



Sustainable Investing Advisory Committee



OHIO
UNIVERSITY

Investment Guidelines for the Ohio University
Student Equity Management Group and the Ohio
University Student Fixed Income Management
Group

April 2016

I. Purpose

Ohio University created a Sustainability Plan as part of its commitment to the American College and Universities Climate Commitment. One of the goals of the Plan is Goal J3, which states that Ohio University's investment strategy will "privilege sustainable corporations and entities" (page 12). Ohio University monitors this Goal is via Benchmark 21, which requires assessing endowment investments in sustainable corporations and entities and recommending strategies for increasing investment in these corporations and entities. The purpose of the investment guidelines developed by the Ohio University Sustainable Investing Advisory Committee is to provide recommendations to student-managed equity and fixed-income financial portfolios that incorporate evaluations of environmental, social, and governance (ESG) issues.

II. Investment Beliefs

SIAC is devoted to creating a learning environment for future leaders that upholds Ohio University's values of community, character, civility, citizenship, and commitment. Through a collaborative process, SIAC analyzed university policies and priorities in order to identify the Environmental, Social, and Governance factors most relevant to our institution. In keeping with these values, the following list describes aspects of business in which SIAC feels reflects these values:

Environmental

- Reduction of climate risk and greenhouse gas emissions
- Sustainable purchasing and supply chain practices
- Use of renewable energy
- Waste reduction and recycling
- Following Safety/Environmental Regulations
- Responsible Resource Management/Extraction

Social

- Conflict-free mineral sourcing
- Tobacco-free policies
- Diversity and inclusion of all ages, races, ethnic groups, genders, gender identities, sexual orientations, national origins, cultures, socioeconomic classes, abilities, ways of thinking, geographic regions, and religions
- Violence-free workplace
- Prevention of sexual misconduct
- No discrimination or harassment
- Community involvement

Governance

- Equitable pay and compensation
- Ethical entertainment and travel expense practices
- Corporate Transparency
- Diverse and fair management practices
- Anti-Corruption practices

III. Guidelines for Investing

Sustainable Investing Advisory Committee proposed the immediate implementation of the following five guidelines by the two student-managed investment groups, Ohio University Student Fixed Income Management Group (OUSFIMG) AND Ohio University Student Equity Management Group (OUSEMG):

1. Any purchased security must be in a company that exists within the MSCI ESG Manager.
2. Any purchased security must be in a company that earns a *minimum* of 2 in scored criteria.
3. The Sustainable Portfolio may not include tobacco companies.
4. The Sustainable Portfolio must earn an *average minimum* of 5 in scored criteria.
5. The *maximum* overlap allowed between companies in the Traditional Portfolio and Companies in the Sustainable Portfolio is 20%.

IV. Calculating the Ohio University ESG Score

OUSEMG and OUSFIMG will use the SIAC rating system spreadsheet to calculate the Ohio University ESG Score for both Sustainable and Traditional Portfolios of OUSFIMG and OUSEMG. The current version, SIAC OU Score V 5.xlsx, is available to OUSFIMG and OUSEMG.