

Distinctively Dickinson:

A Unique Approach to Investment Priorities



Presented by Annette Smith Parker '73
Vice President and Treasurer/CFO
Dickinson College
SEI Webinar Series
March 17, 2010



Profit

**Sustainable
Investment**



People

Planet



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Our Distinct Approach

- From the Dickinson SRI web page: “The **Triple Bottom Line** refers to the management of three bottom lines or net business outcomes: financial, social, and environmental.”
- The Triple Bottom Line approach to sustainability is also known as the **People, Planet, and Profit** approach.
 - **People** references human capital and constitutes fair labor policies and organizational practices that benefit the surrounding community.
 - **Planet** pertains to natural capital and encompasses the actions of organizations to safeguard and enhance our natural environment.
 - **Profit** concerns financial capital and addresses the need for economic benefits that ensure the long-term viability of both the organization and the community in which it operates.

(Elkington, John. 1997. *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*. Hoboken, NJ: Wiley & Sons.)

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More Engagement

Approaches to SRI:

Visual Continuum

Community investing

Discussion with corporate management

Proxy voting

Shareholder resolution

Positive screening

Best of industry screening

Negative Screening

Divestment

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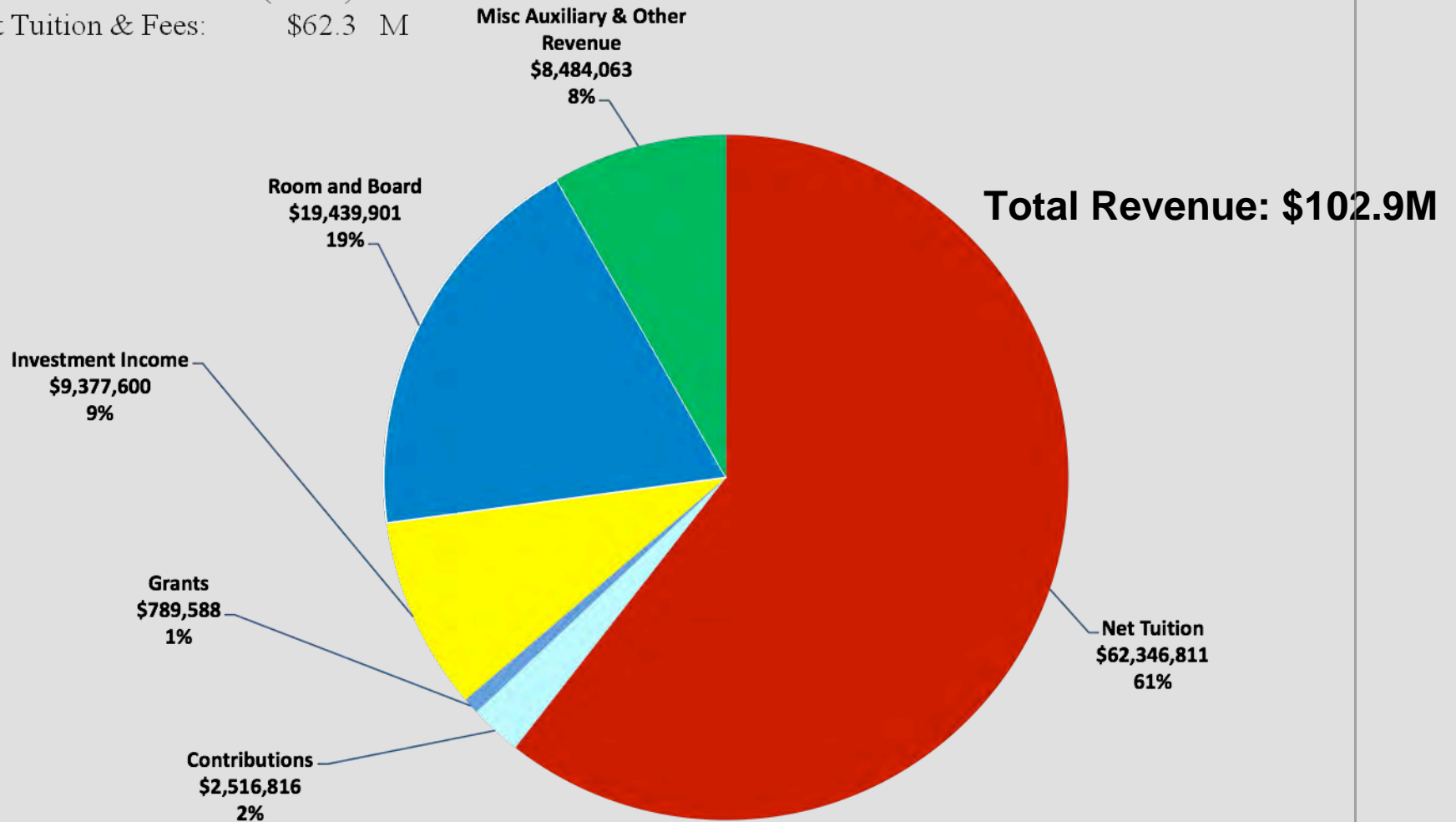
Less Engagement



