities carried out collaboratively

### LEA 06.1: Indicate if you monitor the actions companies take during and following your collaborative engagements.

- **Yes**
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases
  - We do not monitor the actions that companies take following engagement activities carried out collaboratively

### LEA 06.2: Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for your objectives
- Tracking and/or monitoring progress against defined objectives
- Revisit and, if necessary, revise objectives on continuous basis
- Other, please specify
- We do not monitor and evaluate progress of engagement activities carried out by internal staff

### LEA 07: Indicate if you play a role in the engagement process that your service provider conducts on your behalf.

- **Yes**

### LEA 07.2: Indicate the role(s) you play in engagements that your service provider conducts on your behalf.

- Discuss the topic (or ESG issue(s)) of engagement
- Discuss the rationale for engagement
Discuss the objectives of the engagement
Select the companies to be engaged with
Discuss the frequency/intensity of interactions with companies
Discuss next steps for engagement activity
Participate directly in certain engagements with your service provider
Other, specify

Discuss progress towards engagement objectives, monitor and review outcomes that have been achieved, and conduct ad hoc monitoring and review of engagement processes.

We play no role in engagements that our service provider conducts.

LEA 07.3 Additional information. [Optional]

We take on different roles with each collaborative service provider according to the terms of our agreement with each of them.

LEA 08 Mandatory Core Assessed PRI 2,6

LEA 08.1 Do you monitor and review the outcomes of the engagement activities undertaken by your service providers on your behalf?

☐ Yes, periodically
☐ Yes, ad hoc basis
☐ We do not monitor or review them

LEA 09 Voluntary Additional Assessed PRI 1,2

LEA 09.1 Indicate if insights gained from your engagements are shared with your internal or external investment managers.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Insights shared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative engagements</td>
<td>☐ Yes, systematically</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, occasionally</td>
</tr>
<tr>
<td></td>
<td>☐ No</td>
</tr>
<tr>
<td>Service provider engagements</td>
<td>☐ Yes, systematically</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, occasionally</td>
</tr>
<tr>
<td></td>
<td>☐ No</td>
</tr>
</tbody>
</table>

LEA 09.2 Additional information. [Optional]

LEA 10 Mandatory Gateway PRI 2

LEA 10.1 Indicate if you track the number of your engagement activities.

<table>
<thead>
<tr>
<th>Type of engagement</th>
<th>Tracking engagements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative engagements</td>
<td>☑ Yes, we track the number of our engagements in full</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, we partially track the number of our engagements</td>
</tr>
<tr>
<td></td>
<td>☐ We do not track and cannot estimate our engagements</td>
</tr>
<tr>
<td>Service provider engagements</td>
<td>☑ Yes, we track the number of our engagements in full</td>
</tr>
<tr>
<td></td>
<td>☑ Yes, we partially track the number of our engagements</td>
</tr>
<tr>
<td></td>
<td>☐ We do not track and cannot estimate our engagements</td>
</tr>
</tbody>
</table>

LEA 10.2 Additional information. [OPTIONAL]

We track engagement activities based on reports provided by collaboration groups and service providers, reporting to our stakeholders annually on an aggregated basis and providing examples of engagements undertaken

LEA 11 Mandatory to Report, Voluntary to Disclose Core Assessed PRI 2

LEA 11.1 Indicate the amount of your listed equities portfolio with which your organisation engaged during the reporting year.

Private

LEA 11.2 Indicate the proportion of engagements that involved multiple, substantive and detailed discussions or interactions with a company during the reporting year relating to ESG issue.

Private

LEA 11.3 Indicate the percentage of your collaborative engagements for which you were a leading organisation during the reporting year.

Private

LEA 11.4 Indicate the percentage of your service provider engagements that you had some involvement in during the reporting year.

