

Policy and Procedures on Investment Responsibility

I. Preamble

Universities are environments characterized by freedom of expression, open inquiry, and respect for the right to disagree. A university's first institutional obligation is to maintain this environment, to foster the search for truth and understanding. If knowledge is to be pursued and the nature of knowledge explored freely, the integrity of the university as a domain of open intellectual interchange must be preserved. The widest diversity of views must be protected and encouraged. Freedom of thought and expression are the essential conditions for a university's fulfillment of its mission.

The New School's influence on society is achieved through the scholarship, teaching, and learning of the individual members of its community. All aspects of society – its institutions, creations, practices, and values – are within the realm of scholarly inquiry, analysis, and criticism. It is through the discovery of knowledge, the exploration of ethical and philosophical principles, particularly where there is controversy, and the application of reason to complex issues and conflicts that individuals within a university community have exercised leadership on the development of social and political values. They are able to serve and influence society by speaking out on issues that concern them and especially on those in which they have expertise.

The university's ability to fulfill its responsibility to accommodate varying and conflicting views can be jeopardized when it tries to establish an institutional position. Such an official view has the potential to chill the freedom of the individual members of community to form and express their own views. The fundamental commitment of those who govern and administer the university is to preserve the freedoms on which the university's mission depends. The university thrives on respect for the value of academic freedom.

II. Policy

The New School, like all universities, is part of a larger community and a larger society. The university has always had a special awareness of its responsibility to conduct its affairs in an ethical manner and to be sensitive to the implications of its actions. Among its administrative functions is the investment of endowment assets and particularly the ownership of securities. The Trustees of the university bear an obligation to maximize the institution's assets so as to support its educational mission. They also recognize that there are social, environmental and governance (collectively, "SEG") implications to the management of the university's assets.

In overseeing the University's endowment portfolio, the Trustees strive to assure that investment decisions take into account and exhibit a reasoned perspective in respect of SEG factors. Investment activity is conducted in the context of the university's educational mission which is guided by respect for intellectual freedom, human dignity, and the rights and welfare of others. It is not the objective of investment activity to use the university's assets as an instrument for bringing about social change, for initiating changes in the behavior of corporations or other institutions, or for influencing the policies of government.

The Trustees' objective is to fulfill their fiduciary role in a responsible manner. They are committed to a careful and thoughtful analysis of SEG factors related to investment, and they exercise their best judgment on these issues. The Trustees find it helpful in formulating their judgment to be informed of the views which exist within the university community. However, they made determinations in their capacity as Trustees, charged by law with sole responsibility for preserving and enhancing the university's endowment. They do not act in the name of the members of the New School community, nor do they presume to put the university community on record as having a collective view on a given SEG issue. The Trustees respect the diversity of views within the university community and do not intend their decisions to constrain that diversity nor in any way to infringe on individuals' right to disagree.

III. Procedures

The Policy on Investment Responsibility shall be implemented through the following procedures:

- 1) The President shall appoint an Advisory Committee on Investor Responsibility ("ACIR") to advise the Trustees on SEG factors that may from time to time arise in the management of investments in the university's endowment. The ACIR shall be appointed annually and consist of a trustee, two faculty, two students and two staff members. Faculty and student nominations to the President shall come from the Faculty and Student Senates, respectively. Self nominations to the President are also permitted. Staff members will self nominate. All candidates shall submit relevant biographical data and a statement as to why they want to serve and as to relevant training and experience. The President shall designate the chairman from among members of the ACIR... The ACIR shall meet at least quarterly and shall prepare an annual report on its activities during each academic year.
- 2) The ACIR will set its own agenda within the broad area of taking SEG factors into account in the management of the university's endowment. Each fall, the ACIR will establish and publish to the university community its agenda for the academic year, which may involve a concentrated effort on one or more particular SEG factors or other subjects related to responsible investing. While the members of the ACIR serve as individuals, they are expected to solicit views on SEG factors from throughout the university community and to communicate those views, as well as their own, to the Investment Committee of the Board of Trustees... It is anticipated that the ACIR and the Investment Committee will meet together periodically.

- 3) The Investment Committee of the Board of Trustees shall receive advice from the ACIR and, with reasonable promptness, evaluate such advice, including questions of feasibility, effectiveness and impact, and respond to the ACIR. The Investment Committee may, as needed, appoint from its membership and, where appropriate, from other Trustees, a subcommittee to study in depth and evaluate advice received from the ACIR in order to facilitate its timely and thorough review.
- 4) The Senior Vice President for Finance and Business will appoint a staff member from the Office of Finance and Business to assist the ACIR with its work. This staff member, who reports to the Director of Investment and Treasury Services, will assist the Chair of the ACIR by providing endowment information and research as needed... When possible, student research assistants will be engaged by the staff member to assist in gathering information for the ACIR. The university will establish a budget for membership in associations and subscriptions to services which provide information and data on SEG factors in responsible investing or on any other criteria identified by the ACIR for study.
- 5) A report on activities related to the Policy and Procedures on Investment Responsibility shall be issued annually by the university. This report will include the annual report of the ACIR.