



# RESPONSIBLE INVESTMENT REPORT 2025–2026

UNIVERSITY OF VICTORIA FOUNDATION

MARCH 31, 2026

# TABLE OF CONTENTS

|                                                  |          |                                                                    |           |
|--------------------------------------------------|----------|--------------------------------------------------------------------|-----------|
| <b>MESSAGE FROM THE CHAIR .....</b>              | <b>1</b> | Decarbonisation Goal.....                                          | 11        |
| <b>OUR RESPONSIBLE INVESTMENT APPROACH .....</b> | <b>2</b> | Qualitative Standards for Investments.....                         | 11        |
| Responsible Investment Policy.....               | 3        | Portfolio Carbon Intensity.....                                    | 12        |
| Responsible Investment Milestones.....           | 4        | Annual Portfolio Carbon Intensity.....                             | 12        |
| <b>OUR IMPACT PORTFOLIO .....</b>                | <b>5</b> | <b>RESPONSIBLE INVESTMENT INITIATIVES.....</b>                     | <b>13</b> |
| What is Impact Investing?.....                   | 6        | Proxy Voting.....                                                  | 14        |
| Impact Measurement.....                          | 6        | Collective Engagement.....                                         | 14        |
| Impact Results.....                              | 6        | <b>INVESTMENT MANAGER RESPONSIBLE INVESTMENT INTEGRATION .....</b> | <b>15</b> |
| Student Housing and Dining Project.....          | 7        | Baillie Gifford (Global Equity) .....                              | 16        |
| Brookfield Global Transition Fund (BGTF) .....   | 8        | <b>APPENDIX 1: CARBON INTENSITY METHODOLOGY .....</b>              | <b>17</b> |
| <b>OUR DECARBONISATION PROGRESS .....</b>        | <b>9</b> | <b>CONTACT .....</b>                                               | <b>18</b> |
| What is Carbon Intensity? .....                  | 10       |                                                                    |           |

---

## MESSAGE FROM THE CHAIR

On behalf of our Board members, I am pleased to present the University of Victoria Foundation's Responsible Investment Report for 2025–26. The report provides an overview of our ongoing efforts to integrate responsible investment principles across the portfolio and highlights how these initiatives are contributing to the long-term strength of the Foundation and supporting positive outcomes beyond our investments.

Responsible investing remains an integral part of the Foundation Board's strategy and decision-making process. We recognize that environmental, social, and governance factors can have a meaningful impact on long-term investment outcomes and broader societal progress. As caretakers of the university's endowment assets, we continue to focus on building lasting value that will support the university and its community for years to come.

Our investment managers actively engage with portfolio companies on a range of environmental, social, and governance (ESG) issues that are material to long-term value creation and risk management. Engagement efforts during the year focused on topics such as climate strategy, supply-chain transparency, human rights, resource efficiency, board oversight, and corporate disclosure. Through ongoing dialogue with company management teams, our investment managers encouraged stronger due diligence processes, enhanced sustainability reporting, and greater transparency around emerging responsible investment expectations. These engagements form an important part of our responsible investment approach, helping to identify risks and opportunities while supporting continuous improvement in ESG practices across the portfolio.

The Foundation continues to expand and refine its measurement of portfolio carbon intensity to better inform its decarbonization efforts. This year, data coverage incorporated 67% of total investments, all within our public equity and fixed income holdings. The portfolio's three-year rolling weighted average carbon intensity (WACI) improved in the past year, decreasing by 6.5% from 61 to 57 tons CO<sub>2</sub>e per \$ millions of sales, which also represents a 67% decrease in the three-year rolling WACI since 2020, well in excess of our 45% reduction target. Enhanced measurement and ongoing engagement with our investment managers continue to strengthen our ability to monitor climate-related risks and opportunities and guide long-term portfolio decisions. In addition, the Foundation remains committed to impact investing, with 11% of its portfolio in impact investments that seek to deliver positive social and environmental outcomes alongside financial returns.

