

EXECUTIVE SUMMARY

Sustainable development... meets the needs of the present without compromising the ability of future generations to meet their own needs.

The importance of the sustainability paradigm has been gradually gaining acceptance since 1987 when the United Nations World Commission on the Environment and Development proposed the above definition for sustainable development.

Twenty years ago, the Commission's report, *Our Common Future*, identified many economic, environmental, and equity issues that just recently have attained high priority status among corporate, government, and nonprofit decision-makers. For example, in January 2007, *BusinessWeek* defined sustainability as "meeting humanity's needs without harming future generations," and observed that, "it's at the top of the agenda of growing numbers of U.S. CEOs."

Sustainability and Higher Education

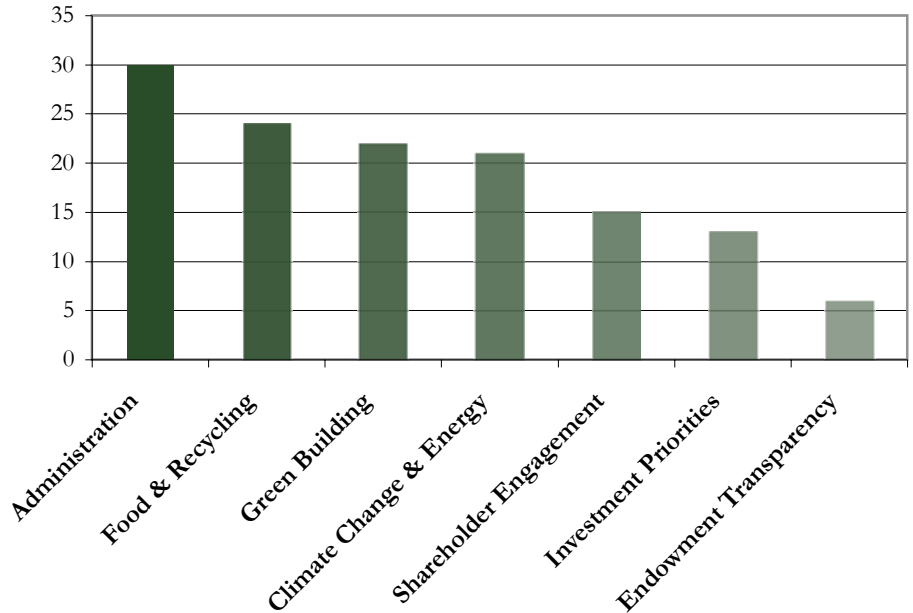
In relation to higher education, most of the 1987 UN report's sustainability concerns (e.g., energy efficiency, renewable energy, species extinction, food security, international trade, managing the commons, global poverty) have been the focus of extensive research and teaching. In contrast, the implications of these sustainability issues for the management of campus operations and endowments, have received relatively little attention.

Most popular evaluations of colleges and universities highlight academic achievements, admissions selectivity, financial aid equity, and alumni donation rates. For the most part, the focus has not been on how schools, *as institutions*, manage their resources in relation to their campus facilities and their endowment investments.

To assess progress in this sphere, the Sustainable Endowments Institute has researched the policies and programs of 100 leading colleges and universities. These schools hold more than \$258 billion—approximately 75 percent of all higher education endowment investments. When it comes to sustainability, the key questions about these institutions are: How do sustainability factors shape policies about the use of their resources? How can schools learn from each other's experiences and adapt sustainability policies that work?



“A” Grades by Category



In response to these questions, the first annual *College Sustainability Report Card* summarizes and grades college sustainability programs and policies in seven main categories: climate change and energy, green building, food and recycling, administration, endowment transparency, investment priorities, and shareholder engagement.

Endowment Policies

In our *Report Card*, endowment policies are seen as an important component of a college's sustainability efforts. We perceive transparency, investment, and shareholder decisions as expressions of a school's financial values and priorities.

A recent global analysis of fiduciary responsibility offers a new rationale for school trustees to take sustainability into account. *A Legal Framework for the Integration of Environmental, Social and Governance Issues into Institutional Investment* was prepared for the United Nations Environment Programme by Freshfields Bruckhaus Deringer, the world's third-largest law firm. The report indicates that—as part of their charitable mission to benefit society—trustees of nonprofit organizations “may be required to consider whether the investment decision would further, or at the least, not hinder, those charitable purposes.”

