

Provost Report  
Faculty-led Working Group - Sustainable Investing  
August 2024

In July 2024 GW Provost Christopher Bracey assembled a faculty-led working group charged with crafting investment strategy recommendations for the university that align with emerging social and community values. The working group met seven times over the course of nearly 7 weeks. Our work included research of other universities' Environmental, Social, and Governance (ESG) statements, review of reports generated by the GW ESG Responsibility Task Force that was established in 2020 and dissolved in 2022, a virtual meeting with Josh Lasky, the Director of the GW Sustainability Office, and a virtual meeting with Justin Conway, Vice President of Investment Partnerships at Calvert Impact, an impact investment firm located in Bethesda, Maryland. Despite numerous requests, we received no concrete information concerning the university's investment portfolio. In addition, the working group was unable to find an existing, published GW values statement guiding its sustainable investment strategy, which further inhibited our work.

As a general principle, members of the working group believe the university should adhere to United Nations Principles for Responsible Investment (UN PRI) to which its third-party investor is a signatory, but which lacks accountability or enforcement mechanisms. UN PRI covers environmental, social, and governance issues. Social issues include human rights, modern slavery and labor rights, extractive industries, just economies, and diversity, equity and inclusion. A transparent, deliberate process involving faculty, students and staff needs to further define our GW community values moving forward. Two members of the working group started the process of drafting a values statement<sup>1</sup> related to investment, but the working group failed to reach consensus among all of its members. We are hopeful that our colleagues' work may serve as a starting point for future discussions.

The Faculty-led Working Group - Sustainable Investing submits the following recommendations to the Provost.

1. We **renew calls for transparency by November 2024** in how the university endowment is invested. Following up on the Task Force on ESG Responsibility's report to the Board of Trustees dated June 2020, we recommend sharing with the GW community an update on their recommendation "... to increasingly evaluate investments based upon environmental, social and governance values" and how our current investments align "with the values of the GW community at large." We call for the university to release the guidance on sustainable investing that it provides to its outsourced Chief Investment Officer (Strategic Investment Group/SIG), and the specific screens that SIG uses to satisfy that guidance, as well as the screens it uses to satisfy its adherence to the UN's Principles for Responsible Investing. As part of fundamental transparency, we also recommend an independent third-party audit that covers how ESG criteria were taken

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<sup>1</sup> "As a general principle, the university should steer its investments away from entities that contribute to, participate in, or support human rights violations, genocide, terrorism, all forms of racial, gender and religious discrimination, and social and economic injustice. It should steer investments toward entities that protect the United States and its democratic allies, relieve human suffering, cure disease, broaden prosperity, and reverse environmental degradation."

into consideration in the past, and provides initial recommendations on how to align the university's endowment investments with the values of GW. The audit should include lessons-learned from divesting from fossil fuels. We expect subsequent investment disclosures to take place on a regular schedule to ensure consistency in transparency moving forward. Independent third-party verification ensures the term 'sustainability' does not become an empty signifier as it pertains to the university's investments.

2. On the basis of our own working group and the previous Task Force's work, as well as action taken to increase transparency, we recommend **establishing a permanent standing committee by January 2025** comprised of faculty, staff, and student representatives selected through a campus-wide process that will have sufficient access to information to permit a review of current investments and provide continued guidance on socially and environmentally-responsible investment opportunities to the GW Chief Investment Officer. This committee could be co-chaired by the Director of GW's Office of Sustainability. It should include representatives across relevant research institutes and centers that focus on sustainability and social justice issues, including the Alliance for a Sustainable Future, the Global Women's Institute, the Global Food Institute, the Humanitarian Action Initiative, and the Leadership, Ethics, and Practice initiative. Such a committee offers an opportunity to achieve GW's goal of reaching Platinum ranking according to the STARS (Sustainability Tracking, Assessment & Rating System) by 2025.
3. We recommend GW reviews the **viability of integrating impact investments as part of its investment portfolio by March 2025**. These investments create tangible benefits to marginalized communities as well as the environment in the DMV area, across the U.S., and globally. Such investment opportunities are readily available (e.g., Calvert Impact Capital's *community investment note* or *cut carbon note*) and are aligned with GW's mission. We specifically recommend that the university allocates an initial 1 to 2 percent of its endowment to notes, funds, or projects specifically designed to create a positive social, environmental, and economic impact in the DMV area. Based on our shared GW values and the current share of our investment in (commercial) real estate, an initial investment could specifically address a lack of affordable housing in the DMV area. Leveraging such investment opportunities and the corresponding fund managers' expertise would position GW as a pioneer amongst institutions of higher education. We expect such investments to generate an annualized return of at least three percent. The Chief Investment Officer commits to report on progress made on a quarterly basis to the permanent standing committee starting June 2025. Beyond this initial investment we expect the university to assess and pursue opportunities to expand the share of its endowment allocated to impact investing.

#### Faculty-led Working Group - Sustainable Investing Membership

- Gregg Brazinsky, Professor of History and International Affairs
- W. Douglas Evans, Professor, Prevention and Community Health & Global Health
- Terrie Gale, Professorial Lecturer, Sociology
- Mountasser Kadrie, Associate Professor of Clinical Research and Leadership
- Samuel Ledermann, Assistant Professor of Practice of International Affairs
- Shana Marshall, Assistant Research Professor, Institute for Middle East Studies
- Lisa Schwartz, Associate Professor of Biomedical Laboratory Sciences
- James Tielsch, Professor of Global Health