On behalf of the Foundation Board, I would like to thank our donors, investment partners, and the broader university community for their continued engagement and support. Your commitment enables the Foundation to pursue a responsible investment approach that strengthens the university's financial future while helping address important social and environmental challenges. Together, we are making a lasting impact that will benefit both the university and future generations.

Carol Bellringer  
Chair, University of Victoria Foundation



## OUR **RESPONSIBLE** INVESTMENT APPROACH

## OUR RESPONSIBLE INVESTMENT APPROACH

We, the Board Members of the University of Victoria Foundation (Foundation Board), are committed to the integration of environmental, social, and governance (ESG) factors into our investment decision making and the critical need to address climate change impacts on society and in every university domain (research, education, community engagement, and campus operations). Our goal is to be a leader in ESG, including responding to climate change.

As long-term investors, we believe responsible investing can have a positive effect on long-term financial performance and investment returns. To support our commitment to sustainability and to articulate our goals with respect to the Foundation's investments, we updated our investment beliefs in 2020 to recognize climate change as a key issue of our time and adopted a Responsible Investment Policy in November 2021 and adopted a Responsible Investment Policy in November 2021.

### Responsible Investment Policy

As a signatory to the Principles for Responsible Investment (PRI), we view the PRI Principles as a key responsible investment framework and, where consistent with our fiduciary responsibilities, aligns the Responsible Investment Policy to the following commitments:

1. We will Incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the PRI principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing PRI principles.
6. We will report our activities and progress towards implementing PRI principles.

The Responsible Investment Policy also outlines tools we will use to achieve our goals, including aligning the disclosure practices of our investment managers with

recommendations by the IFRS Foundation (formerly the Task Force on Climate-Related Financial Disclosures), exercising active ownership and setting carbon intensity reduction targets.

We recognize that responsible investing, including climate change initiatives and carbon emission disclosures, is a rapidly evolving area. We have committed to updating our plans to ensure material responsible investment risk and opportunity considerations, including climate change, are integrated into the investment process across all asset classes.

Our plans include:

1. Monitoring our investment managers' responsible investment practices on an ongoing basis,
2. Committing to collective engagement through the PRI and the [University Network for Investor Engagement](#),
3. Reducing the carbon intensity of our portfolio by 45% by 2030, and
4. Investigating impact investment opportunities that have the potential to deliver market level risk-adjusted returns in all asset classes.



## Responsible Investment Milestones





# OUR **IMPACT** PORTFOLIO

## OUR IMPACT PORTFOLIO

### What is Impact Investing?

The PRI defines impact investing as investing with the intention to generate a positive, measurable social and/or environmental impact alongside a financial return.

### Impact Measurement

The [UN Sustainable Development Goals](#) (SDGs) are a collection of 17 goals set by the UN General Assembly in 2015 to achieve a better and more sustainable future for all. We are committed to considering impact investments in all asset classes that align with the investment strategies outlined in the University of Victoria Foundation's [Statement of Investment Objectives & Guidelines](#) and the Responsible Investment Policy.

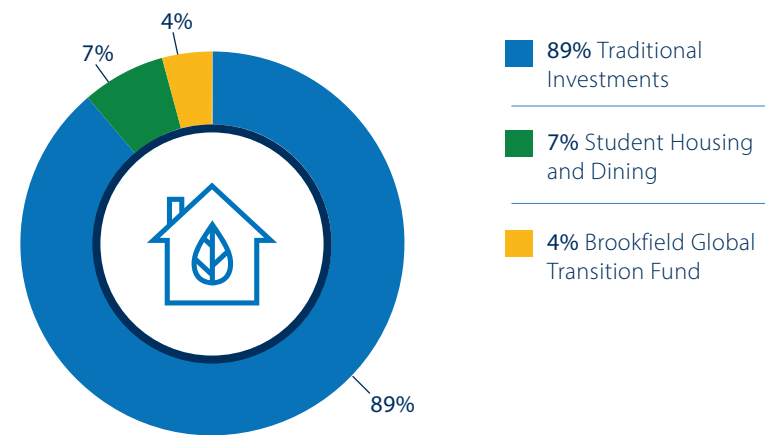
We will use [IRIS+](#) metrics developed by the [Global Impact Investing Network](#) to report impact investment results.



