

University of Vermont Board of Trustees
Sustainability Work Group
Report and Recommendation
July 14, 2020

Background

In March 2020, the Chair of the University of Vermont Board of Trustees, in consultation with UVM's President, called for the establishment of the Sustainability Work Group (SWG) to advise the Board on fast-moving trends around sustainable investment, including fossil fuel divestment. Immediately following its formation, the SWG issued a call for public comment to the entire campus and was pleased to receive 422 responses. During the course of two public meetings, the work group reviewed the input received, along with the Board's current investment policy and previous board statements regarding fossil fuel divestment and coal divestment. It also examined the actions of other colleges and universities related to sustainability and investment practices.

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investment managers who have investment discretion but operate according to direction received from the Board of Trustees Investment Subcommittee. The UVM Foundation also has a Green Fund that excludes fossil fuel investments and utilizes ESG (Environmental, Societal, and Governance) screens, which take into account a company's environmental, social and governance practices, including measures such as climate change.

At the request of the SWG, the ISC conducted a special meeting to review the feasibility of divestment from direct investments in fossil fuels. During the meeting, the ISC acknowledged financial and societal shifts since the board last looked at the issue of divestment in 2013. It also n5m /TT1 1 acknowle

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Recommendation

The Sustainability Work Group of the University of Vermont Board of Trustees recommends:

UVM immediately cease all new direct investments in fossil fuels.²

UVM exit all public direct investments in fossil fuels by July 2023.

UVM allow all preexisting commitments to multi-year private investment funds involving fossil fuels to lapse without extension or renewal. UVM stopped making investments in such funds in 2017 and will make no additional investments in such funds.

UVM continue investing in opportunities that focus on sustainability, climate change mitigation, and other Environmental, Social and Governance issues.

UVM accelerate an engagement campaign with its commingled fund managers requesting that they factor the financial risks of climate change into their investment decision-making process and share their framework for doing so with UVM.

Conclusion

Since establishing the nation's first cross-college program in Environmental Studies in 1972, the University of Vermont has been recognized as a national leader in sustainability action. By taking this action regarding fossil fuel investments, and doing so within a timeframe that is markedly shorter than other universities that recently have taken fossil fuel actions, UVM once again is asserting a leadership position with respect to sustainability—a position that also is expressed through the University's academic programming, research, facilities, transportation, and campus programs. Many past investment practices have recognized the centrality of environmental sustainability, but it is time to extend this work with a commitment that reaffirms UVM's leadership status.

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