In implementing such sustainability guidelines, university endowments enjoy certain advantages. As noted recently by *The Economist*, university investment managers control “extremely patient” capital due to an investment horizon that lasts “forever.” Furthermore, university endowments benefit from an ethos of innovation—financial and intellectual. These factors emphasize the importance of sustainability as a vital criterion in determining use of scarce resources in endowment decisions, as well as in campus management.

COLLEGE SUSTAINABILITY LEADERS

Dartmouth College
Harvard University
Stanford University
Williams College

CAMPUS SUSTAINABILITY LEADERS

Berea College
 Bowdoin College
 Carleton College
 Carnegie Mellon University
 Cornell University
 Dartmouth College
 Duke University
 Grinnell College
 Harvard University
 MIT
 Middlebury College
 Oberlin College
 Pennsylvania State University
 Princeton University
 Smith College
 Stanford University
 Syracuse University
 Tufts University
 University of British Columbia
 University of California
 University of California, Los Angeles
 University of Michigan
 University of Pennsylvania
 University of Washington
 Wesleyan University
 Yale University

By the Numbers

The study selected the 100 schools with the largest higher education endowment funds in the United States and Canada. The schools are located in 34 states, the District of Columbia, and three Canadian provinces.

Policies were reviewed at 66 private institutions with \$193 billion in combined endowment assets, as well as at 34 public institutions with \$65 billion in combined endowment assets. The total endowment assets of the schools equal \$258 billion.

The 100 schools are a mix of large and small institutions of higher education. Together, they count more than 2.3 million currently enrolled students.

Four schools that earned an cumulative grade average of “A-,” qualified as overall College Sustainability Leaders (see sidebar on proceeding page).

The Campus Sustainability Leaders List (see sidebar) recognizes the 26 schools that received an average grade of “A-” or better on the four campus-related categories of the report.

A list of Endowment Sustainability Leaders was not created because only one school (Williams College) received an average grade of “A-” or better on all three endowment-related categories.

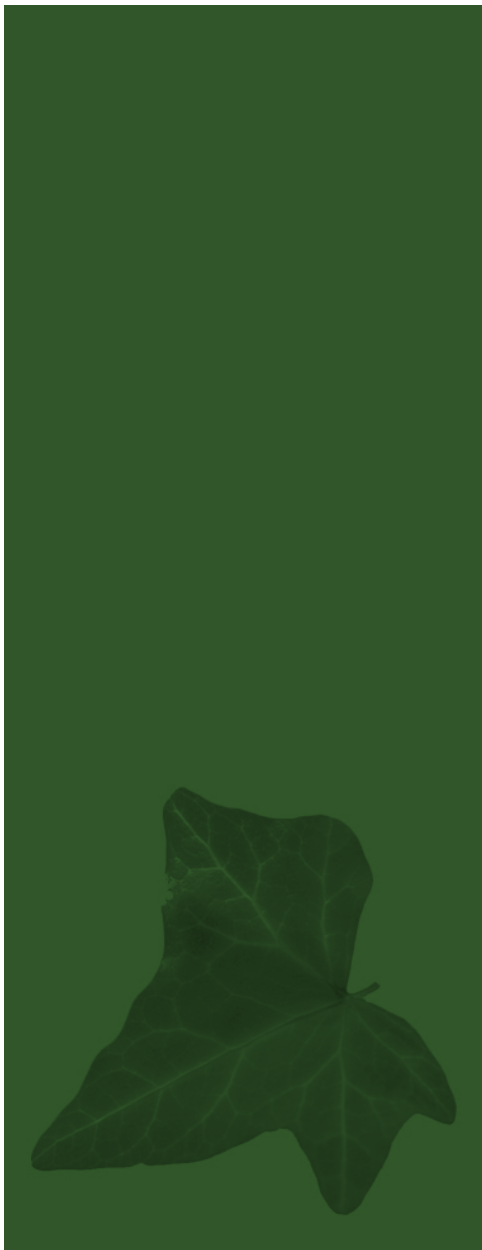
The Overview of Categories section provides a description of each category, along with brief highlights from a few leading schools. Each category also has an A-List of schools that received an “A” grade. The chart on the previous page illustrates the number of “A” grades in each of the seven categories.