### Impact Results

As at March 31, 2026, we have committed to invest 11% of our portfolio in impact investments as outlined in the figure below.

#### Foundation Impact Investments and Commitments\*



\* Foundation Impact Commitments, as at March 31, 2026. Commitments are funded over time. As funds are called the commitments will be reported as investments.

Detailed information about each impact investment is provided in the following pages.

## University of Victoria Student Housing and Dining Project

**Main Impact Area:** Promoting Sustainable Futures

**Investment Year:** 2023

**Geographic Location of Impact:** Victoria, BC



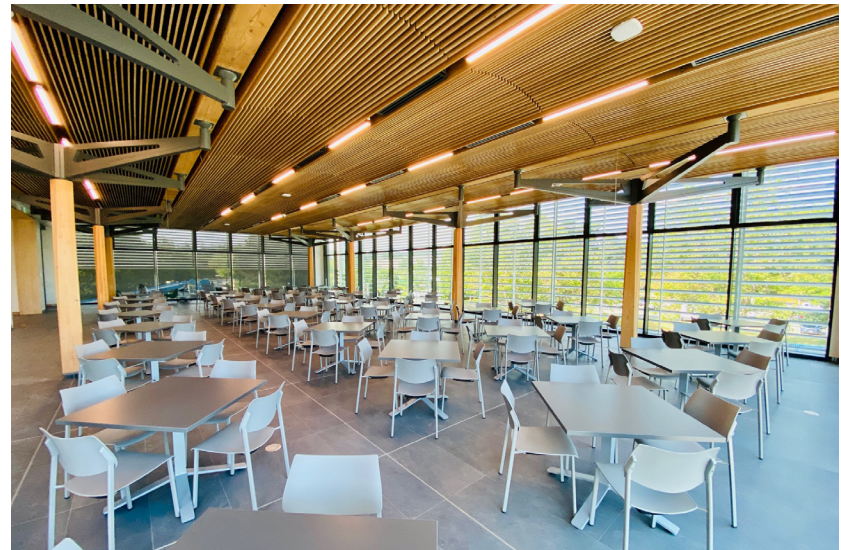
In 2018, we committed to provide financing to a new Student Housing and Dining Project at the University of Victoria. The Project encompasses two new buildings on campus and is the largest capital project (over 32,000 m<sup>2</sup> of gross floor area) in the university's history. The new buildings provide 783 total student spaces, with 398 beds for students at Čeqʷəŋín ǰéǰəŋ (Cheko'nien House) and 385 student beds at Sŋéqə ǰéǰəŋ (Sngequ House). In addition to student housing, Čeqʷəŋín ǰéǰəŋ (Cheko'nien House) features the Cove dining hall that is open to the entire campus community and Sŋéqə ǰéǰəŋ (Sngequ House) provides two 225-seat classrooms, confer-ence and catering facilities, and an Indigenous student lounge.

The design and construction of the new buildings will meet Leadership in Energy and Environmental Design (LEED) V4 Gold and Passive House standards, the most rigorous global building standards for sustainability and energy efficiency. LEED V4 is an internationally recognized, third-party rating system based on energy and environmental principles, which balances knowledge from established practices and emerging concepts. Passive House design principles aim to reduce energy consumption, GHG emissions, maintenance costs, and replacement costs by investing in a higher performing building envelope.

Energy reduction goals and will help foster a culture of energy conservation on campus using innovative technologies, including:

- Reduction in GHG emissions,
- Reduction in campus electrical intensity, and
- Reduction in campus gas consumption.

This investment demonstrates our commitment to sustainability and supports the carbon reduction goals of the university. Čeqʷəŋín ǰéǰəŋ (Cheko'nien House) was completed in 2022 and Sŋéqə ǰéǰəŋ (Sngequ House) was completed in 2023.



