Samples of Investment Policy Statement Language
Addressing Environmental, Social, and Governance (ESG) Considerations

The following samples are drawn from Investment Policy Statements or stand-alone ESG policies.

Lewis and Clark College

Academic research supports the practice of incorporating environmental, social, and governance ("ESG") factors with other conventional financial analytical tools when evaluating investment opportunities. Responsible investing focuses on improving long-term, risk-adjusted returns of the portfolio. ESG factors may help identify potential opportunities and risks which conventional tools miss. Lewis & Clark encourages its managers to include ESG factors in their analytical processes. ESG considerations are a factor in the analysis and should not be used as exclusionary screens to eliminate specific companies or sectors from consideration. Relevant ESG factors will vary by industry and should be applied appropriately to help assess risk and return.

Haverford College

When investing in private partnerships the College and Investment Committee will endeavor to understand the partnership’s thinking and diligence relative to environmental, social and governance (ESG) factors. By explicitly considering ESG issues in our diligence, we will seek to garner additional insights about the GP of the partnership, while conveying to the GP that there are constituencies that care about such matters. Being mindful of these issues will enable us to educate both ourselves and the GPs to understand how ESG issues may or may not factor into the management of general partnerships.

Hampshire College

Consideration of environmental, social and governance practices of the companies the College invests in is consistent with its fiduciary duties given that such practices can have a material impact on the investments. Business practices that include safe and supportive work environments, products that build economic strength, and activities that benefit the disadvantaged, including charitable giving, enhance the
financial security and long term sustainability of companies in which the College invests. Poor business practices related to human rights, the workplace and the environment pose reputational, financial, operational and legal risks to the College’s investments and therefore the future financial security of the College.

**London School of Economics**

1.2. The School has a legal obligation and fiduciary responsibility to maximize our charitable income and returns in order to further the School’s objectives consistent with our agreed risk appetite established by Council. 1.3. The School has adopted the six UN Principles for Responsible Investing, recognising that doing so is an effort to better align it as an investor with broader objectives of society, consistent with the LSE Council’s statutory fiduciary responsibilities as charity trustees.

1.4 A key aspect of the School’s approach to responsible investing is for the Finance Committee and Investment Subcommittee to make investment decisions which take into account environmental, social and corporate governance (ESG) issues in managing the endowment funds in accordance with the UN six Principles and LSE’s ethical standards.

1.5. The School will not make direct or, as far as possible, indirect investments in equities or bonds issued by companies engaged in tobacco manufacture, indiscriminate arms manufacture or companies which are significantly engaged in the extraction of thermal coal and tar sands, the most polluting of fossil fuels.

1.6. The School will, where possible, aim to switch its passively managed equity investments into funds which track indices which more closely meet its SRI objectives, such as the FTSE4Good UK or Global Indices.

1.7. The School will seek to progressively reduce its investment in funds which indirectly place its endowment in companies significantly engaged in the extraction of thermal coal and tar sands.

1.8. The School will take a pro-active approach in collaborating with other like-minded investors to encourage asset managers to develop new socially responsible investment products.

1.9. The Investment Subcommittee, Finance Committee and Council will continue to monitor on-going opportunities to improve socially responsible investing as new opportunities become available.
1.10. The School will not invest in “black box” investment vehicles where it is not possible to identify the nature of underlying assets.

**Loyola University of Chicago**

Consistent with achieving the applicable investment objectives set forth herein, the University’s investment policy will be implemented within a framework predicated on incorporating environmental, social and governance factors as core components of decision-making and risk management, impact and solutions-based investments, engagement, proxy voting, and evaluation of the economic merits of current and potential investments taking into account governance practices, environmental or social impact, and regulatory and reputational risks.

**Simon Fraser University**

5.3 The University is a signatory to the United Nations Principles for Responsible Investment (UN PRI) to support incorporating ESG into its investment decisions. Details about the UN PRI are included in Appendix A.

5.4 SFU uses a number of tools to pursue responsible investment, including:

5.4.1 SFU evaluates fund managers on how well they incorporate ESG into their research, analysis, and decision making. 5.4.2 The University, as a signatory to the UN PRI, is required to be an active investment owner and, therefore, its actions may include, but are not limited to:

a) Proxy voting delegated to external investment managers; b) Direct engagement with external investment managers; c) Encouraging academic and other research on this theme; d) Reporting through the UNPRI.

5.4.3 The University has established a Responsible Investment Committee (RIC) to review ESG issues at SFU, including those raised by University community members (students, faculty, staff, and alumni). The Committee will be convened in accordance with its Terms of Reference.

**Warren Wilson College**

Responsible Investing Philosophy

The Investment Committee intends the integration of environmental, social, and
corporate governance (ESG) considerations into investment management strategies, processes and practices in the belief that these factors can benefit the endowment fund’s performance, and provide a qualitative impact consistent with the values, culture and mission of Warren Wilson College.

Guiding Principles

We will incorporate ESG criteria in the endowment fund’s investment analysis and decision-making processes particularly emphasizing profitable investments with positive social and environmental impacts aligned with the priorities and values of Warren Wilson College.

A. We will utilize positive screening as a way to proactively benefit the endowment fund’s performance.

B. We will utilize negative screening to limit the endowment fund’s involvement in those ESG issues which are antithetical to Warren Wilson College’s values, mission, and culture.

C. We will seek appropriate disclosure on ESG issues by the investment managers and funds in which we invest.

D. We will work to continually enhance our effectiveness in implementing our responsible investment philosophy and practices.

E. We will report on the endowment fund’s responsible investing activities and progress towards implementing its principles; and provide the necessary disclosures associated with our responsible investing efforts.

F. Transparency supports adherence to institutional policies and allows for increased stakeholder awareness of endowment fund activities. When institutional investors consider environmental, social and governance criteria, transparency about these processes increases their effects on social and environmental outcomes.

Western University

4.1 Introduction The Investment Committee recognizes that environmental, social and governance (“ESG”) factors may have an impact on corporate performance over the long term, although the impact can vary by industry.

The Investment Committee has a fiduciary obligation to invest funds for the benefit
of the University in the interests of endowment funds/donors.

The University leaves the decision to exclude a stock to the investment managers hired to manage a portion of the portfolio, as they possess the necessary expertise and information to make the decision that is in the best interest of the Fund.

4.2 Engaging Companies and External Investment Firms

Given the relatively small size of the Fund and the fact that most investments are held in pooled vehicles, it is not practical for the University to directly engage individual companies on ESG related issues, either through dialogue or by filing shareholder resolutions.

Instead, the University will engage the external investment managers it hires to manage the Fund. The engagement will involve increasing the level of scrutiny on ESG factors.

The University will maintain a registry, to be updated on an annual basis, with ESG related information on its external investment managers. The information may include, but is not limited to:

- the incorporation of ESG factors into the firm's investment process;
- the firm's target allocation for climate change related investments;
- the presence of a committee on sustainable investment;
- the portfolio’s exposure to fossil fuels, sustainable industries and high impact sectors; and
- details about the firm's proxy voting policy.

4.3 Advocacy and Collaboration The University endeavours to remain up to date on sustainability investing issues and the impact of ESG factors on its Fund. In order to maintain its knowledge of the field of sustainability investing and to contribute to its development, the University will liaise with other institutional investors and industry associations to discuss key issues. 4.4 Disclosure The University will make available to the university community, upon request, the most recent list of investments of the Fund (subject to confidentiality agreements with the underlying managers) as well as the ESG related information it gathers from its external investment managers, as defined in the Disclosure of Information on UWO Investments Policy 2.14 of the Board.