The *Report Card* provides a wide range of information in one source and is easily accessible. Just as the grading system serves as an incentive in the classroom, the *Report Card’s* grading system seeks to encourage the prioritizing of sustainability in college operations and endowment investment policies by offering yearly assessments of progress.

As internationally recognized institutions of higher education, the schools included in the *College Sustainability Report Card* have the resources and potential to become leaders in aligning sustainable policies and practices with their educational missions.

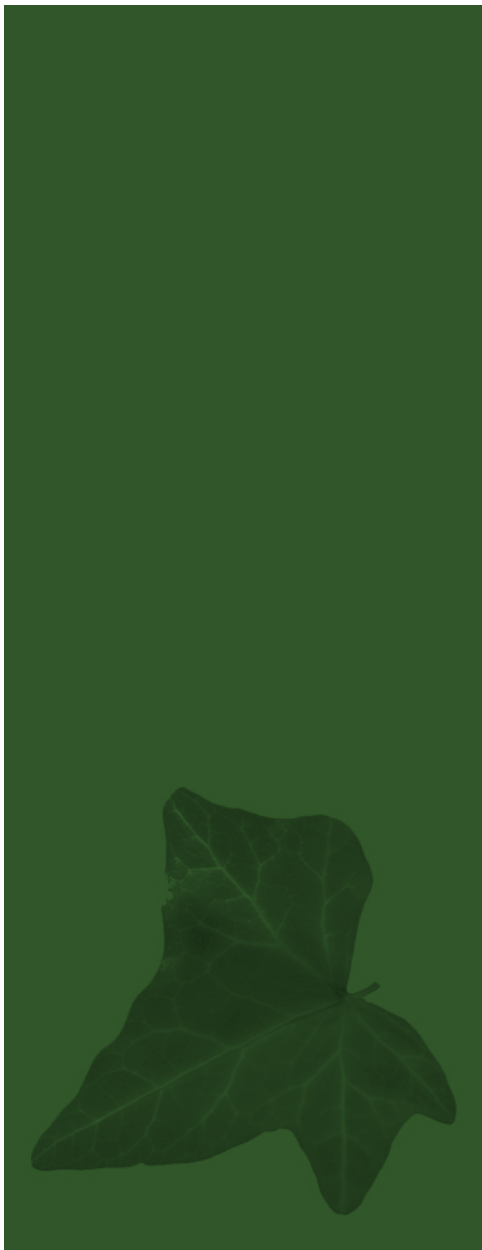
SNAPSHOT (A-S)

PAGE	SCHOOL	OVERALL GRADE
16	Amherst College	B-
17	Baylor College of Medicine	D
18	Baylor University	D+
19	Berea College	C+
20	Boston College	C-
21	Boston University	D
22	Bowdoin College	B-
23	Brown University	B
24	California Institute of Technology	C-
25	Carleton College	C+
26	Carnegie Mellon University	C+
27	Case Western Reserve University	C+
28	Columbia University	B
29	Cornell University	B-
30	Dartmouth College	A-
31	Duke University	B
32	Emory University	C
33	George Washington University	C-
34	Georgetown University	C+
35	Georgia Institute of Technology	C
36	Grinnell College	C+
37	Hamilton College	C
38	Harvard University	A-
39	Indiana University	D+
40	Johns Hopkins University	C+
41	Kansas University	C-
42	Lafayette College	D+
43	Lehigh University	C-
44	Macalester College	C
45	Massachusetts Institute of Technology	B-
46	McGill University	C+
47	Michigan State University	C
48	Middlebury College	B+
49	New York University	C
50	Northeastern University	C-
51	Northwestern University	C+
52	Oberlin College	C+
53	Ohio State University	C
54	Pennsylvania State University	C+
55	Pomona College	C+
56	Princeton Theological Seminary	D-
57	Princeton University	B-
58	Purdue University	C
59	Rensselaer Polytechnic Institute	C-
60	Rice University	C-
61	Rockefeller University	D+
62	Smith College	B
63	Southern Methodist University	C
64	Stanford University	A-
65	Swarthmore College	B-



