

MIDDLEBURY COLLEGE

ADVISORY COMMITTEE ON SOCIALLY RESPONSIBLE INVESTMENT (ACSRI)

COMMITTEE CHARTER

INTRODUCTION

Middlebury College is renowned for its strong history and current commitment to social advancement and environmental preservation in planning, curriculum and advocacy. The college's mission states that graduates should be "thoughtful, ethical leaders able to meet the challenges of informed citizenship." As Middlebury College's endowment is its largest single financial resource, its management guidelines should reflect the college community's ethical commitments and concerns. Not only is this responsible conduct, it is also a sound economic choice that recognizes the importance of corporate accountability and the proven profitability of socially and environmentally responsible investments. Informed constructive dialogue is crucial to the development and implementation of guiding ethical principles for profitable endowment management. The Advisory Committee on Socially Responsible Investment (ACSRI) will take on the responsibility of exploring these issues fully and will act on behalf of the entire Middlebury College community.

GOALS

To promote the socially responsible investment of Middlebury's endowment through the following methods: Listed in order of importance.

- 1 Fulfilling shareholder rights and responsibilities for 100% of our endowment by
 - Using our proxy voting status
 - Submitting shareholder resolutions
 - Engaging in corporate dialogue
- 2 Positive investments of a small percentage of Middlebury's direct holdings in
 - Local, national and international, community development initiatives
 - Environmental protection and alternative energy suppliers
 - Businesses owned by women or minorities
- 3 Screening and divestment from
 - Selected companies that severely violate Middlebury's ethical principles
 - Companies selected as part of national divestment campaigns

These goals shall be discussed at the first meeting of the ACSRI to determine the time frame in which they will be achieved.

GUIDING PRINCIPLES

When considering future and current investments, the following principles may be considered.

The Environment:

To promote sustainable environmental practices, including but not limited to:

- 1 Climate Change
- 2 Renewable Energy Technologies
- 3 Abatement of Pollution
- 4 Environmental Justice

Human Rights:

To discourage the violation of human rights around the world, including but not limited to:

- 1 Genocide
- 2 War Crimes
- 3 Torture
- 4 Due Process of Law

Workplace/Workers' Rights:

To support the equal treatment of workers around the world, including but not limited to:

- 1 Child Labor
- 2 Equal Opportunity Employment
- 3 The Right to Organize
- 4 Just and Fair Compensation

Corporate Accountability:

To discourage abuses of executive power in corporations, including but not limited to:

- 1 Fraud
- 2 Insider trading
- 3 Executive self-dealing
- 4 Excessive executive compensation

Consumer Advocacy:

To discourage the production and/or marketing of goods proven to be harmful to the well being of the consumer, including but not limited to:

- 1 Deceptive advertising
- 2 Harmful advertising to children

Local Interests:

To promote, by investment, the growth and sustainability of local commerce, while maintaining an internationally diversified portfolio.

These are guiding but not comprehensive principles. The committee may consider other principles it deems relevant and appropriate to the spirit of the committee.

GENERAL CHARGE

The ACSRI will be charged with the following responsibilities:

- 1 Solicit and consider proposals from members of the Middlebury College community concerning responsible investment ideas.
 - o The ACSRI must consider the economic, social and environmental ramifications of a stated proposal before recommending its implementation.
 - o The proposals will be used to develop a small number of investment ideas that address one or two social, environmental, or economic issues.
- 2 Monitor trends in Socially Responsible Investment across the country. This activity includes, but is not limited to, a careful review of the investment decisions of other educational institutions. The committee should insure that Middlebury's principles and ideals are a guiding force when making these considerations.
- 3 Research Middlebury College's direct holdings and other investments.
- 4 Prepare a report to pass on to newly elected committee members at the end of each academic the year. This report will include the research and minutes from each meeting.
- 5 Issue recommendations on shareholder activism including voting on and submitting select shareholder resolutions.

STRUCTURE

The Advisory Committee on Socially Responsible Investment will be structured as follows:

- 1 There shall be five student representatives. The voting members of the ACSRI will solicit and choose the student representatives from an application pool. Each student's term will be one year.
- 2 There shall be one representative from the College administration. He or she will serve a term of two years.
- 3 There shall be one faculty representative from the College. This representative will be elected for a term of two years at the first faculty meeting of the academic year.
- 4 There shall be one alumni representative on the ACSRI. The representative is to be chosen by the President after consulting with the primary officers of the Middlebury College Alumni Association. He or she will serve a term lasting two years.
- 5 All Committee meetings will be open to trustee attendance and input.

These eight members will each have one vote. The voting members will elect a chair for the committee each year. The private manager of the College's endowment will act as an *ex officio* advisor to the ACSRI on relevant issues.

MEETINGS

ACSRI will meet at the discretion of the chair, with a minimum of three meetings per academic year. Research on pertinent issues will be ongoing. Communication may also be conducted via e-mail, conference calls, or other appropriate forums.

REPORTING

The chair of ACSRI will submit an Annual Report to the President, members of the Committee, the Board of Trustees, and the *Investment Management Company* summarizing its actions and recommendations. This report shall be provided to said individuals and groups no later than *May 1st*. This report will be made public on May 2.