

May 2, 2014

Dear Sustainable Investments Task Force Members:

As promised, the Committee on Investments of the Board of Trustees reviewed your recommendations on sustainable investing at Dickinson. We have done so as part of our regular dialogue as a committee, in discussion with our investment manager, Investure, and through the on-campus meeting with most of you in March. It is the clear consensus of the committee that your recommendations were thorough, balanced and well considered. We commend and thank you for your excellent work.

The committee found all of your recommendations to be reasonable, and pledges to work with Dickinson's faculty, students and administration to implement them. As you will see below the commitment of the administration and the board to moving forward is significant.

Specifically:

1. SITF Recommendation, Items 1, 2, 3. The Committee on Investments concurs with the Task Force's recommendation that Dickinson not divest its endowment from fossil fuels at this time. As noted by the task force, our current investments in fossil fuels comprise a very small portion of our total endowment. By comparison, our sustainable investments represent a larger and growing percentage of our endowment. (See details under item #3 below.) Moreover, divesting from fossil fuels would require Dickinson to leave the Investure consortium. Finally, and as discussed below, we believe that there are more effective and practical opportunities for Dickinson to promote and practice sustainability as an institution.
2. SITF Recommendation, Items 4 & 6. Dickinson has reinforced with Investure its commitment to sustainability. We have requested that "sustainable investing" be the primary topic of discussion at an upcoming Investure consortium meeting, most likely at Investure's annual meeting in October. We recently discussed this concept with administrators from Middlebury and Smith, asking that they join us in making this request and in leading the discussion. Furthermore, and as discussed below, Investure has given considerable thought and discussion to the role which ESG (environmental, social and governance) factors and sustainability principles play in their investment model.
3. SITF Recommendation, Item 5. The Committee on Investments has agreed to significantly increase its commitment to the Investure Sustainability Fund. Whereas the previous commitment was 1 percent of the pooled endowment (approximately \$3.3 million), we have now committed up to \$8 million to this fund. Sustainable investments (defined as investments in renewable energy or with fund managers who employ environmental, social and governance standards) now comprise over 10 percent of Dickinson's pooled endowment.

4. SITF Recommendation, Item 7. Dickinson's Board of Trustees and administration agree that the college holds a unique and differentiating approach in advancing sustainability through its application of an integrated approach. This cross-institutional effort is in keeping with our traditional cultural values and is particularly appropriate given the complexity and overlapping nature of the subject. Accordingly, the strategic decisions which determine the course of the college will continue to reflect sustainability as a high priority. As an illustration of this point, President Roseman and Vice President Jones have decided to reorganize the college's administration, creating an associate vice president for sustainability and facilities planning, which will be devoted to promoting sustainability at Dickinson.
5. SITF Recommendation, Item 8. Dickinson's administration intends to create a sustainable revolving credit fund. This fund will be used to finance a series of projects which permit Dickinson to reach its 2020 carbon emissions goals under the ACUP Presidents' Climate Commitment. Reductions in spending from energy-saving projects will be quantified and reinvested in additional energy saving projects. The initial projects under this plan are scheduled for completion during the upcoming summer.
6. SITF Recommendation, Item 9. Dickinson's administration will explore relationships with other organizations which are committed to sustainable investment, with the goal of expanding our knowledge and perspective on sustainable investing.
7. SITF Recommendation, Item 10. Dickinson will continue to articulate and further clarify our criteria for reconciling our investment activities with our social values. We will also re-examine our investment policy to determine whether it is possible to incorporate sustainable investment principles. In the interest of candor and transparency, it is important to state that we cannot promise immediate changes to our investment policy. As long as we remain a member of the Investure consortium (and we obviously concur with the SITF's recognition of the Investure consortium's value), Dickinson must abide by the wishes of the other consortium members. So, our investment policy must be consistent with the consortium policies.

This does not mean that sustainability or ESG principles are not important to Investure and its clients. All of the Investure clients are non-profit organizations with benevolent missions. And, as noted in the SITF's recommendations, the Investure portfolio already has limited fossil fuel investments and significant investments in renewable energy and companies which meet ESG standards. Furthermore, Investure continues to examine and define the role that ESG and sustainability principles play in its investment decisions. (See attached document outlining Investure's approach to ESG/sustainability issues.) Dickinson will remain a key participant in these conversations, making sure that our values and perspective are represented.

Going forward, we believe that only through continued dialogue can we achieve what is best for Dickinson, in the form of investment principles which balance the interests of the entire college community. As sustainable investing is further defined, and the landscape for sustainable

investing changes, Dickinson's approach will need to adapt. Therefore, we view the mission of the Sustainable Investments Task Force as ongoing rather than episodic. In light of this, we will create a subcommittee of the President's Commission on Environmental Sustainability. This subcommittee will be charged with the following:

1. Provide a forum for members of the Dickinson community to raise and discuss questions regarding ESG practices of the college, recognizing that there is no commonly held definition or criteria of ESG principles or goals.
2. Annually, meet with the Investment Committee of the Board of Trustees to discuss a regular annual report on our investment portfolio. As a participant in that discussion, provide input and share policies, practices and goals of other higher education institutions and other relevant sectors.
3. Act as a liaison between the Dickinson community and the Committee on Investments with regard to the annual review of our investment portfolio.
4. Monitor the performance of the college's sustainability goals by working closely with and advising a soon to be appointed manager of sustainability initiatives.
5. Review and report annually to the Dickinson community with respect to the college's sustainability goals and initiatives.

Various representatives of the campus community will be invited to participate in these discussions, ensuring that our approach balances all interests and maintains the best that Dickinson has to offer.

Sincerely,



Tom Kalaris  
Chair, Committee on Investments  
Dickinson Board of Trustees