SNAPSHOT (S-Z)

PAGE	SCHOOL	OVERALL GRADE
66	Syracuse University	C+
67	Texas A&M University	C
68	Texas Christian University	D
69	Trinity University (Texas)	D-
70	Tufts University	B-
71	Tulane University	C
72	University of Alabama	D
73	University of Arkansas	D
74	University of British Columbia	B-
75	University of California	B
76	University of California, Los Angeles	C+
77	University of Chicago	D+
78	University of Cincinnati	C-
79	University of Delaware	C-
80	University of Florida	C
81	University of Illinois	C
82	University of Iowa	C+
83	University of Kentucky	C-
84	University of Louisville	C
85	University of Maryland	C
86	University of Michigan	B+
87	University of Minnesota	B-
88	University of Missouri	C-
89	University of Nebraska	D+
90	UNC at Chapel Hill	C
91	University of Notre Dame	D-
92	University of Oklahoma	C-
93	University of Pennsylvania	B
94	University of Pittsburgh	D
95	University of Richmond	C-
96	University of Rochester	C-
97	University of Southern California	D
98	University of Tennessee	C+
99	University of Texas	C+
100	University of Toronto	B-
101	University of Tulsa	D-
102	University of Virginia	D+
103	University of Washington	B-
104	University of Wisconsin	B
105	Vanderbilt University	C-
106	Vassar College	B
107	Wake Forest University	D
108	Washington & Lee University	C-
109	Washington State University	C
110	Washington University in St. Louis	C-
111	Wellesley College	C
112	Wesleyan University	C+
113	Williams College	A-
114	Yale University	B+
115	Yeshiva University	D-



THE "A" LIST

Berea College
 Bowdoin College
 Carleton College
 Carnegie Mellon University
 Cornell University
 Dartmouth College
 Duke University
 Harvard University
 Kansas University
 MIT
 Michigan State University
 Middlebury College
 Pennsylvania State University
 Princeton University
 Smith College
 Stanford University
 Syracuse University
 Tufts University
 Tulane University
 University of British Columbia
 University of California
 University of California, Los Angeles
 University of Florida
 University of Illinois
 University of Michigan
 UNC Chapel Hill
 University of Toronto
 University of Washington
 Wesleyan University
 Yale University

ADMINISTRATION

The Administration category addresses primarily formal-, administrative-, or trustee-level action regarding sustainability. This includes policies or commitments to sustainability that are usually made in the institution's mission statement or master plan, but can also be through committing to local, national, or international agreements. Points are awarded to schools that have institutionalized the position of sustainability coordinator; those that have an active advisory council to guide the administration on campus sustainability; and those that have an office or center specifically focused on achieving campus sustainability goals. Schools also receive points for having a website that serves as a resource for community involvement and education on sustainability.

Leading by Example

The Administration "A" List is a group of 30 schools that earned "A" grades. Below is a sample of four very different institutions that all earned "A" grades. These summaries are based on data from each school's profile page.

Bowdoin College has signed on to the Maine Governor's Carbon Challenge, committing to reduce its emissions to 11 percent below 2002 levels by 2010. A sustainability office has been established to fulfill the obligations of the College's environmental mission statement and is run by a sustainability coordinator and staff of student workers. The students work on specific initiatives such as clean energy, recycling, and composting, and are assisted by a campus environmental committee.

In 1996, **Berea College** made an institutional commitment to embody sustainability in various aspects of its overall operation. A full-time sustainability coordinator provides institutional support to further the College's sustainability initiatives through campus programs, community outreach, and teaching resources. Five additional positions and a number of student work-study positions are also responsible for promoting and implementing sustainability in the curriculum and in campus operations.

Harvard University has one of the most comprehensive campus sustainability programs in the country. The Harvard Green Campus Initiative has a staff of 16 full-time professionals and approximately 40 part-time student employees.

