

REPORT TO THE PRINCIPAL FROM THE REVIEW COMMITTEE FOR RESPONSIBLE INVESTING

Response to Special Request Received March 2025

October 31, 2025

Land Acknowledgement

Queen's University is situated on traditional Anishinaabe and Haudenosaunee Territory. To acknowledge this traditional territory is to recognize its longer history, one predating the establishment of the earliest European colonies. It is also to acknowledge this territory's significance for the Indigenous peoples who lived, and continue to live, upon it – people whose practices and spiritualities were tied to the land and continue to develop in relationship to the territory and its other inhabitants today. The Kingston Indigenous community continues to reflect the area's Anishinaabek and Haudenosaunee roots. There is also a significant Métis community and there are First Peoples from other Nations across Turtle Island present here today.

Background

The [Responsible Investing Policy](#) and its two related procedures were approved by Queen's University's Board of Trustees in 2017. The Policy recognizes that decisions related to responsible investing take place within a community of diverse groups of interest and that each of these – faculty, staff, students, alumni, retirees, and others – should have an opportunity to participate in processes related to responsible investing.

On March 3, 2025, the university received a petition from Queen's Backing Action on the Climate Crisis (QBACC) requesting that Queen's University's Investment Committee and Principal Patrick Deane:

1. Formally recognize the urgency of the climate crisis;
2. Fulfill the University's commitment to being leaders of global change by completely divesting from fossil fuels; and,
3. Reduce the 2.2% of Queen's endowment portfolio invested directly in fossil-fuel intensive corporations to under 2%, in accordance with a global surface temperature increase target of under 2°C compared to pre-industrial levels, all to be completed before the beginning of the 2025/2026 school year.

After verification of the petition's signatures, which met the requirements outlined under the Responsible Investing Policy's [Procedure 2](#), the Principal convened a Principal's Review Committee for Responsible Investing. The Committee's mandate was to review QBACC's submission and advise the Principal as to what further action, if any, is warranted.

The Committee's membership included a representative from the Board of Trustees' Governance and Nominating Committee, who acted as chair, a staff trustee, a student trustee, a faculty trustee, and a representative from the Board's Investment Committee. The Committee was supported by the University Secretariat and included non-voting advisors.

The Committee began its work in June 2025 and met a total of three times over the course of the summer and fall. Meetings provided Committee members with the opportunity to review the special request, policies and procedures related to responsible investing, obligations associated with fiduciary duties, data associated with Queen's investments and the fossil fuel industry, and information on the investment policies and practices of peer institutions. In addition, the Chair met with one of QBACC's Co-Presidents to discuss the request and subsequently reported back to the Committee.

As the Committee undertook its review, it focused on several key areas essential to evaluating the petition: the fiduciary responsibilities held by the Board of Trustees and the Investment Committee, the university's current investment practices, and the ways in which climate change and decarbonization considerations are integrated into these practices. These foundational topics provided the framework for the Committee's assessment and recommendations outlined in the following sections.

Fiduciary Responsibilities

A fiduciary duty is a legal responsibility to act in the best interests of the University as a whole, rather than representing the interests of any single constituency. "Fiduciary responsibility, in an investment context, includes the duties of prudence and loyalty. The duty of prudence requires that investment decisions take into account appropriate plan-specific factors, the specific nature of the investment under consideration, and the investment portfolio at large. The duty of loyalty requires that fiduciaries act honestly, in good faith, in the best financial interests of the beneficiaries, and that all beneficiaries are treated with an even hand. In the

case of trusts expected to continue for an extended period, the best financial interest of the beneficiaries should be assessed over the long term.”¹

The members of Queen’s Board of Trustees and the Board’s Investment Committee are fiduciaries of the university and its community; therefore, they are obligated to act in the best interests of Queen’s as a whole. Investment decisions made by the Board must be made taking into account several factors, including environmental, social, and governance (ESG), along with all other factors based on risk and return and what comprises the best financial interests of beneficiaries. This is critical for meeting the objectives of Queen’s endowment and other investment pools, ensuring meaningful funding for vital supports including scholarships, student aid programs, academic chairs, and research.

Current Investment Practices

The university currently engages in several investment practices related to climate change and decarbonization.

