



SG 66.01

Resolution on Establishment of a Socially Responsible Investment Advisory Committee

A resolution that requests that the Rochester Institute of Technology establish a Socially Responsible Investment Advisory Committee as a sub-committee of the Endowment Committee of the Board of Trustees.

Version: 4.5
Introduced by: Student Government Sustainability Committee
First Reading: 12 / 01 / 2017

WHEREAS: Section 8-d of the Rochester Institute of Technology Investment Policy (“RIT Investment Policy”) states “Each manager, as a part of this commitment, is requested to vote in favor of proxy proposals and board of director candidates that protect human health and the environment within the constraints of their investment policies.”¹

WHEREAS: Section I of Appendix A of the RIT Investment Policy states “The Endowment Committee (Committee) is charged with the responsibility for directing the investment of the endowment assets according to this Investment Policy. Committee members shall discharge their duties solely in the interests of the University, in good faith, and with the care an ordinary, prudent person in a like position would exercise under similar circumstances.”¹

WHEREAS: Section 4-h of the RIT Investment Policy states: “The following factors, if relevant, must be considered when making endowment investment management decisions: h. an asset’s special relationship or special value, if any, to the mission of the University.”¹

1. See: <https://www.rit.edu/fa/controller/sites/rit.edu.fa.controller/files/files/docs/RIT%20IPS%20March%202015.pdf>

WHEREAS: as a private institution, Rochester Institute of Technology (“RIT” or “the University”) is not obligated to publicly disclose investment holdings but is obligated, by the RIT Investment Policy, to follow principles of socially responsible investing.

WHEREAS: evaluating the full breadth of any large investment portfolio for the purpose of insulating the University from social and environmental risk factors requires diverse perspectives both within and outside of the realm of professional wealth management.

WHEREAS: as of March 2017, nine of RIT’s 25 Chronicle of Higher Education peer institutions² as well as 29 other well-accredited universities including Yale, MIT, and Boston University, house a Socially Responsible Investment Advisory Committee.³

WHEREAS: these peer institutions are able to enhance their marketing capabilities by creating landing pages and programs to advertise the socially responsible investment practices and financial transparency of their university.³

WHEREAS: increased level of awareness and mobilization around the socially responsible management of university endowment investments, particularly with regard to fossil fuels⁴, has been observed across the country in recent years.⁵

WHEREAS: the RIT Student Government passed SG 65.04 “Resolution for Conflict-Free Procurement Policy” on April 7, 2017 demonstrating an interest among the student body in ethical business practices and socially responsible sourcing.

THEREFORE, BE IT RESOLVED: that the University creates a Socially Responsible Investment Advisory Committee (“SRIAC” or the “Committee”) by August of 2018; and

BE IT FURTHER RESOLVED: that the SRIAC will serve as an advisory Committee to the Endowment Subcommittee of the Board of Trustees on ethical, social, and governance issues and will correspond with the Board of Trustees via the Endowment Subcommittee; and

BE IT FURTHER RESOLVED: that to ensure broad representation of the RIT community, nine voting members, nominated by their respective governing body, two will be drawn from each of the following bodies: Student Government, Staff Council, Academic Senate, The Board of Trustees, and The Alumni Association; and

2. See: <http://www.chronicle.com/interactives/peers-network>

3. See: https://docs.google.com/spreadsheets/d/1CyLvP06GkTDPr8lZSjZd_Bn7_AcMlopXpYe1T1-dh1w/edit#gid=0

4. See: <https://www.facebook.com/DivestNU/videos/1321606621258056/>

5. See: <https://gofossilfree.org/commitments/>

BE IT FURTHER RESOLVED: that represented bodies (Student Government Senate, Staff Council, and Academic Senate) shall nominate individual representatives prior to their appointment; and

BE IT FURTHER RESOLVED: that, exempting the first year, representatives to the Committee shall hold two year terms that can be renewed by their respective governing body by way of a majority vote so that one representative from each governing body has an opportunity to orient the other to help ensure longevity and the retention of knowledge and expertise; and

BE IT FURTHER RESOLVED: that the Manager of Endowment Accounting and Cash Management and the Senior Sustainability Advisor to the President will sit on the Committee as non-voting ex-officio members indefinitely; and

BE IT FURTHER RESOLVED: that it is the shared responsibility of the Committee and each governing body to ensure full representation within the Committee; and

BE IT FURTHER RESOLVED: that following the model set forth by Columbia University,⁶ the SRIAC will, by formal vote of a majority of the Committee membership, make recommendations to the University Trustees on issues related to investments in the University's endowment, including but not limited to the exercise of the University's proxy-voting rights, shareholder initiatives, and portfolio screening; and

BE IT FURTHER RESOLVED: that the Committee will evaluate social, ethical, and governance concerns ("Areas of Concern") including but not limited to existing or formative shareholder resolutions^{7,8} associated with these Areas of Concern; and

BE IT FURTHER RESOLVED: that the University would provide the Committee with complete and accurate information in a timely manner and on a confidential basis regarding endowment holdings and investment management actions of the University related to issues under review by the Committee (the "Confidential Information"); and

6. See: <https://finance.columbia.edu/content/socially-responsible-investing-about-us>

7. See: <https://www.ceres.org/search?keys=Shareholder%20Resolutions>

8. See: <http://www.iccr.org/iccrs-shareholder-resolutions>

BE IT FURTHER RESOLVED: that the Committee's deliberations using such Confidential Information will take place in executive session, and Confidential Information given to the Committee regarding the University's endowment will be held in confidence by members of the Committee and used solely to formulate recommendations from the Committee to the University Trustees ("Committee's Formal Recommendations") and that these recommendations be relayed to all relevant and affected parties; and

BE IT FURTHER RESOLVED: that the Endowment Committee can request recommendations from the SRIAC relating to its Areas of Concern or when considering exercising proxy-voting rights, shareholder initiatives and portfolio screening; and

BE IT FURTHER RESOLVED: that, following the model set forth by Stanford University ⁹, the SRIAC will host an annual town hall whereby members of the RIT community who do not sit on the SRIAC may provide input on and identify ethical, social and governance concerns for consideration by the SRIAC; and

BE IT FURTHER RESOLVED: that, following the model set forth by Columbia University, to keep the RIT community informed on these matters, the Committee's Formal Recommendations to the University Trustees, and the subsequent action or response by the University Trustees or Endowment Subcommittee, will be reported as an independent report ⁶ issued at the discretion of the Committee.



Farid Barquet, *Student Government President*



Evan Zachary, *Sustainability Committee Chair*

This resolution was adopted on December 1st, 2017, at Student Government Senate

9. See: <http://events.stanford.edu/events/678/67839/>