## Brookfield Global Transition Fund (BGTF)

**Main Impact Area:** Promoting Sustainable Futures | **Investment Year:** 2022 | **Geographic Location of Impact:** Global

BGTF focuses on investing in opportunities that advance and facilitate the global transition to a net-zero carbon economy, including supporting business transformation and clean energy generation. As the fund is still in the early stages of its deployment period, it has reported impact targets and not outcomes.

| IMPACT TARGETS                                                                                                                         |                                               |                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------------|
| SDG                                                                                                                                    | METRIC                                        | TARGETS FROM FUND                                |
| <b>7</b> AFFORDABLE AND CLEAN ENERGY<br>              | Clean Energy Capacity                         | <b>27,885 MW</b>                                 |
| <b>7</b> AFFORDABLE AND CLEAN ENERGY<br>              | Battery Energy Storage System (BESS) Capacity | <b>770 MW</b>                                    |
| <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION<br> | Materials Recycled                            | <b>4.1 million tonnes</b>                        |
| <b>13</b> CLIMATE ACTION<br>                        | Carbon Capture & Storage                      | <b>7 million metric tons per annum ("MMTPA")</b> |





# OUR **DECARBONISATION** PROGRESS

## OUR DECARBONISATION PROGRESS

### What is Carbon Intensity?

A carbon footprint refers to the amount of greenhouse gases (GHGs) produced directly or indirectly to support the activities of a person or an entity.

The GHGs are measured in equivalent tons of carbon dioxide (CO<sub>2</sub>e) and are reported in three emissions scopes.

- **Scope 1:** GHG emissions are direct emissions from sources that are owned or controlled by the entity.
  - Ex. On site fossil fuel combustion from company facilities
  - Ex. Fleet fuel consumption from company vehicles
- **Scope 2:** GHG emissions are indirect emissions generated in the production of electricity, heat, or steam consumed by the entity.
  - Ex. Purchase of electricity for use
- **Scope 3:** GHG emissions are emissions from sources not owned or directly controlled by the entity but are a consequence of the activities of the entity.
  - Ex. Upstream activities such as employee commuting, travel, or purchased goods
  - Ex. Downstream activities such as the use of products



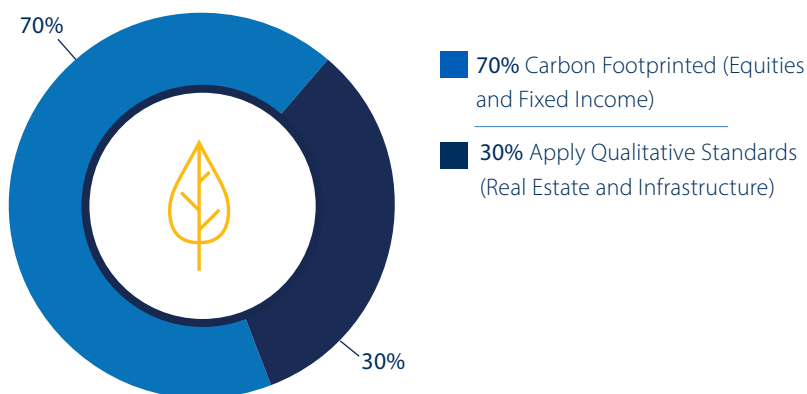
## Decarbonisation Goal

Our decarbonisation goal to reduce the carbon intensity of the Foundation's investments by 45% by 2030 was determined by referencing the [Intergovernmental Panel on Climate Change's](#) urge to reduce CO2 emissions by 45% from 2010 levels in order to limit global warming below 1.5°C, while considering methodology and data constraints. Investing in companies with a lower carbon intensity will help the portfolio mitigate physical and transitional risks associated with climate change as society transitions to a greener economy that is focused on reducing greenhouse gas emissions.

The measurement of carbon associated with investments is a new and rapidly developing field and, as such, there are data availability constraints. These constraints limit our ability to measure historic emissions and to include scope 3 emissions. We are, however, committed to reviewing methodologies annually to consider opportunities to include more of our assets beyond equities, review new carbon intensity measures, and to consider incorporating scope 3 emissions.