Private

TRANSPARENCY 27
### LEA 11.5
**LEA 12**
- Voluntary
- Additional Assessed
- PRI 2

**LEA 12.1**
- Indicate which of the following your engagement involved:
- Private

**LEA 12.2**
- Additional information [Optional]
- Private

**LEA 13**
- Voluntary
- Descriptive
- PRI 2

**LEA 13.1**
- Indicate whether you track the number of cases during the reporting year in which a company changed its practices, or made a formal commitment to do so, following your organisation's and/or your service provider’s engagement activities.
- Private

**LEA 13.3**
- Additional information [Optional].
- Private

**LEA 14**
- Voluntary
- Additional Assessed
- PRI 2

**LEA 14.1**
- Provide examples of the engagements that your organisation or your service provider carried out during the reporting year.
- Private

**LEA 14.2**
- Additional information [Optional]
- Private

**LEA 15**
- Mandatory
- Core Assessed
- PRI 1, 2, 3

**LEA 15.1**
- Indicate whether your organisation has a formal voting policy.
- Yes

**LEA 15.2**
- Indicate what your voting policy covers:
  - Conflicts of interest
  - Share blocking
  - Securities lending process
  - Prioritisation of voting activities
  - Decision making processes
  - Environmental factors
  - Social factors
  - Governance factors
  - Filing/co-filing resolutions
  - Extraordinary meetings
  - Regional voting practices
  - Transparency of proxy voting activities
  - Company dialogue pre/post vote
  - Other, describe
  - None of the above

**LEA 15.3**
- Attach or provide a URL to your voting policy [Optional]
- [https://utam.utoronto.ca/proxy-voting/](https://utam.utoronto.ca/proxy-voting/)

**LEA 15.4**
- Provide a brief overview of your organization’s approach to (proxy) voting.
- Proxy voting is one of the most important rights available to investors. UTAM’s fiduciary duty is to act in the best interest of our client and to manage conflicts of interest, and this applies particularly to the way we vote proxies. Moreover, we expect our third-party investment managers to apply the same standard. To that end, we routinely review the proxy voting practices of our investment managers as part of our Operational Due Diligence reviews.

As a responsible investor and a PRI signatory, UTAM has adopted the ESG-focused Institutional Shareholder Services (ISS) Sustainability Guidelines for proxy voting, which we apply wherever possible.

To effectively address proxy voting in all the ways we may invest, we have provided guidance in our Responsible Investing Policy with respect to segregated account mandates, customized fund investments and commingled fund investments.

**LEA 16**
- Mandatory
- Descriptive
- PRI 2

**LEA 16.1**
- Indicate how you typically make your (proxy) voting decisions.
- Approach
  - We use our own research or voting team and make voting decisions without the use of service providers.
We hire service provider(s) that make voting decisions on our behalf.

**Based on**
- the service provider voting policy signed off by us
- our own voting policy
- our clients’ requests or policy
- other, explain

**LEA 16.2**
Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

Towards the end of 2016, we engaged ISS for its Sustainability Policy and Guidelines. ISS votes ballots on our behalf for LE holdings in separate/segregated account mandates and in certain commingled fund mandates where the University of Toronto's Pension and Endowment are the only investors. In the upcoming proxy season, we do not anticipate making exceptions but will monitor proxies as they are available.

We intend to review the effectiveness of this process at the end of each proxy voting season to enable us to assess whether any process changes are warranted.

**LEA 16.3**
Additional information. [Optional]

**LEA 18**
Voluntary

**LEA 18.1**
Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation.

**Private**

**LEA 18.2**
Additional information. [OPTIONAL]

**Private**

**LEA 19**
Voluntary

**LEA 19.1**
Indicate if your organisation has a securities lending programme.

**Private**

**LEA 20**
Mandatory

**LEA 20.1**
Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting.

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes for selected markets
  - Votes relating to certain ESG issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - Other

  On a case by case basis depending upon the issues under consideration.