In 2019, the Board of Trustees struck the [Climate Change Action Task Force \(CCATF\)](#) to develop strategic recommendations for managing Queen's investments in alignment with the university’s sustainable development goals, which included a commitment to lower the carbon footprint across the entirety of the university’s Pooled Endowment Fund (PEF) and Pooled Investment Fund (PIF). The Task Force’s recommendations were endorsed by [Queen’s Board of Trustees](#) on March 4, 2022. The targets set out in the recommendations are designed to align Queen’s with Canada’s net zero commitments. Queen’s University also became a signatory of the [United Nations Principles for Responsible Investment \(UN-PRI\)](#) as a way to strengthen its approach to responsible investing given that, as a signatory, the university is committed to ensuring ESG factors are fully incorporated and transparently reported into its investment process.

In June 2020, Queen’s University became a founding signatory on a charter that commits Canadian universities to responsible investing for the environment. This charter, entitled [Investing to Address Climate Change: A Charter for Canadian Universities](#), outlines commitments to promote sustainability through investments and reflects a commitment to principles associated with reducing the carbon footprint of investment portfolios.

¹ Responsible Investing Policy (2017)

Queen's manages approximately \$1.8 billion in its Pooled Endowment Fund and approximately \$500 million in its Pooled Investment Fund.² The university, acting through its Board of Trustees, has overall fiduciary responsibility for Queen's investments. The [Board of Trustees' Statement of Investment Policies and Procedures](#) and its Investment Committee help ensure these responsibilities are met. To achieve the funds' objectives and diversify risk, the university employs a variety of external investment managers with different areas of specialization, with careful emphasis on risk management, as well as a long-term strategic focus. The responsible investing strategy for Queen's Pooled Endowment Fund includes a pledge to establish a 15% allocation (currently 12.8%) to the [Queen's Climate Action Allocation \(QCAA\)](#) by 2030. The QCAA includes investments with low carbon emissions and/or those that have a credible plan for achieving net zero emissions in accordance with timelines set out by the Government of Canada (e.g., the Paris Agreement). These actions have helped reduce the endowment's carbon footprint by 34% since 2021, achieving an emissions level that is 12% below the equities benchmark. The university is currently on track to achieve its target of 25% below the equities benchmark by 2030.

It is important to note that the university requires all of Queen's external investment managers to take due regard of environmental, social, and governance factors in making investment decisions. Managers are asked to engage where appropriate and report to the university on their ESG activities on an annual basis. As a demonstration of Queen's ESG leadership and its commitment to transparency, the university publicly shares external investment managers' responses to Queen's annual ESG questionnaire³.

Queen's remains committed to transparency in its investment and methodologies by publishing a [Responsible Investing Annual Report](#), publicly sharing its external investment managers' responses to its annual ESG questionnaire, and disclosing detailed reports of the university's investment holdings.

Committee Recommendation

The Committee recommends, on the basis of the foregoing considerations, against divestment of Queen's Pooled Endowment Fund (PEF) and Pooled Investments Funds (PIF) from fossil fuels.

² Responsible Investing Annual Report 2025

³ Queen's University - [Disclosure of holdings](#)

The Committee believes Queen's has established a strong [Responsible Investing Policy](#) that balances environmental goals with financial responsibilities. On the financial side, the Committee determined that full divestment could increase portfolio risks, which would conflict with the Board's legal duties to protect the university's long-term financial health. It also concluded that the costs of divestment, given its pooled investment structure, would be significant. Accordingly, divestment would not comply with the fiduciary obligations of the Board and Investment Committee or the Responsible Investing Policy. While the Committee is aware that some other universities have opted to divest, the specific decision-making processes and criteria behind these approaches are not publicly detailed and may reflect differing institutional contexts.

With respect to Queen's environmental goals, the Committee noted the significant steps that the university has taken since QBACC⁴ first requested divestment in 2015. These include, as stated above, the adoption of the [Responsible Investing Policy](#), commitments as signatories of the [Investing to Address Climate Change: A Charter for Canadian Universities](#) and the [United Nations Principles for Responsible Investment \(UNPRI\)](#), as well as management involving external investors and accountability mechanisms. The Committee expressed comfort with the university's current investment practices, including its carbon reduction strategy, which sets out ambitious targets for reducing the carbon footprint of the university's endowment and includes mechanisms to measure our progress and ensure we meet our targets.

The Committee deeply commends QBACC members for their passionate and persistent commitment to addressing the urgent, complex, and multi-dimensional challenge of climate change. Their advocacy plays a vital role in advancing the university's sustainability dialogue, and the Committee strongly values ongoing engagement with QBACC and others who raise important concerns, recognizing their sincere motivations and shared commitment to meaningful, continued progress.