With the above limitations, we are measuring the carbon intensity of our public equities and fixed income investments representing 70% of the Foundation's investment portfolio as follows:

### Carbon Footprint Approach



*Foundation Carbon Footprint Approach, as at March 31, 2026*



Recognizing the current portfolio carbon intensity is calculated on 70% of the Foundation investment pool, we look to continue expanding the carbon footprint coverage and develop qualitative measures for assets that cannot be carbon footprinted at this time. Please see Appendix 1 for the Foundation's carbon intensity methodology.

### Qualitative Standards for Investments

By referencing the [Oxford Martin Principles for Climate-Conscious Investment](#), assuming risk-adjusted returns are not compromised and recognizing restrictions within our SIOG and Responsible Investment Policy, we will prioritize making investments that:

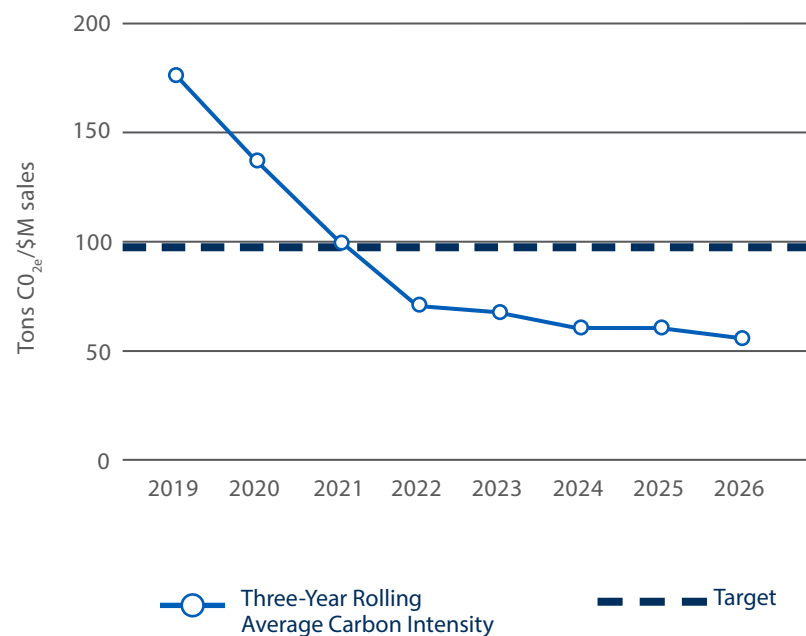
- Have a commitment to net-zero emissions,
- Have a profitable net-zero business model, and
- Have quantitative medium-term carbon reduction targets.

## Portfolio Carbon Intensity

As outlined in the exhibits below, in 2025-26 we reduced our three-year rolling average carbon intensity by 6.5% year-over-year and by 67.8% since 2019.

The 6.5% reduction is driven by a decrease in weighted average carbon intensity from our public equity investments.

### Three-Year Rolling Average Carbon Intensity



Foundation Three-Year Rolling Average Carbon Intensity, as at March 31, 2026

## Annual Portfolio Carbon Intensity

The figure below outlines the annual carbon intensity used to calculate the three-year rolling average carbon intensity.

| NORMALIZED CARBON INTENSITY DATA FROM 2017-2026 |                                      |                                                      |
|-------------------------------------------------|--------------------------------------|------------------------------------------------------|
| YEAR                                            | WEIGHTED AVERAGE CARBON INTENSITY    | THREE-YEAR ROLLING WEIGHTED AVERAGE CARBON INTENSITY |
| 2017                                            | 205 Tons CO <sub>2e</sub> /\$M sales | N/A                                                  |
| 2018                                            | 179 Tons CO <sub>2e</sub> /\$M sales | N/A                                                  |
| 2019                                            | 148 Tons CO <sub>2e</sub> /\$M sales | 177 Tons CO <sub>2e</sub> /\$M sales                 |
| 2020                                            | 86 Tons CO <sub>2e</sub> /\$M sales  | 138 Tons CO <sub>2e</sub> /\$M sales                 |
| 2021                                            | 70 Tons CO <sub>2e</sub> /\$M sales  | 102 Tons CO <sub>2e</sub> /\$M sales                 |
| 2022                                            | 56 Tons CO <sub>2e</sub> /\$M sales  | 71 Tons CO <sub>2e</sub> /\$M sales                  |
| 2023                                            | 78 Tons CO <sub>2e</sub> /\$M sales  | 68 Tons CO <sub>2e</sub> /\$M sales                  |
| 2024                                            | 48 Tons CO <sub>2e</sub> /\$M sales  | 61 Tons CO <sub>2e</sub> /\$M sales                  |
| 2025                                            | 58 Tons CO <sub>2e</sub> /\$M sales  | 61 Tons CO <sub>2e</sub> /\$M sales                  |
| 2026                                            | 64 Tons CO <sub>2e</sub> /\$M sales  | 57 Tons CO <sub>2e</sub> /\$M sales                  |