- Neither we nor our service provider raise concerns with companies ahead of voting

**LEA 20.2**
Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when, you abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases:
  - Votes in selected markets
  - Votes on certain issues
  - Votes for significant shareholdings
  - Votes for companies we are engaging with
  - On request by clients
  - On request by companies
  - Other

- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

**LEA 20.3**
Additional information. [Optional]

**LEA 21**
Mandatory

**LEA 21.1**

### LEA 21.1
For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- **We do track or collect this information**

<table>
<thead>
<tr>
<th>Votes cast (to the nearest 1%)</th>
<th>99%</th>
</tr>
</thead>
</table>

Specify the basis on which this percentage is calculated:

- ✔ of the total number of ballot items on which you could have issued instructions
- ✔ of the total number of company meetings at which you could have voted
- ✔ of the total value of your listed equity holdings on which you could have voted

### LEA 21.2
Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- ✔ Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- On request by clients
- Other

- We do not track or collect this information

### LEA 22
Mandatory

#### LEA 22.1
Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

- ✔ Yes, we track this information

#### LEA 22.2
Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

<table>
<thead>
<tr>
<th>Voting instructions</th>
<th>Breakdown as percentage of votes cast</th>
</tr>
</thead>
<tbody>
<tr>
<td>For (supporting) management recommendations</td>
<td>89%</td>
</tr>
<tr>
<td>Against (opposing) management recommendations</td>
<td>11%</td>
</tr>
<tr>
<td>Abstentions</td>
<td>0%</td>
</tr>
</tbody>
</table>

#### LEA 22.3
Describe the actions you take in relation to voting against management recommendations.

Based on our proxy voting guidelines votes may be cast against management recommendations when considered to be in the best interests of the University portfolio, particularly with respect to shareholder proposals.

- ❌ No, we do not track this information

### LEA 23
Voluntary

#### LEA 23.1
Indicate if your organisation directly or via a service provider filed or co-filed any ESG shareholder resolutions during the reporting year.

- Private

#### LEA 23.6
Describe whether your organisation reviews ESG shareholder resolutions filed by other investors.

- Private

#### LEA 23.7
Additional information. [Optional]

- Private

### LEA 24
Voluntary

#### LEA 24.1
Provide examples of the (proxy) voting activities that your organisation and/or service provider carried out during the reporting year.

- Private

#### LEA 24.2
Additional information. [Optional]

- Private
**CM1 01.1**

**Indicate whether the reported information you have provided for your PRI Transparency Report this year has undergone:**

- Third party assurance over selected responses from this year's PRI Transparency Report
- Third party assurance over data points from other sources that have subsequently been used in your PRI responses this year
- Third party assurance or audit of the implementation of RI processes (that have been reported to the PRI this year)
- Internal audit conducted by internal auditors of the implementation of RI processes and/or RI data that have been reported to the PRI this year
- Internal verification of responses before submission to the PRI (e.g. by the CEO or the board)
  - Whole PRI Transparency Report has been internally verified
  - Selected data has been internally verified
- Other, specify
- None of the above

**CM1 01.2 & 01.8**

**Do you plan to conduct third party assurance of this year's PRI Transparency report?**

- Whole PRI Transparency Report will be assured
- Selected data will be assured
- We do not plan to assure this year's PRI Transparency report

**CM1 01.3 & 01.9**

**We undertook third party assurance on last year's PRI Transparency Report**

- Whole PRI Transparency Report was assured last year
- Selected data was assured in last year’s PRI Transparency Report
- We did not assure last year’s PRI Transparency report, or we did not have such a report last year.

**CM1 01.4, 10-12**

**We undertake confidence building measures that are unspecific to the data contained in our PRI Transparency Report:**

- We adhere to an RI certification or labelling scheme
- We carry out independent/third party assurance over a whole public report (such as a sustainability report) extracts of which are included in this year’s PRI Transparency Report
- ESG audit of holdings
- Other, specify
  - Where we refer to the activities performed by service providers, we may selectively seek confirmation from them that we are correctly reporting these activities.
- None of the above

**CM1 01.7**

**Indicate who has reviewed/verified internally the whole - or selected data of the - PRI Transparency Report. and if this applies to selected data please specify what data was reviewed**

- CEO or other Chief-Level staff
  - Sign-off or review of responses
    - Sign-off
    - Review of responses
  - The Board
  - Investment Committee
  - Compliance Function
  - RI/ESG Team
  - Investment Teams
  - Legal Department
  - Other (specify)

**CM1 01.13**

**Additional information for all confidence building measures [OPTIONAL]**

In addition to the foregoing, the Responsible Investment Committee reviews all responses.