

FACULTY MEETING
May 16, 2018

MOTION

Motion: The faculty ~~urges~~ *endorses* 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 it will enhance the college's reputation with important stakeholders, notably students, alumni, faculty, and staff.

~~While~~ The Working Group acknowledges the normative and procedural challenges of sustainable investing *and the trustees' recent decision to add consideration of ESG to the investment policy, and look forward to developing* ~~we believe~~ a more inclusive, ~~and~~ transparent, *and collaborative* 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:

Recommendations

1. Promote broader community engagement by expanding membership on the investment committee or developing an advisory council that includes faculty, staff, and students.
2. **Allocate 5% of the endowment to ESG fund(s) and or impact investments by 7/1/2023.**
3. **Permit alumni and donors to direct contributions to ESG investments (without encumbering routine future reinvestment).**

4. Work with other colleges and universities, foundations, and investment advisors to develop best sustainable investment practices.

5. *Allocate an amount equal to 1% of endowment takeout (increasing endowment takeout by approximately .05) to a revolving fund dedicated to accelerating campus sustainability projects.*

~~7. Consider increased direct ownership of equities to facilitate shareholder engagement.~~

6. Make regular reports on *investment committee* progress toward sustainable investment goals (e.g., at community meetings, faculty meetings, and on the web).

***ESG** refers to the inclusion of environmental, social, and governance factors into financial analysis in order to evaluate risk and return.