In 2004, the **University of Washington** created an Environmental Stewardship Advisory Committee, an environmental stewardship coordinator position, and formalized a Policy on Environmental Stewardship to give full institutional support to the cause of campus sustainability. The University works to promote sustainability practices in every position and community member in order to demonstrate the concept by example.



THE "A" LIST

Bowdoin College
 Carleton College
 Carnegie Mellon University
 Cornell University
 Duke University
 Harvard University
 Middlebury College
 New York University
 Northwestern University
 Oberlin College
 Smith College
 Syracuse University
 Tufts University
 University of British Columbia
 University of California
 University of California, Los Angeles
 University of Michigan
 University of Pennsylvania
 University of Washington
 Wesleyan University
 Yale University

CLIMATE CHANGE & ENERGY

The Climate Change & Energy category focuses on initiatives to improve energy efficiency and conservation, and on efforts to obtain energy from renewable sources. This may include conservation campaigns that encourage college community members to monitor their energy consumption; retrofits of appliances or power plants to make use of energy-efficient technology; conducting a carbon emissions inventory and committing to emissions reduction goals; and making use of renewable energy, either through direct purchases of renewable energy credits or through on-site installation of clean energy resources. Points are also given to colleges that have made renewable energy investments with the potential to benefit the community beyond campus, such as public-private partnerships for off-campus development of renewable energy projects.

Leading by Example

The Climate Change & Energy "A" List is a group of 21 schools that earned "A" grades. Below is a sample of three very different institutions that all earned "A" grades. These summaries are based on data from each school's profile page.

The **University of British Columbia's** ECOTrek program, the largest water and energy retrofit in any Canadian university, was finalized in 2006 and has tallied energy savings that represent a reduction of 15,000 tons of carbon dioxide emissions. The program is saving the University \$2.5 million (Canadian Dollars) annually as a result of a 20 percent reduction in energy use. Since 1990, carbon dioxide emissions per square meter of building have been reduced by 30 percent.

The **University of Pennsylvania** is one of the largest nongovernmental purchasers of wind power in the nation, buying 112,000 megawatts of wind energy, or 29 percent of their total energy needs. The 10-year contract that the University signed will enable the construction of a new 12-turbine, 20-megawatt wind farm in Pennsylvania.

The Tufts Climate Initiative at **Tufts University** won the Environmental Protection Agency Climate Protection Award in 2005. The University changed its utilities contract in 2006 to include small-hydro and natural gas, reducing its carbon emissions to 21 percent below the New England average. Conservation efforts through the facilities department have involved lighting retrofits and motion sensors in collaboration with the Environmental Protection Agency's Green Lights program, improved steam trap efficiency, and new washing machines. Students are given the option to purchase green power.



THE "A" LIST

Bowdoin College
 Carleton College
 Columbia University
 Cornell University
 Dartmouth College
 Duke University
 Grinnell College
 Hamilton College
 Harvard University
 Middlebury College
 Oberlin College
 Pennsylvania State University
 Princeton University
 Stanford University
 Tufts University
 University of British Columbia
 University of Michigan
 University of Pennsylvania
 University of Washington
 Vassar College
 Washington State University
 Wesleyan University
 Williams College
 Yale University

FOOD & RECYCLING

The Food & Recycling category looks primarily at dining services and its policies and practices relating to sustainability. Points are given based on the quantity and availability of both locally grown food, as well as organic food. The category also examines campus-wide programs on recycling and composting.

Leading by Example

The Food & Recycling "A" List is a group of 24 schools that earned "A" grades. Below is a sample of four very different institutions that all earned "A" grades. These summaries are based on data from each school's profile page.

Dartmouth College's Local Food Project is an on-going program to organize local farmers in New Hampshire and Vermont to supply a sustainable source of local foods to the College. A Sustainable Dining Committee has been formed that is focused on creating a waste-free dining prototype in one dining venue.

Grinnell College dining services uses local, organic products for most staple ingredients, including organic flour and local milk, eggs, herbs, pork, and some fruits and vegetables. Pre- and post-consumer food waste is composted using a pulping machine and donated to a local farm, diverting approximately seven tons of waste each month. Yard waste is composted through the city of Grinnell, Iowa.