Operating Budget – Revenue FY10

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Gross Tuition & Fees: \$94.7 M
Financial Aid: (\$32.4) M
Net Tuition & Fees: \$62.3 M



People:

Global and Local Communities

Dickinson College is committed to being a positive participant in the greater Carlisle area and beyond. **Direct investments** in community revitalization and service are beneficial for both the surrounding town and students on campus.

The following are some examples of this commitment in practice...

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Revitalizing Communities

Spearheaded Carlisle “High I” initiative to spark retail revitalization of two blocks contiguous to campus. College provided \$100,000 seed money for retail development study and retail coordinator.

Also, participated as a partner in the “Pitt Street Pride” neighborhood revitalization project.

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Project S.H.A.R.E



Donates 25,000 sq ft of rent-free space for operations and distribution to local food bank, providing food and volunteer services to low-income populations.

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Integrated Spaces



Leases offices downtown for college-community partnership offices, faculty sabbatical offices, and Carlisle Victory Circle.



Downtown Residence Hall

Rehabbed old YMCA building downtown into apartments for students involved in community service. Operating commitment exceeds \$200k per year for 15 years.

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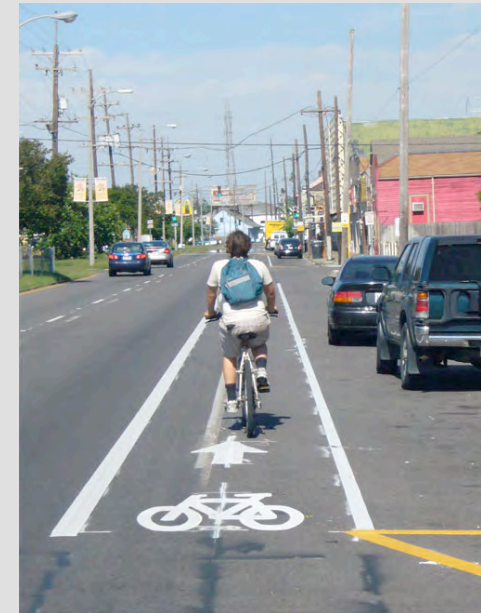
Carlisle Theatre

Leases the second floor of the Carlisle Theatre as our “black box” performance space and experimental theatre venue at \$48,000 per year which roughly pays the mortgage for the Theatre.

Road Diet Plan

Contributed \$50,000 to fund a traffic study in conjunction with the Borough of Carlisle’s efforts to reduce truck traffic, promote walking and biking, and improve the air quality of the town. Project, titled the “Road Diet,” was recently approved by the PA Dept of Transportation and is moving forward.

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Planet: Environmental Issues

Dickinson College is committed to being a leader in sustainability education and continues to commit significant College dollars to **direct investments** in environmental sustainability through a multifaceted approach.

The following are some examples of this commitment in practice...

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Transportation

Fleet currently includes four hybrids and another is on order. The College also expects to purchase two electric vehicles during current year. Dickinson also purchased red bikes for students to borrow to facilitate green transportation.