Carbon intensity has been calculated as of March 31 of each year for the equity portfolio from 2017 to 2024, and the equity and fixed income portfolio from 2025 onwards.



# **RESPONSIBLE INVESTMENT INITIATIVES**

## RESPONSIBLE INVESTMENT INITIATIVES

### Proxy Voting

Proxy voting is another essential engagement tool in our commitment to responsible investing. We have delegated voting rights acquired through listed equity investments to our investment managers, who are expected to vote all proxies in the best interest of the beneficiaries of the Foundation and to take ESG factors into account when they vote proxies for companies held in any fund in which the Foundation is invested. To this end, the proxy voting policies and practices of listed equity investment managers are reviewed as part of the manager selection and monitoring process.

Investment managers are required to disclose their proxy voting policies. We encourage investment managers to adopt proxy voting policies incorporating ESG factors, where this is not already the case.

Investment managers are required to report quarterly to the Foundation on how proxies were voted on our behalf, if proxy voting policies were followed, and any material deviations.

The most common types of proxy votes are:

- Board Opposition,
- Say on Pay Opposition, and
- Shareholder Proposal Support.



### Collective Engagement

In addition to being a member of PRI, we are a member of the [University Network for Investor Engagement \(UNIE\)](#), through the [Shareholder Association for Research and Education \(SHARE\)](#). Alongside 16 other post-secondary institutions, we work to engage companies on climate-related discourse, leading to tangible changes and progress in corporate sustainability practices.

Engagement—the act of communicating with a company on critical issues, as an investment shareholder and overall stakeholder—enables investors to use their voices to support better corporate sustainability policies and practices. Through collaboration with both the UNIE network and the larger SHARE network, we have a voice with scale, leading engagements that are supported by rigorous research and deep expertise from SHARE's staff and strategic partners.

UNIE focuses on engaging on the following themes:

- Reduce emissions in line with Paris commitments
- Shift lending and capital expenditures to reduce financed emissions
- Implement responsible climate lobbying policies and practices
- Incorporate climate risk in business strategy and board oversight
- Work towards a just transition that doesn't leave workers or communities behind

Over the past year UNIE engaged with 100 companies on its five themes.

In addition to engaging with individual companies, our collaboration with the UNIE network and SHARE's larger network of engagement clients involves engaging with investment managers on various responsible investment issues, especially climate goals. We are committed to continuing these engagements and using our power as an institutional investor to advocate for climate-resilient decision-making.



# **INVESTMENT MANAGER RESPONSIBLE INVESTMENT CASE STUDY**

---

## Baillie Gifford (Global Equity)

### *ESG Philosophy*

Whether one calls it corporate governance, corporate social responsibility, ESG, responsible business conduct, or sustainability, the underlying concept is the same: a company's character matters. In Baillie Gifford's experience, the odds of a company achieving a successful combination of growth and longevity cannot be separated from its corporate character. Good corporate behaviour can increase the probability of exceptional returns.

Being long-term investors with an investment horizon of 5-10 years and beyond, Baillie Gifford seeks to ask the right questions and get to know companies deeply. Business fundamentals – such as a company's market opportunity, returns, capital deployment, and sustainability of competitive advantage – are considered together with the intangible notions of business culture, adaptability, and role in society.

### *Integration in the Investment Process*

Baillie Gifford integrates potentially material ESG issues affecting holdings through its 10 Question Stock Research Framework. Specific questions target a company's sense of wider responsibility and ESG considerations are embedded into several questions.