Washington State University dining services has equipment to mulch all food waste as part of the campus composting program, which then sells the compost to local nurseries. The dining halls now use local, organic products for all baking and bread products, and another line of organics was added in response to student comments, in addition to Organic Fridays, which will begin spring 2007. The Waste Wise program recycles 57 percent of the waste stream from approximately 1,500 collection areas across campus.

Williams College spends an extra 20 cents per person per meal on local, organic foods, amounting to a 30 percent increase in local and organic foods in the dining halls over the past few years. This is one of the strongest efforts seen from any college or university dining service in the country. The dining halls collect 80 tons of food waste annually to provide compost to local farms, and the College's efforts have allowed the local middle school to join the composting program.



THE “A” LIST

Berea College
 Bowdoin College
 Carnegie Mellon University
 Cornell University
 Dartmouth College
 Duke University
 Emory University
 Grinnell College
 Harvard University
 MIT
 Middlebury College
 Northwestern University
 Oberlin College
 Princeton University
 Stanford University
 University of British Columbia
 University of California
 University of California, Los Angeles
 University of Florida
 University of Illinois
 University of Washington
 Yale University

GREEN BUILDING

The Green Building category looks at the policies and practices of schools’ adoption and use of high-performance green building design. This includes the adoption of campus-wide green building policies or guidelines, and the incorporation of green building design features into retrofits of existing buildings. Points are also awarded for participating in the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) certification program.

Leading by Example

The Green Building “A” List is a group of 22 schools that earned “A” grades. Below is a sample of three very different institutions that all earned “A” grades. These summaries are based on data from each school’s profile page.

Carnegie Mellon University’s building policy requires that all new buildings and renovations be LEED Silver-certified at a minimum. Three buildings have attained LEED Silver certification and four renovations will soon be Silver-certified. One building has a LEED Gold rating. The University was a pilot partner in the Environmental Protection Agency’s Lab21 program for green design in laboratory facilities, and four campus buildings have had green roofs installed.

Emory University has committed to certifying all building under the LEED guidelines and the current goal is for all construction to seek Gold certification. The Goizueta Business School was the first LEED-Existing Building Gold-certified building on a university campus. The University has four other LEED-New Construction certified buildings for a total of 1.1 million square feet that has been or is in the process of acquiring LEED certification. As a result, Emory currently has one of the highest numbers of certified green buildings of any campus in the country.

The **University of Illinois** has stated that all new construction and major renovation projects greater than \$1 million will use the LEED rating system as a guideline for integrated sustainable design. All projects will be considered for pursuing LEED certification. LEED-accredited professionals are on staff with the facilities and services department. The Springfield campus is requiring that all new building meet LEED Silver certification and the University’s Business Instructional Facility at the Urbana campus is on track to be the first major Urbana building to be LEED-certified, setting an ambitious precedent with an expected Gold certification.



THE “A” LIST

Dartmouth College
 Purdue University
 University of Tennessee
 University of Texas
 University of Wisconsin
 Williams College

ENDOWMENT TRANSPARENCY

The Endowment Transparency category looks at how colleges control information about endowment investment holdings and shareholder proxy voting records. In accordance with the academic tradition of fostering a free flow of information, universities are encouraged to apply similar openness to endowment investments. Access to endowment information is necessary within a college community to foster constructive dialogue about opportunities for clean energy investment, as well as shareholder voting priorities.

Leading by Example

The Endowment Transparency “A” List is a group of 6 schools that earned “A” grades. Below is a sample of four very different institutions that all earned “A” grades. These summaries are based on data from each school’s profile page.

Dartmouth College’s Advisory Committee on Investor Responsibility (ACIR) produces an annual report containing information about every shareholder voting recommendation. The report is available to the school community and to any interested outside party on the College’s website. Any Dartmouth community member can view a hard-copy listing of all publicly traded shares that the College directly owns by visiting the school’s investment office.

Purdue University’s proxy voting record and a list of endowment holdings are made available to the university community and also to the public. This information is emailed to individuals upon request.

The **University of Texas** states that the open records law requires proxy voting records and a list of endowment holdings to be available to the public. This information is emailed to individuals upon request.