Appendices

I – Terms of Reference of the Committee

II – Original Submission from Queen's Backing Action on the Climate Crisis (QBACC) - 2025

⁴ Formerly known as Queen's Backing Action on Climate Change (2015)

Principal's Review Committee for Responsible Investing 2025

Terms of Reference

On March 3, 2025, the university received a petition from the Queen's Backing Action on the Climate Crisis (QBACC). QBACC requested that the document be considered as a formal submission for a special request for divestment per Procedure 2 – Special Requests of Queen's Responsible Investing Policy. They are advocating for "the complete divestment of Queen's University's \$1.492 billion pooled endowment and investment fund from fossil fuels."

The petition was reviewed by the University Secretariat. Once the University Secretariat verified that the signatures met the requirements set out in the Procedure, Queen's Principal, Dr. Patrick Deane, established a Principal's Review Committee for Responsible Investing.

Review Committee Mandate

The Committee will review the submission and advise the Principal as to what further action, if any, is warranted. The review will be conducted in accordance with the Responsible Investing Policy, and will be guided by the Fiduciary Responsibilities of the Board of Trustees (see section III of the Board's Code of Conduct); the consideration of Environmental, Social, and Governance (ESG) issues, and all other factors defined in that Policy.

The Review Committee shall consider, but will not be limited to, the following factors in regard to the request:

- Consistency of the request with existing university policies or objectives;
- Feasibility of the request (e.g., the amount of resources involved to address the issues raised in the requests);
- Materiality of the request to the overall investment portfolios;
- Whether the request is a duplication of past requests and/or whether there have been material changes that would warrant reconsidering past requests; and
- Whether the issue is better addressed using other levers available to the university.

The Committee is advisory to the Principal, and will prepare and submit to the Principal a response detailing its recommendation(s), which may include, but are not limited to:

- Suggestions for ensuring the relevant Environmental, Social, and Governance (ESG) Factors are considered in the investment process, suggestions for alternative non-investment related approaches;

- Arranging for a delegation representing the members of the university community that submitted the request to present to the Board and/or the appropriate Board committee(s) for further consideration;
- Coordinating an in depth consultation process; or
- No further action.

Upon receiving the Principal's Review Committee for Responsible Investing's recommendation(s), the Principal will provide the recommendation(s) to the appropriate Board committee, normally the Investment Committee and/or Pension Committee. The Board committee(s) will make recommendations, if any, to the Board of Trustees.

Decisions of the Principal's Review Committee, along with the rationale for decisions, will be publicly reported on the University website.

Membership

- Dean McCann- Committee Chair, Governance & Nominating Committee, Board of Trustees
- Amanda Gray - Staff Trustee
- EJ Kelvin - Undergraduate Student Trustee
- Rebecca Manley - Faculty Trustee
- Todd Mattina - Chair, Investment Committee, Board of Trustees

Secretary: Anne Martineau, University Secretariat

Non-voting Advisors:

- Rebecca Coupland, University Secretary
- Michael Fraser, Vice-Principal (University Relations)
- Donna Janiec, Vice-Principal (Finance and administration)
- Brian O'Neill, Director, Investment Services
- Heathe Woermke, Associate Vice-Principal (Finance and Administration)

Timeline

The Committee shall begin its work in June of 2025 and will endeavour to complete its work expeditiously. Upon submission of its recommendations to the Principal the Committee shall be dissolved, though may be called together informally thereafter to either clarify or expand on its recommendations.

Meetings

The Committee shall meet at the call of the Chair and may meet in person, by video conference, or other electronic or digital means as determined by the Chair.

Confidentiality

All members of the Committee will be required to sign a Confidentiality Undertaking and Queen's University Board of Trustees Code of Conduct that outlines their responsibilities as Committee members and Advisors and expectations related to confidentiality, collegiality, and conflicts of interest.

University Secretariat

Subject: FW: Queen's Backing Action on the Climate Crisis: Queen's University Fossil Fuel Divestment Petition Special Request

Attachments: Queen's 2025 Divestment Petition (Responses).xlsx

From: QBACC Presidents <presidents@qbacc.org>
Sent: Monday, March 3, 2025 12:24 PM
To: University Secretariat <univsec@queensu.ca>; Queen's Secretariat - Board of Trustees Office <trustees@queensu.ca>; Queen's Secretariat - University Council Office <ucouncil@queensu.ca>; Rebecca Coupland <rebecca.coupland@queensu.ca>; Chelsea Cusack <chelsea.cusack@queensu.ca>
Subject: Queen's Backing Action on the Climate Crisis: Queen's University Fossil Fuel Divestment Petition Special Request

You don't often get email from presidents@qbacc.org. [Learn why this is important](#)

To Whom It May Concern,

Queen's Backing Action on the Climate Crisis, also known as QBACC, is advocating for the complete divestment of Queen's University's \$1.492 billion pooled endowment and investment fund from fossil fuels. We are requesting, as members of the University community, that a Special Request be initiated in accordance with the Responsible Investing Policy of the Board of Trustees. Our attached petition has 630 signatures with a minimum of 20 signatures from the three of the five separate constituencies within the University community.

