



# WHITMAN COLLEGE

## Whitman College Board of Trustees Statement on Divestment from Fossil Fuels

November 9, 2018

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The Whitman College Board of Trustees approves an investment management policy regarding our investments in fossil fuels. This policy directs the college to begin reducing ownership in fossil fuels, and puts Whitman on a path to divestment from fossil fuel investments. This action is taken in response to a proposal submitted by Divest Whitman, a student-led organization. While this proposal asked for divestment from coal as a first step, the Board of Trustees believes the issue of climate change necessitates eventual divestment from all fossil fuels, and believes a policy that sets this trajectory is appropriate at this time.

The board's decision reflects the belief that global climate change presents a serious threat to the well-being of the Whitman community and the world, and acknowledges that fossil fuels are a major contributor to climate change. This decision also reflects the belief that it is possible to move toward divestment from fossil fuel investments in ways that do not harm the college's long-term investment returns and honors the fiduciary responsibilities of the Board of Trustees.

While Whitman's current holdings in fossil fuels represent only a small percentage of the college's overall endowment, the Board of Trustees believes that Whitman's actions – in conjunction with the efforts of other colleges and universities – can spur meaningful change in the energy industry.

The Board of Trustees directs the college to apply the following investment practices:

- Whitman College will not invest in any new funds that at the time of the investment include securities in any companies in the Carbon Underground 200, an index of the top publicly-traded fossil fuel reserve holders globally.
- Whitman College will phase out its known existing holdings in non-marketable private funds that include companies owning fossil fuel reserves. These funds are non-marketable because they require a contractual commitment to be held for a specific period of time, typically 10 years. Fossil fuel reserve holdings in these funds currently represent 0.5% of Whitman's endowment.
- Whitman College will continue to evaluate the changing environment related to fossil fuel-free investments, and when practical, actively work to reduce exposure to companies holding fossil fuel reserves. The college will implement this in ways that minimize harm to investment returns and avoid undue costs related to this transition. 17% of the endowment currently consists of marketable funds that invest in companies with fossil fuel reserves, and their fossil fuel holdings represent 0.42% of the endowment.
- Whitman College will search for new funds—both passive and actively managed—that are fossil fuel free, as well as funds that invest in companies that are developing alternative energy sources. All of these funds are subject to the same investment criteria and due diligence standards Whitman requires of all of its investments.
- The Board of Trustees will receive an annual report on the status of any investments held—both private equity and marketable securities—that continue to invest in Carbon Underground 200 companies, along with a status report on the college's efforts to secure either active or passive investment alternatives to replace these funds.

In taking these actions, the Board of Trustees also acknowledges other important work happening on the Whitman College campus to curb global climate change by reducing Whitman's carbon footprint, as outlined in the college's Climate Action Plan (CAP). The board encourages these important efforts to continue, and hopes its investment actions will lead to broader conversations about other ways to reduce the college's carbon footprint.