Williams College’s proxy voting record is available on a password-protected website, and at the investment office or vice president’s office, to members of the college community, such as faculty, staff, students, and alumni. A list of investment holdings is also available to the university community at these two campus locations.



THE “A” LIST

Amherst College
 Case Western Reserve University
 Duke University
 Georgetown University
 Harvard University
 Johns Hopkins University
 Northeastern University
 Northwestern University
 Purdue University
 Stanford University
 Tufts University
 University of Michigan
 Williams College

INVESTMENT PRIORITIES

The Investment Priorities category focuses on three areas: prioritizing investments to maximize profit, investing in renewable energy funds, and investing in community development loan funds. Points were awarded to all schools for investing to maximize profit, one component of a sustainable endowment.

Other elements of long-term endowment sustainability are investments related to clean energy and to the community. Accordingly, points were given to schools that investigated, or currently invest in, renewable energy funds or similar investment vehicles. Points were also given for investing in community development financial institutions. Such portfolio diversification at the local level strengthens communities that surround schools and contributes to their sustainability.

Leading by Example

The Investment Priorities “A” List is a group of 13 schools that earned “A” grades. Below is a sample of three very different institutions that all earned “A” grades. These summaries are based on data from each

school’s profile page.

In 2006, **Duke University** announced a \$5 million investment in the Latino Community Credit Union based in Durham, North Carolina. This investment is in addition to an initial investment of \$400,000, which made Duke one of the credit union’s first and largest investors.

Northeastern University reports that it has invested in renewable energy investment funds or similar investment vehicles. Additionally, the University is exploring community development financial institutions or loan funds.

Williams College reports that it has invested in community development financial institutions or loan funds. Additionally, the College is exploring renewable energy investment funds or similar investment opportunities. The College also has a Social Choice Fund that allows donors to direct contributions to a special endowment fund that screens investments based on environmental and social criteria.



THE “A” LIST

Brown University
 Columbia University
 Dartmouth College
 Harvard University
 Middlebury College
 Pomona College
 Smith College
 Stanford University
 Swarthmore College
 University of Minnesota
 University of Pennsylvania
 University of Wisconsin
 Vassar College
 Wellesley College
 Williams College
 Yale University

SHAREHOLDER ENGAGEMENT

The Shareholder Engagement category examines how colleges conduct shareholder proxy voting. As investors, colleges have an opportunity to actively consider, as well as vote on, climate change and other sustainability-related shareholder resolutions. Forming a shareholder responsibility committee to advise the trustees allows schools to include students, faculty, and alumni in research and discussion of important corporate policies on sustainability. In addition, such committees offer exceptional educational opportunities at the intersection of policy, business, and sustainability. Points were awarded for schools that had formed such committees.

Leading by Example

The Shareholder Engagement “A” List is a group of 16 schools that earned “A” grades. Below is a sample of three very different institutions that all earned “A” grades. These summaries are based on data from each school’s profile page.

Dartmouth College’s Advisory Committee on Investor Responsibility deliberates and makes recommendations on all proxy resolutions pertaining to social and environmental issues (not corporate governance issues) submitted to companies in which the College directly holds shares. In 2005 (which is the most recent data available), the College reported voting in favor of all sustainability shareholder resolutions, as well as in favor of all global climate change shareholder resolutions.

At **Stanford University**, according to established guidelines, all proxies are voted in-house by the manager of investment responsibility. Voting is driven primarily by “shareholder best interest” based on current corporate governance and social issue proxy voting guidelines. Guidelines are updated, as issues evolve, based on recommendations from an advisory panel, which includes four student and two alumni representatives. In 2000, Stanford adopted shareholder-voting guidelines that ensure the university will vote in favor of shareholder proposals relating to climate change. These became the first known voting guidelines on climate change adopted by a university in the United States or Canada.

At **Swarthmore College**, the Committee on Investor Responsibility (CIR) acts in an advisory capacity to the Investment Committee of the Board of Managers. The CIR consists of four students, three staff, and two members of the Board’s Investment Committee. The CIR prepares proxy recommendations on social and environmental issues and has filed several shareholder resolutions.