Link to fossil fuel divestment petition: <https://forms.gle/9ANdbyNk8fRdFpk7A>

UNDER 2% / UNDER 2°

Currently, approximately 2.2% of Queen's endowment portfolio is invested directly in fossil-fuel intensive corporations. We are petitioning Queen's University's Investment Committee and Principal Patrick Deane to formally recognize the urgency of the climate crisis and to fulfill the University's commitment to being leaders of global change by completely divesting from fossil fuels, and by reducing the 2.2% percentage of Queen's endowment portfolio invested directly in fossil-fuel intensive corporations to under 2% (in accordance with a global surface temperature increase under 2°C compared to pre-industrialization levels), *before the beginning of the 2025/2026 school year.*

BACKGROUND

The [United Nations Paris Agreement](#) formulated in 2015, set a target to keep the rising global surface temperature under a 1.5°C increase from pre-industrial levels by 2030, in order to limit the irreversible impacts of climate change. According to the [2023 Climate Change Synthesis Report](#) created by the Intergovernmental Panel on Climate Change (IPCC), the global surface temperature between 1850-2020 has risen 1.1°C due to anthropogenic activity. There is very little time left to achieve the [17 Sustainable Development Goals](#) set by the United Nations to achieve this target. Accordingly, there has also been a significant increase in greenhouse gas concentration in the atmosphere since the industrial revolution. 42% of the net carbon dioxide emissions between 1850-2019 were produced in the last 30 years. In [2019](#), the largest portion of human caused GHG emissions were derived from fossil fuel combustion. Although emissions reduction plans were put into action as well as advances in energy efficient technology, these developments have not outweighed the increases of GHG emissions from industry, transport, agriculture, and buildings. The IPCC's future projection for climate change is further global warming, malnutrition, infectious disease, glacier retreat, inland flooding, and damages to economic sectors, to name a few. From the 2023 Climate Change Synthesis Report, the IPCC estimates with

high confidence that the global surface temperature will likely surpass 1.5°C during this century. There is an ‘emissions gap’ resulting from the projected GHG emissions in 2030 calculated by nationally determined contributions (NDCs) and the designed mitigation pathways which were modelled after the NDCs preceding COP 26 in 2021. The inadequate governmental and institutional adoption of policy regarding climate change solutions is creating an ‘implementation gap’, and continues to allow the progression of global environmental and health degradation. The call for divestment is eminently necessary when the private and public finance flows for “climate adaptation and mitigation” are insufficient and are continually outweighed by finance flows for fossil fuels.

WHAT IS DIVESTMENT?

Just as investment means to input resources into a specific organization, divestment means the opposite; removing stocks from a company for financial, political, or social reasons. Divestment has historically been used as a political tool to create stigmatization of an industry. By characterizing money as an extension of one’s values, investors are forced to confront the larger social and environmental consequences of their actions through public shame. The IPCCs [2022 Mitigation of Climate Change report](#) established that the indirect impact of divestment, the cultivation of public awareness and mobilization for climate policies, is considerably significant alongside the direct impact of hindering the success of fossil fuel companies. Common misconceptions about divestment are that the alternatives aren’t substantial and returns from sustainable investments will be smaller. A report written by the [Corporate Knights in 2015](#), showed that the Canadian Pension Plan had lost \$7 billion in returns over three years as a result of not divesting from fossil fuels. In regards to Queen’s endowment fund, the funds divested from fossil fuels can simply be reinvested into the other stocks. The university’s divestment would stand as a statement that Queen’s values a sustainable economy and future. Through divestment, Queen’s would join [notable institutions](#) like [Brown University \(2020\)](#), [Columbia University \(2017\)](#), [Cornell University \(2020\)](#), [University of Toronto \(2022\)](#), and the latest university being [NYU \(2023\)](#), divesting over \$5 billion. Queen’s as an individual stakeholder in fossil fuel investment has the ability to cultivate the awareness of other influential investors on the environmental devastation that fossil fuels are responsible for through divestment and urge them to divest as well. .

