

SECTION: POLICY STATEMENT - INVESTMENT

SUBJECT: SOCIAL RESPONSIBILITY CONCERNING INVESTMENTS

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PURPOSE: To establish a basic policy objective concerning the Foundation's social responsibility in the investment of assets.

RESPONSIBLE EXECUTIVE: Investment Administrator

RESPONSIBLE DEPARTMENT: Endowment & Trust Administration

ISSUED: January 1, 2007

UPDATED: November 10, 2018

FIRST EFFECTIVE DATE: January 1, 2007

LAST REVIEW: November 10, 2018

NEXT SCHEDULED REVIEW: November 2023

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## SOCIAL RESPONSIBILITY CONCERNING INVESTMENTS

### I. BACKGROUND AND PURPOSE

A. The Board of Trustees of the California State University adopted a resolution urging its recognized CSU Auxiliary organizations to issue statements of social responsibility and to follow those precepts in examining past and considering future investment policies. In response to the Trustees' resolution, the Cal Poly Foundation will endeavor to consider all relevant facts and circumstances in making investment decision, including the risks and opportunities of environmental, social and corporate governance features. The Cal Poly Foundation has a fiduciary responsibility to maximize investment returns on its endowment consistent with the level of risk while ensuring good stewardship of these assets that will enable continued financial support to further the educational mission of the University.

### II. POLICY

A. The Foundation Board of Directors recognizes and accepts its social responsibility with respect to the investment of funds.

B. The investment policy and practices of the Foundation shall include

the evaluation of present and contemplated investments, not otherwise restricted in trust, in companies which do business abroad in the light of said responsibility.

C. Definitions.

(1) “Socially Responsible Investing”, a term that is interchangeable with “Sustainable and Responsible Investing”, is an investment discipline that considers environmental, social, and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.

D. Reporting.

(1) To ensure transparency, accountability and progress, the Investment manager will establish a reporting cycle with the Investment Committee.

III. REVIEW

A. The Investment Committee of the Foundation Board of Directors will review this policy five years from the most recent updated date to determine its effectiveness and appropriateness. The policy may be evaluated before that time as necessary to reflect substantial organizational, financial, or physical change(s) at the Foundation or any change required by law or by other governing policy.

IV. REFERENCES AND RELATED POLICY

- A. CSU Board of Trustee Resolution RFIN 7-78-6 Social Responsibility and Investments
- B. California Uniform Prudent Management of Institutional Funds Act (“UPMIFA”) (Cal. Probate Code §18506 et seq.).

**Document Chronology:** November 10, 2018, updates for formatting and added review schedule, revised for improved clarity of socially responsible investing.