

Policy Statement of the Subcommittee on Investment Responsibility June 2015

The Wellesley College Board of Trustees is responsible for the investment of the College's endowment. In the discharge of its fiduciary duty, the Board is mindful of the role that endowment returns play in the College's accomplishment of its own socially significant mission. The Board is committed to investing in a manner consistent with the College's mission, ethics and principles. To that end, the College invests only with managers who meet high ethical, investment, operational and performance standards. In addition, considerable resources are devoted by the College to responsible proxy voting.

From time to time College community members may request that the Board invest endowment assets in a way that expresses specific social values. The Subcommittee on Investment Responsibility is charged with evaluating such requests and may decide to recommend action to the Investment Committee. The Subcommittee also may make recommendations in response to issues that arise in Subcommittee discussions. The Investment Committee will consider each Subcommittee recommendation and may ask for further analysis before deciding whether to make a further recommendation on the subject to the Board of Trustees.

Actions that the Subcommittee may recommend to the Investment Committee include:

- A. Engagement through proxy voting;
- B. Engagement with managements of companies whose stock the College owns;
- C. Engagement with investment managers;
- D. Creation of a socially responsible investment vehicle for endowment donors;
- E. Investment in companies, technologies or other assets that may address a social issue; or
- F. Divestment of particular holdings or types of holdings.

The potential costs and benefits of these actions vary. The difficulty and effectiveness of applying these actions to various parts of the portfolio also differs.

Members of the College community may submit requests for endowment action in writing to the Subcommittee Chair. The request should address the following matters:

- A. What social injury or social benefit will be addressed by endowment action?
- B. What are the specifics of the proposed action?
- C. What effect and how significant an effect would the proposed action have?
- D. What is the likely cost of the proposed action?
- E. How will addressing the social injury or addressing the social benefit contribute to achieving the College's mission?
- F. What additional or alternative actions might the College pursue to address the social injury/benefit?
- G. Does the individual or any of the individuals in the group have a significant personal interest, financial or otherwise, in the outcome of the decision that is not likely to be shared by other similarly situated members of the College community? This question is

asked in the interest of transparency and is not intended to create a bar to community members submitting a request for consideration.

As part of the Subcommittee's deliberations, proponents may be asked for additional information and to discuss alternative courses of action. The Subcommittee may solicit information or advice from other sources as part of its deliberations.

Parties requesting endowment action should be aware of practical issues related to using the endowment to foster social change.

- A. Any recommendation or decision regarding the endowment requires substantial discussion and deliberation.
- B. Although the Subcommittee can take up a new request at any time, during proxy voting season (spring term) the Subcommittee will be attending to proxy issues that require urgent attention.
- C. Wellesley's power to influence directly the actions of companies is limited. The College's direct or indirect ownership of any stock is small, so a decision to sell it will have little or no impact on the share's price.
- D. There are questions on which the Wellesley community may be deeply divided. Adoption of an official position may limit the College's ability to carry out its educational mission.