

Faculty Meeting
May 16, 2018

MOTION

Motion: The faculty urges the Board of Trustees to adopt the recommendations of the Investment Policy Working Group.

RATIONALE The Working Group believes aligning investment practices more closely to institutional values and mission is both right and necessary. According to our survey, most members of the community think so too. Integrating environmental, social, and corporate governance (ESG) factors into investment decisions earns competitive returns, is consistent with the trustees' fiduciary duty, and will enhance the college's reputation with important stakeholders, notably students, alumni, faculty, and staff.

While we acknowledge the normative and procedural challenges of sustainable investing, we believe the more inclusive and transparent approach to governance and investing embodied in the recommendations provide a sound basis for the future.

Recommendations

Consistent with its fiduciary duty, Skidmore will integrate a consideration of ESG* standards into its due diligence when making investment decisions.

To further the recommendation above, the working group recommends that Skidmore:

- A. Promote broader community engagement by expanding membership on the investment committee or developing an advisory council that includes faculty, staff, and students.
- B. Allocate 5% of the endowment to ESG fund(s) and or impact investments by 7/1/2023. Permit alumni and donors to direct contributions to ESG investments.
- C. Work with other colleges and universities, foundations, and investment advisors to develop best sustainable investment practices.
- D. Allocate 1% of endowment takeout to a revolving fund dedicated to accelerating campus sustainability projects.
- E. Consider increased direct ownership of equities to facilitate shareholder engagement.
- F. Make regular reports on progress toward sustainable investment goals (e.g., at community meetings, faculty meetings, and on the web).

*ESG refers to the consideration of environmental, social and governance factors as well as financial return in investment decisions. ESG includes issues such as energy conservation and waste management, diversity and non-discrimination, worker rights, transparency and effective board oversight.