



Addendum to Responsible Investor General Guideline Adopted by the Board of Trustees April 28, 2020

Introduction

Brandeis University was a proud early adopter, in 1973, of a [Responsible Investor Guideline](#) (the “Guideline”) to assist it in meeting its goals of investing its capital to advance its core academic mission, while doing so in an ethical manner. The Board of Trustees affirm its commitment to ethical investment, and adopts the following Addendum to the Guideline. This addendum is intended to recognize changes in the methods of investment that have occurred since the Guideline was originally adopted, and to establish a process by which the Brandeis community may raise and study concerns regarding the ethical investment of university funds, and provide advisory recommendation on such issues to the Investment Committee of the Board of Trustees.

1. Process for Review

The Board recognizes that from time to time it may be appropriate to examine the ethical implications of particular investment decisions. While it expects such cases to be rare, the Board nevertheless wishes to establish a process by which the Brandeis community may raise and study concerns regarding the ethical investment of university funds and provide advisory recommendations on such issues to the Investment Committee of the Board of Trustees.

- a. Any member of the Brandeis community may submit a proposal to the President’s Office (a “Proposal”) regarding the ethical investment of university funds to one or more of the following groups (“Representative Sponsors”):
 - Brandeis Faculty Senate;
 - Brandeis Alumni Board;
 - Brandeis Student Union;
 - Brandeis Graduate Student Association; or
 - Brandeis Staff Advisory Council

- b. The Proposal must include the following information, clearly and succinctly stated, and in sufficient detail to allow the Proposal to be carefully analyzed and for all the relevant factors to be carefully weighed:
 - An Executive Summary of the Proposal.
 - The social issue that is of concern and that raises the question of the ethical investment of university funds: its nature, extent, and the degree of harm being caused.

- The breadth of concern and level of consensus within the Brandeis community; whether and to what degree the issue might conflict with Brandeis' 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 issue, 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, to the extent known to the authors of the Proposal.
- Any other relevant factual information which will assist the Board of Trustees in making a decision.

The Representative Sponsor shall be responsible for screening Proposals, and for recommending to the Administration that a RIAG (defined below) be convened. When the Representative Sponsor makes such a recommendation, the President, Provost, Chair of the Board of Trustees and Chair of the Investment Committee shall consult as a group and may in their discretion determine to convene a non-standing Responsible Investment Advisory Group (RIAG). In such event, the Proposal will form the basis of the RIAG's deliberations.

Incomplete Proposals may be returned to the Representative Sponsor with a request that the required information be provided.

A RIAG shall be comprised of the following members:

- Three Trustees (current or emeritus), one of whom shall be designated as chair
- Two faculty
- Two students
- Chief Investment Officer or delegate
- Executive Vice President Finance and Administration or delegate

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

The Provost will recommend to the Chair of the Board of Trustees two faculty members, taking into consideration those who may have knowledge and expertise in the fields relevant to the issue(s) raised by the sponsoring entity, and two student members.

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. In the event that the RIAG does not reach unanimous consensus, the recommendation shall note the minority view. The Group will conduct its work primarily

during the academic year and aim to develop its recommendations no later than the semester following its convening.

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

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

2. Fund Investment

The Board recognizes that the majority of the University's investments are not made through the direct purchase of stock or securities in particular corporations, but are instead made through participation in investment funds managed by third-party managers, in which multiple institutions and entities invest ("Funds"). These external investment managers have been chosen on the basis of their investment acumen and the belief of the University's Investment Committee that these firms are capable of producing excellent risk-adjusted investment results over time. With these pooled fund vehicles, the investment managers are responsible for all buy and sell decisions for the companies in the portfolio. In addition, the investment manager is responsible for all proxy voting. In these circumstances, where seeking to influence the behavior of particular corporations, the university may do so by influencing such investment managers, or by choosing not to participate in Funds which contain stock or securities in particular corporations or sectors. While the University can express a position to the investment manager and attempt to alter its investments or proxy vote, it cannot compel an investment manager to act in a certain way on any decision, especially given the relatively small size of the University's investment. If the University were to completely withdraw the University's investment from a Fund, in addition to the loss of a skilled investment manager, the necessary sale of all securities in the fund could be costly to the University, especially in the case of private partnership holdings.

These circumstances do not diminish our ethical responsibility as an investor, but highlights an additional layer of complexity in the implementation of the Guideline. References in the Guideline to the purchase or sale of stock or securities, or taking other shareholder action to influence corporate behavior, shall therefore be deemed to include the purchase or sale of interests in a Fund, and the taking of action as an investor in a Fund to influence the Fund's behavior or that of the corporations or sectors in which the Fund invests.