### *Engagement Example – CATL*

Baillie Gifford has been engaging with CATL, a battery manufacturer held in the portfolio, in the context of increasing expectations around supply-chain transparency, battery chemistry and raw-material sourcing. This has become increasingly material as regulators introduce battery passports, which will require digital records showing battery chemistry and raw-material sourcing from 2027, effectively making supply-chain transparency a condition of market access.

Baillie Gifford's engagement on this topic has been ongoing for several years, since their initial investment in September 2021. During the recent period, they continued to press the company on the robustness of its supply-chain controls, including carbon footprint, recycling, energy use, due diligence, innovation and transparency. In November 2024, they visited CATL's first zero-carbon battery factory in Yibin to understand its net zero pathway and the scope of its CREDIT audit program for suppliers. They encouraged CATL to increase coverage and disclosure of these audit results and also discussed supply-chain governance with the head of investor relations, including scrutiny from US lawmakers around alleged links to forced labor and wider human rights risks. CATL denied the claims and confirmed that clients have validated its supply chain against relevant US government guidance.

In January 2025, Baillie Gifford met with CATL's investor relations lead for ESG to discuss its addition to the US CMC list and how its supply-chain controls support ongoing compliance. CATL expressed confidence in its CREDIT audit system, noting that in 2024 it expanded coverage and increased follow-up actions where standards were not met. Baillie Gifford also met the head of investor relations again in August 2025 to continue discussing these issues and the company's response to external scrutiny.

While no red flags have been identified for consecutive years, Baillie Gifford continues to encourage CATL to improve disclosure and rigour in its processes. Their long-term engagement goal is to see CATL carry out robust due diligence on mineral supply chains, with sufficient transparency to give investors confidence that audits are strict and thorough enough.

## Appendix 1: Carbon Intensity Methodology

To help with the Foundation's goal to reduce the carbon intensity of our investments by 45% by 2030, we referenced University of Victoria Working Capital's [Decarbonisation Working Group](#) that was formed in 2020 to provide guidance and help support the carbon reduction goals. This group was convened to provide information, expertise, and advice to help with the development of carbon tracking methodology, development of appropriate reporting to the Board and campus community and suggest investment opportunities that move the University of Victoria towards achieving our carbon intensity reduction goal.

The working group recommended measuring the Weighted Average Carbon Intensity and the Total Emissions of its investments, which were selected based on the recommended common carbon footprinting and exposure metrics from the [Task Force on Climate-related Financial Disclosure](#) (TCFD).

The Weighted Average Carbon Intensity measures a portfolio's exposure to carbon intensive companies, measured in tons of carbon-dioxide equivalent emissions per million dollars in sales (tons CO<sub>2e</sub>/\$M sales). It was chosen due to its simplicity

and relative data reliability, as well as being the preferred methodology among a majority of institutional investors as it allows for comparison between portfolios.

