

## ENTERPRISE RISK MANAGEMENT POLICY

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**Effective Date:** February 16, 2023

**Approval Authority:** Board of Governors

**Supersedes /Amends:** September 17, 2014

**Policy Number:** BD-14

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### PREAMBLE

The Enterprise Risk Management Program (the “Program”) (as defined below) aims to achieve an advanced level of risk maturity where Enterprise Risk Management (“ERM”) (as defined below) becomes integral to Concordia University’s (the “University”) culture and where ERM provides the University with a competitive advantage by optimizing Risk (as defined below) reward trade-offs. The Program seeks to improve institutional resilience by:

- a) continuously improving management preparedness and organizational readiness to treat Risks and to capture Opportunities (as defined below); and
- b) continuously improving efficiency in recovering and rebounding from any negative impact and prospering in a constantly changing environment.

### SCOPE

This Policy applies to all departments, units, Employees, Students (as such terms are defined below), the Board of Governors (the “Board”) and the committees of the Board. It applies to all University activities, including academic, research, administration and support, as well as environmental, social and governance (“ESG”) related responsibilities.

### PURPOSE

The purpose of this Policy is to articulate the University’s approach to institutional risk management and associated activities, to define roles and responsibilities for the maintenance of the Program, as well as establish a University-wide common language used in the University’s ERM activities.

The terms, processes and guidelines outlined in this Policy and the accompanying [Enterprise Risk Management Handbook](#) (the “Handbook”) serve to guide the departments, units, the Members (as defined below), the Board and committees of the Board in aligning their plans and activities with the five Institutional Risk Objectives (as defined below) established in the Program.

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### DEFINITIONS

For the purposes of this Policy, the following definitions shall apply:

“Claim(s)” means a request submitted to the University by a Member, which is subject to the applicable limits, and also includes claims that the University submits to its insurance company to receive compensation further to a loss.

“Employee(s)” means a full-time, part-time or temporary employee of the University, including staff, faculty, postdoctoral fellows, researchers, members of the administration, stagiaires and interns; any individual engaged by the University on a consulting basis or in virtue of any other contractual agreement; and appointees (including volunteers) of the University.

“Enterprise Risk Management” or “ERM” means a coordinated approach, effected by an entity’s board of directors, management, and other personnel, applied in strategy setting and decision-making across the organization based on its risk appetite, to identify potential events or trends that may affect the entity on a material level, to manage risks and opportunities to be within its risk tolerance, and to provide reasonable assurance regarding the achievement of Institutional Risk Objectives.

“Enterprise Risk Management Committee” or “ERMC” means the University’s decision-making body that is responsible for overseeing institution-wide risk management processes, activities and the Program’s evolution.

“Enterprise Risk Management Program” is the specific set of processes established within the Risk Management Framework as they apply to the University’s Risk management activities.

“Incident” means an unexpected, sudden event that causes the actual outcome of a process to differ from the expected outcome in a negative way.

“Institutional Risk Objectives” means the five objectives within which the University identifies Risks and Opportunities:

- a) Financial sustainability: ability to sustain inter-generational financial health and wealth.
- b) Avoiding harm to the community: ability to prevent physical injury and/or psychological harm to community Members, including visitors and suppliers.

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- c) Sustaining public and community trust: management commitments toward the University's fiduciary obligations as a public entity which include responsiveness and reliability as well as sustaining our image of being a progressive, transparent, and responsible modern university.
- d) Productivity and business continuity: ability to maintain and improve organizational productivity as well as keeping the interruptions to core activities at the University (teaching, learning and research) to the minimum.
- e) Institutional agility: foster institutional agility in change responsiveness by embracing organizational values such as adaptation, diversity, creativity, and collaboration, as well as updating skillsets, tools, and processes to better manage Risk and capitalize on Opportunities.

"Members" means all Employees, Students and members of the Board.

"Opportunity" means the uncertainty of an event occurring (or failing to occur) which could have a positive impact on the achievement of the Institutional Risk Objectives.

"Risk" means the uncertainty of an event occurring (or failing to occur) which could have an adverse impact on the achievement of the Institutional Risk Objectives.

"Risk Appetite" means the levels of risk the University is prepared to accept given its capabilities and the expectations of its stakeholders.

"Risk Management Framework" means the set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the University.

"Risk Respondent(s)" means Members of the University who are responsible for reporting Incidents pursuant to this Policy and to assist in the collection of information for investigation. Risk Respondents consists of Members from Facilities Management, Campus Safety and Prevention Services, Environmental Health and Safety, Instructional and Information Technology Services, University Secretariat, Legal Services, Office of Rights and Responsibilities, Office of the Dean of Students and other departments as needed.

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“Risk Tolerance” means the acceptable range of variation around a particular set of Institutional Risk Objectives. It is a measurement of how much of a loss an organization is willing to experience given its existing capacity and the other risks it faces.

“Student(s)” means any person registered in a course or program on a full or part-time basis, for credit or not, and includes undergraduate and graduate students, independent students as well as visiting students, exchange students and interns.

### POLICY

1. The powers and authority of the Board and the mandate of the Audit Committee of the Board (the “Audit Committee”) in relation to Enterprise Risk Management are set out in the [University By-Laws](#).
2. The University created its Risk Management Framework based on current and relevant industrial standards adapted as required to the University’s environment and reality.
3. The Program manages Risks and Opportunities based on pre-established Institutional Risk Objectives.
4. The ERMC submit periodic reports on Risk management, including the ERM Program and its implementation, to the Audit Committee.
5. The day-to-day management of the Program and the ERMC is the responsibility of the Office of the Treasurer.
6. The ERMC shall consist of the following members:
  - a) Chief Financial Officer (Co-Chair)
  - b) Vice-President, Services and Sustainability (Co-Chair)
  - c) Chief Communications Officer
  - d) Provost and Vice President, Academic
  - e) Vice President, Advancement
  - f) Vice President, Research and Graduate Studies
  - g) Associate Vice-President, Information Systems and Chief Information Officer
  - h) Director of Internal Audit

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- i) Executive Director, Institutional Planning and Analysis; and
  - j) Secretary-General and General Counsel
7. Responsibilities of the ERMCM are detailed in the [Handbook](#).
  8. The relevant Risk Respondent is responsible for reporting Incidents and Claims, occurring under their purview, to the Office of the Treasurer in a timely manner.
  9. All Members:
    - a) must report Incidents and Claims to the Office of the Treasurer in a timely manner;
    - b) must support the Office of the Treasurer and other relevant University stakeholders in the investigation of Incidents;
    - c) must support the Office of the Treasurer in the collection and analysis of information related to University-wide risk management activities; and
    - d) shall participate, when required, in new risk management initiatives approved and adopted by the ERMCM.
  10. Risk and Opportunity management involves all initiatives, major processes and programs around identifying, assessing, managing, monitoring, and reporting institutional level Risks and Opportunities at the University.
  11. Risk and Opportunity management requires periodic review of the Program and the University's Risk Tolerance and Appetite levels; Risk financing program provides funding to the Program.
  12. All aspects of the Program's administration, including information management, communication of information and technical support to the University community are provided in the [Handbook](#).
  13. The overall responsibility for implementing and recommending amendments to this Policy shall rest with the Chief Financial Officer and the Vice-President, Services and Sustainability.

Approved by the Board of Governors on April 21, 2011; and amended on September 17, 2014 and February 16, 2023.