THE HISTORY OF DIVESTMENT AT QUEEN’S

QBACC was founded in 2008 by students dedicated to reducing fossil-fuel reliance. In 2014, QBACC submitted a petition to Principal Woolf to divest. A year later, the advisory Committee on divestment stated that Queen's had no grounds for divestment based on their (previous) Responsible Investing policy. The Committee's report reached three key conclusions:

It identified challenges associated with interpreting the term "social injury."

It determined that divestment was an ineffective tool for Queen's University to address issues related to climate change.

The report suggested that alternative forms of engagement held more promise for Queen's in finding comprehensive solutions to challenges concerning climate change, energy, the environment, and their broader social and economic impacts.

Following the report, the divestment initiative went silent for a few years until 2019, when the global climate strike saw more than 500 Queen's students protesting on the University's campus to take institutional action to safeguard our future. These protests fueled QBACC's new and most impactful divestment campaign. One of the team's significant projects involved collaborating with Investment Services and counsel on the recommendations of the Climate Change Action Task Force. The team achieved a milestone by working with administration to form and pass a comprehensive decarbonization plan. The commitments included a target of relative carbon reductions of 25% below the MSCI benchmark for the Pooled Endowment Fund and the Pooled Investment Fund by 2030, an allocation of 15% to the Queen's Climate Action Allocation (a portfolio of investments with significantly lower carbon emissions than the equities benchmark), and commitment to joining the United Nations-supported Principles for Responsible Investment (UNPRI) signatory group. The University

has also begun assessing the ESG performance of external investment managers through an annual questionnaire . It's crucial to note the absence of a published assessment process for these reports and questionnaire responses. Moreover, the questionnaire itself carries faults. It exhibits a pronounced emphasis on environmental-related aspects, which inadvertently diminishes the consideration of the "S" in ESG. The diversity section in the questionnaire, limited to one question, presents an opportunity to broaden ESG's scope to include indigenization, equity, diversity, inclusion, anti-racism, and accessibility (I-EDI-AA) values. Prioritizing these issues within the ESG framework is a moral imperative in combating the climate crisis, aligning with responsible investment practices, and reflecting the University's commitment to truth and reconciliation. It is critical to mention that QBACC has shared these thoughts with the Investment Committee and, in return, received feedback stating that quantifying social issues is too challenging and not their current focus.

Despite these remarkable outcomes, the University maintained its reluctance against complete divestment. Since the last divestment campaign at Queen's, the Investment Committee has affirmed that divesting may contradict their fiduciary responsibility. Divesting from these industries poses a severe risk during a critical time in the University's wavering financial stability. Additionally, the Committee has argued that they have more power in promoting sustainable practices by maintaining their shareholder status in questionable investments. However, While engagement strategies can complement other efforts, divestment remains a more direct and impactful tool for institutions seeking to align their investments with environmental and ethical considerations; this exemplified with the some of the largest institutions and/or their department schools passing divestment against fossil fuels at a successfully efficient and just transition process, this includes UBC, the University of Ottawa, University Laval, Concordia University, Lakehead, Guelph, UVic, SFU and in addition to the numerous of student governments and associations passing fossil fuel divestment principles, calls to action, and internal practices as well (including our own); signaling the desire for the shift towards investing in markets with larger future growth that can advance the educational mission of our institution including renewable energies and nature based carbon-capture and storage. Another central argument against divestment is its potential harm in transitioning companies. Queen's would prefer to play a role in guiding that transition rather than divesting abruptly. However, QBACC maintains that climate change urgency requires swift action, and gradual transitions may not align with the planet's ticking clock. Furthermore, QBACC is concerned with companies hiding under the guise of greenwashing practices to maintain shareholder investments.

LITERATURE CITED

[Paris Agreement 2015](#)

[IPCC: Climate Change Synthesis Report 2023](#)

[Net-Zero Asset Owner Alliance](#)

[COP28 phase-out or phase-down of fossil fuels](#)

[Queen's Responsible Investing](#)

[Discourses of Climate Delay](#)

[IPCC: Investment and Finance](#)

[Universities that have divested from fossil fuels](#)

[COP28 Agreement Signals "Beginning of the End" of the Fossil Fuel Era](#)

Thank you for your review,

Dreyden George (he/him)
& Liv Winslow (she/her)
Co-Presidents (2024/25),
Queen's Backing Action on the Climate Crisis



presidents@qbacc.org | www.qbacc.org



Queen's University is situated on the territory of the Haudenosaunee and Anishinaabek.