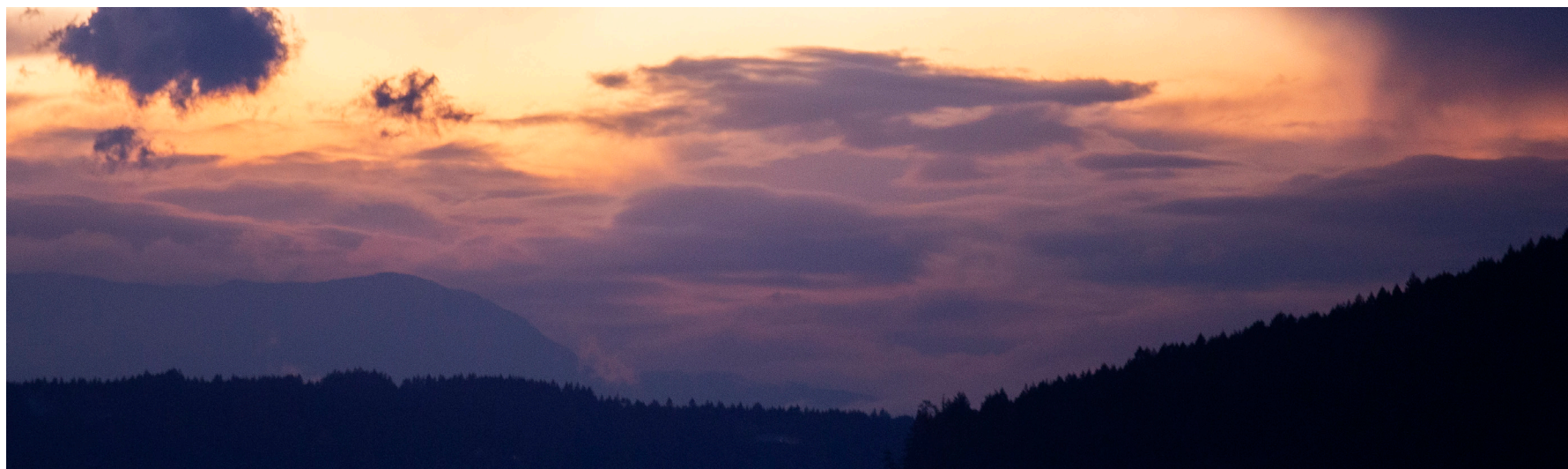
$$\sum \left( \frac{\text{Current Value of Investment}}{\text{Current Value of Portfolio}} \times \frac{\text{Issuer's Scope 1 and Scope 2 GHG Emissions}}{\text{Issuer's Revenue (\$ Millions)}} \right)$$

Weighted Average Carbon Intensity (tons CO<sub>2e</sub>/\$M sales)

The Total Emissions measures the absolute greenhouse gas emissions associated with a portfolio, expressed in tons CO<sub>2e</sub>. This metric is less adopted since it is not generally used to compare portfolios. However, the university believes in the importance of measuring this metric to track the absolute GHG emission reductions we achieve as absolute carbon reduction is ultimately our societal goal.

$$\sum \left( \frac{\text{Current Value of Investment}}{\text{Issuer's Enterprise Value}} \times \text{Issuer's Scope 1 and Scope 2 GHG Emissions} \right)$$

Total Emissions (tons CO<sub>2e</sub>)



---

## Data Coverage

The quality and availability of carbon footprint data is inconsistent across asset classes at this time, with public equities having the most data availability followed by fixed income. For holdings that we are not able to carbon footprint at this time, we are committed to achieving the spirit of the Responsible Investment Policy and is working to create qualitative standards to evaluate its investments in other asset classes.

## Emission Scopes Included

Due to data quality issues and the potential for double counting, we are currently measuring and reporting out on scope 1 and scope 2 emissions in our public equity investments. We are committed to reviewing this approach annually to ensure we continue to report on a best practice basis.

The foundation is reporting the scope 1 and scope 2 emissions in our public equity and fixed income investments. We recognize the importance of measuring scope 3 emissions, but data quality challenges (i.e., double counting emissions) prevent industry from effectively reporting scope 3 emissions at this time. Carbon footprinting is a rapidly developing field, and we are committed to reviewing methodologies annually, including reviewing incorporating scope 3 emissions.

## Normalized Portfolio Carbon Intensity

The portfolio carbon intensity in this report only covers our equity investments and adjusts data coverage to 100%. Calculations in this report were completed by the University of Victoria Foundation using carbon emissions data from LSEG Workspace and data provided by investment managers.

## Baseline and Target

Due to annual fluctuations of our portfolio carbon intensity, our baseline was set by taking the three-year average carbon intensity from 2017 to 2019. 2017 – 2019 was selected as the baseline based on historic data availability from our service provider. The baseline was used to determine our 45% reduction target, and data is presented on a three-year rolling average.

## Currency

All carbon footprint metrics with a currency component are reported in U.S. Dollars.





The Foundation's Responsible Investment Report is intended to reflect the Foundation's commitment to responsible investment. Please visit the [University of Victoria Foundation website](#) for additional information on our responsible investment practices.

## CONTACT

General enquiries or requests for statements can be directed to the General Counsel's Office

Email: [foundations@uvic.ca](mailto:foundations@uvic.ca)

Phone: (250) 472-4117