Green Building Projects

The new Rector Science Complex has earned LEED Gold certification. The College's commitment to sustainability and the achievement of LEED rating added 5% to the cost of construction on this \$34 million project, but significantly lower energy costs are already being realized.



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Composting Program

Received a grant (\$250k) for composting projects on campus related to reusing food and material waste products in the "Farm to Table" program. 100% of recyclable waste is composed.

Solar Panels

Received an Energy Harvest Program grant of \$250k for a solar array at the College's new energy plant. College investment included a \$250k match.



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Renewable Energy



Dickinson hosted Sustainable Energy Fund Solar Scholars Conference in 2008 and has been a resource institution for the program in 2009 and 2010.

Received two SEF Solar Scholars grants \$15,000 to install 4.4kwh PV array and grounded educational system on the Center for Sustainable Living

Just last week, a student initiative resulted in the Student Senate allocation to fund solar array for Waidner-Spahr Library: \$30,000. College commitment \$10,000.

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Energy Alternatives



Dickinson was recently awarded the 2008 Green Power Hero award for Power Purchasing. The College has made significant direct investments in green technology, having recently completed a high efficiency \$6 million central energy plant and having just signed a contract for RECs equivalent to 100% of our purchased electricity (18,000,000 kWh), effective September 1, 2009.

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Biodiesel Production



Currently generate 110 gallons of biodiesel per week from waste food oil. Investment funds go towards facilities and employees for the shop.

The College Farm

Dickinson owns and operates a working organic farm, which provides food for the dining hall as well as produce for the local farmer's market and CSA program. Students volunteer and work on the farm, and the site is used for educational and recreational use.



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Profit:

Economic Returns and Financial Sustainability

- **Investure LLC serves as the investment office for Dickinson and nine other consortial members. It has responsibility for implementing and administering the Investment Policy.**
- **Financial professionals of the ten partners collaborate regularly re: audit, legal, financial trusteeship and accounting matters.**
- **The depth of staffing provides a heightened level of oversight and confidence in an era of public concern about alternative investment valuations and due diligence.**
- **Working with the Committee on Investments of the Board of Trustees, Investure manages the pooled endowment investments.**

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Funds Held in Trust by Others: Baltimore-Washington Conference of the United Methodist Church

- Funds held in trust by the BWC of the UM Church that benefit Dickinson
- These funds are held separately from the endowment pool (Investure)
- Approximately \$2 million invested by and according to the policies of the Baltimore-Washington Conference of the UM Church
- Annual spending funds positions and programming in Religious Life and Community Services Office
- The United Methodist Foundation of the BWC engages in “negative screening” -- the only funds in Dickinson’s portfolio to utilize this approach
- The BWC does not invest in any company that produces or obtains 10% or more of its revenue from the sale of alcoholic beverages, tobacco products, pornographic media, or many types of antipersonnel weapons (exceptions are made in cases of legitimate military use). The Conference also does not purchase stock in companies that own or manage gambling operations.

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Developing a “Green Approach”

- The College has worked with Investure to identify “green” investments in the existing portfolio that meet investment guidelines and risk/reward criteria, while increasing exposure in the portfolio to environmentally focused investments.
- As an illustration, Oakleaf Global Holdings is a technology-enabled services company that uses in-house technical expertise to redesign customers’ processes to reduce waste and to expand their use of environmentally “green” alternatives to traditional waste disposal approaches.

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Moving on to a “Sustainability Fund”

- In response to requests from partner institutions, Investure is creating a co-mingled fund focusing on sustainability as an important global economic driver for the future.
- The fund will seek to identify investments that:
 - embrace a broad definition of sustainability
 - emphasize economic sustainability, green practices or technologies, and impact on people, i.e., the Triple Bottom Line
 - represent ability and intention to invest for the long-term
 - integrate sustainability research into a rigorous traditional due diligence model for research, valuation and risk management.

Distinctively Dickinson - Our Mission



“To prepare young people, by means of a **useful** education in the liberal arts and sciences, for engaged lives of **citizenship** and **leadership** in the service of society.”

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