

## **Addressing Investor Responsibility at Tufts** *(revised January 16, 2020)*

### Introduction

The Board of Trustees of Tufts University has a fiduciary responsibility to steward the financial assets of Tufts University so as to maximize the resources available for support of the University's mission, while taking a level of risk commensurate with the University's financial position.

The Board recognizes that from time to time, the goal of maximizing financial resources may entail the support of activities which are believed to have a social impact, and that under certain circumstances it may be appropriate to take these potential social impacts into account when making investment decisions. While it expects such cases to be exceptionally rare, the Board nevertheless wishes to develop a process by which the Tufts community may raise and study concerns surrounding potential social impact caused by investing activities and provide advisory recommendations on such issues to the Investment Subcommittee, a subcommittee of the Trustee Administration and Finance Committee.

For clarity, decision making around issues of negative social impact should be distinguished from intentional positive investment activity --- directing investment toward the solution of social problems, usually called impact investing. Tufts has been a leader in impact investing, with the university's investment of over \$100 million through the Omidyar Tufts Active Citizenship Fund and the Tufts University Sustainability Fund.

### Convening a Group

One or more of the approved sponsoring entities (hereinafter referred to as the "Sponsor") shall be responsible for screening issues of potential social impact, and for recommending to the Administration that a group be convened. When the Sponsor makes such a recommendation, the President, Provost, Chair of the Board of Trustees and Chair of the Investment Committee may at their discretion convene a non-standing Responsible Investment Advisory Group (RIAG).

### RIAG Membership

- Three trustees (current or emeritus), one of whom to be designated as chair
- Two faculty
- Two students
- Chief Investment Officer or delegate
- Vice President Finance and Treasurer or delegate

The Chair of the Board of Trustees will appoint the three trustee members and designate the trustee chair.

The Provost will recommend two faculty members, taking into consideration those who may have knowledge and expertise in fields relevant to the issue(s) raised by the sponsoring entity, and the two student members, with a view to including when possible a student associated with the sponsored proposal.

### RIAG Procedures and Work Product

Any member of the Tufts community may submit a proposal to one or more of the Sponsors. If the Sponsor recommends that a Responsible Investment Advisory Group be convened, and the Administration agrees, this proposal will form the basis for the RIAG's deliberations.

The proposal must include the following information, clearly stated, with supporting factual detail:

- The social issue that is of concern: its nature, extent, degree of harm being caused.
- The breadth of concern and level of consensus within the Tufts community; whether and to what degree the issue might conflict with Tufts' primary academic mission.
- The action that is being proposed to remedy or mitigate the university's position
- How the proposed action will impact the entities engaging in activities that create the social impact, and whether the action can be expected to lead to genuine and durable change by those entities.
- Consideration of the potential impact on university investments.

The Chair of the RIAG will convene meetings, set the group's agenda, and coordinate meeting schedules so as to expeditiously consider the proposal before the group. The Group will consider the proposal, request additional information as necessary, and make a written recommendation on the proposal supported by its findings, to the Investment Committee. The Group will conduct its work primarily during the academic year and aim to develop its recommendation no later than the semester following its convening.

The recommendation will be advisory and therefore non-binding on the Investment Committee. The final decision on any changes to endowment investment policy rests solely with the Board of Trustees.

The RIAG will recognize proposals from these Sponsors:

- Faculty Senate
- Tufts Alumni Council
- Tufts Community Union Senate
- Arts, Sciences and Engineering Graduate Student Council
- Tufts University School of Medicine Student Council
- The Tufts Graduate School of Biomedical Sciences - Graduate Student Council
- Dental School Executive Board (any one of the class executive boards)
- Fletcher School Student Council
- Cummings School Class Council (any one of the class councils)
- Friedman School Student Council

Coordination and administrative support to the RIAG will be provided by the office of the Executive Vice President of Administration.

*Recommended by the Investment Committee to the Board of Trustees on October 24, 2019.*

*Approved by the Board of Trustees on November 2, 2019.*

*Posted to the Board of Trustees website <https://trustees.tufts.edu/policies/> on November 12, 2019.*