Description:

The University of Vermont’s Statement of Investment Policies and Objectives states that adherence to these investment strategy objectives “does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.”

The University is dedicated through its intellectual assets in climate change-related programs and initiatives and has made substantial investments in research critical to understanding and remediating the adverse impact of global climate change. In addition, the University seeks to be a responsible steward of the environment in its operational practices as outlined in the Statement by the Investment Subcommittee on Institutional Climate Change initiatives.

In order to meet the overall responsibility outlined above, socially responsible investing (SRI) has gone through many iterations at the University of Vermont. Currently, the SRI Advisory Council, formed in May 2012, makes recommendations on issues related to socially responsible investing of the endowment to the VP for Finance (VPF) which by the discretion of the VPF are moved forward for consideration to the Investment Subcommittee. In its current form, the SRI Advisory Council serves as a resource to conduct research on issues related to proxy voting, shareholder initiatives, and screening and monitoring the University’s existing investment portfolio for indications of social harm.

Directive:

In January 2016, in an attempt to better serve the University in its commitment to be a responsible and proactive institution toward the environment, the Investment Subcommittee (ISC) instructed the VPF, in collaboration with the SRI Advisory Council, to restructure and broaden the Advisory Council’s role in SRI at the University. The VPF has requested that the SRI Advisory Council make recommendations on positive investments of the operating cash reserves, in amounts determined by the VPF; the administration of Clean Energy Fund; and the AASHE Sustainability Rating and Assessment System (STARS).

Proposal:

In response to the aforementioned directive, the SRI Advisory Council’s role will be restructured and broadened to support the VPF in fulfilling his/her responsibilities related to investments of the operating cash reserves at the University, the administrative oversight of the Clean Energy Fund, and any other issues related to investments, as dictated by the VPF. This broadened role for the SRI Advisory Council
will strongly support the goals of the Office of Sustainability, and the accomplishments of other sustainability projects and programs. The SRI Advisory Council would also provide research for Physical Plant and Campus Planning Services in pursuing STARS goals. In drafting recommendations to the VPF related to operating cash reserves, the SRI Advisory Council will look for opportunities related to positive investments by considering investments in funds based on ethical, moral, and socially responsible criteria using Our Common Ground, in addition to research conducted with the support of the Coordinator of Sustainable Funds. Should a specific issue related to investments come forward from the University community, the SRI Advisory Council could provide, if directed by the VPF, research and deliberation in drafting a recommendation to the VPF for his/her consideration.

The Council will consist of 10 voting members: two faculty members appointed by the VPF in consultation with the Faculty Senate President, two staff members appointed by the VPF in consultation with the Staff Council President, two undergraduate students appointed by the VPF in consultation with the President of the Student Government Association, two graduate students appointed by the VPF in consultation with the Graduate Student Senate President, and two administrative officers/executives appointed by the VPF. All members shall serve two-year terms which are renewable. Members are expected to regularly attend meetings, occurring six times throughout each semester, and may be responsible to conduct work on an ad hoc basis and report to the Council at regularly scheduled meetings. The SRI Advisory Council would sponsor town hall meetings, panels, and guest speakers on topics related to positive investments, the Clean Energy Fund, and STARS to provide education and engage the University community.

A Council Chair would be appointed by the VPF from the membership. His/her responsibility will be to facilitate the responsibilities of the Council, encourage all members to participate, keep the VPF apprised of the work the Council, and report on behalf of the VPF to the Board of Trustees.

The Coordinator of Sustainable Funds will work to support the activities of this council as well as the Clean Energy Fund and the Office of Sustainability to oversee and integrate the mechanisms for sustainability investment at the University and the day-to-day oversight of the SRIAC and Clean Energy Fund, including reviewing and making recommendations on the funding of projects by the Clean Energy Fund. The Coordinator will be a non-voting member of the Council whose primary responsibility is to conduct research and report on current issues in the field of SRI, and provide support as to its relevance to the University’s mission and values. The research conducted would be in regards to corporate behavior; violations of domestic or international laws; deprivation of health, safety, or environmental and human rights; and climate change issues, including energy use and focus on positive investments and STARS goals for the UVM campus. The Coordinator will act as a liaison and be responsible for outreach to the University community to nurture and build relationships. The Council, with the assistance of the Coordinator, will develop an informative website that will maintain postings of actions, proposals, and general SRI information in relation to the work it has undertaken and the recommendations to the VPF. The website will include the following information: the Council’s purpose and current membership, methods and means by which to contact the Council, meeting notices, meeting notes, meeting agendas, a record of the University’s proxy votes, and process by which members of the University community can submit proposals for funding from the Clean Energy Fund. The Council will produce an annual report summarizing its activities of the current year and the results of its work. The annual report would be submitted to the VPF and made available to the University community through the Council’s website.