



Richard Cate

*Interim Vice President for Finance & Administration
and University Treasurer*

MEMORANDUM

TO: Faculty, Students and Staff

FROM: Richard Cate
Interim Vice President for Finance and Administration

DATE: February 2, 2009

RE: Call for Issues Regarding Moral, Social and Ethical Considerations in Investment and Shareholder Resolutions

The Board of Trustees policy on Socially Responsible Investing requires that we solicit input from the University community twice each year. On behalf of the Budget, Finance, and Investment Committee (BFI) of the Board of Trustees, I am offering the University community the opportunity to submit issues for consideration **involving endowment specific investments affected by moral, social and ethical considerations.**

The Board has adopted the following:

POLICY STATEMENT ON MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT AND SHAREHOLDER RESOLUTIONS

The primary objective of investment by the University is to provide a satisfactory return on investment for the support of University operations based upon the Prudent Investor Rule; however, the University's policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest.

The University will take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accordance with moral, ethical and social criteria.

The University has followed a practice of requiring significant research and deliberation in considering any action affecting the endowment, with actions taken only on the most compelling issues that were clearly aligned with UVM values. As a result, Board resolutions for action have only been passed on a very select number of issues, including South Africa, sale and advertising of tobacco products, discrimination in employment based on sexual orientation, and genocide in Sudan. There are two mechanisms through which the University may take a position on an issue -- either through divestment of the stock of certain companies or through the votes the University may make on shareholder resolutions raised at company annual meetings.

If you believe that there are issues of social concern that may potentially be addressed through the University's endowment specific investment(s) or proxy voting action(s), these may be brought to the Budget, Finance and Investment (BFI) Committee by contacting me (656-0219 or via email at rcate@uvm.edu). In considering whether an action is appropriate, please consider if the issue is of great moral, social, or ethical concern, *and* if it is an issue that requires UVM action given the University's stated values.

Individuals or groups raising an issue are asked to provide information and research supporting its relevance to UVM's mission and values. If additional research or investigation

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is needed, the Chair has appointed a permanent Socially Responsible Investing Working Group (SRIWG) comprised of Trustees, faculty, staff, students, and administrators who meet at a minimum of twice annually to review submitted issues and supporting information. That work group would return its findings and recommendations to the Investment Sub-Committee and in turn to the BFI Committee for consideration and recommendation to the full Board of Trustees.

Please forward to me issues for consideration by the Work Group. Include phone and email contact information in case there are any questions and so I may notify you of subsequent steps in the process. I would appreciate receiving requests no later than **Friday, February 27th, 2009**.

If you have any questions, please contact me. Thank you.

Attachment:

Spring 2009 Call for Issues Process and Timeline