

May 18, 2024

## **Agreement between Students for Justice in Palestine (SJP)/Wesleyan Palestine Solidarity Encampment (WPSE) and Wesleyan University Administration**

Students for Justice in Palestine (SJP), the Wesleyan Palestine Solidarity Encampment (WPSE), and the Wesleyan University Administration agree to take the following steps and the SJP and WPSE agree to decamp as of May 18, 2024.

- I. Disclosure of Wesleyan's Current Investment Portfolio with regards to industries related to the military industrial complex and/or the conflict in Palestine-Israel

As of December 31, 2023, 1.7% of Wesleyan's endowment was invested in companies categorized as Aerospace & Defense businesses as defined by Global Industry Classification (GIC) codes. Most of these companies are component and parts suppliers with broad commercial and aerospace applications. None are directly involved in the manufacturing of weapons. As of the same date, 0.4% of the endowment is invested in companies in Israel, all of which are software companies. No questions were raised by SJP/WPSE about investments in any other countries. Finally, as of that same date no part of Wesleyan's endowment was invested in any companies mentioned in the SJP-WPSE letter.

Wesleyan has an existing policy on socially responsible investing articulated in the Investment Policy Statement adopted by the Board of Trustees. The Investments Office screens investors and investments using an environmental, social, and governance (ESG) framework. Consistent with our Socially Responsible Investment policy, there is no current exposure in the endowment nor plans to invest in industries such as civilian gun manufacturing, cigarette companies, and private prisons. Due to the time-lag between the adoption of the Socially Responsible Investment policy and the necessary unwinding of existing investments, the University's remaining direct investments in fossil fuels are also currently winding down and expected to be zero by 2030.

A formal response by Wesleyan University's Investment Office, which was drafted in response to SJP-WPSE's request, can be found in Appendix 1 to this document.

- II. Divestment and Wesleyan's ethical investment strategy moving forward:

As clarified by Wesleyan's Investment Office, Wesleyan's current exposure (as of Dec. 31, 2023) to companies that have been identified by the student protestors from SJP-WPSE is already extremely limited to non-existent.

Moving forward the participants agree to a process that will use the CIR to advise the Investment Committee in regard to investments that should either be divested from in a reasonable timeframe or placed off-limits to the University's endowment based on our communities' values and the committee's fiduciary responsibilities.

As made explicit in the Policy on Socially Responsible Investment, which was ratified by the Board of Trustees in 2015, as a general rule, Wesleyan will follow the principles set forth in *The Ethical Investor*, the seminal work that helped define the role for university endowments, foundations and other organizations seeking to balance fiduciary and socially responsible goals as investors. Guidelines from this work focus on the concept of social injury—"the injurious impact which the activities of a company are found to have on consumers, employees, or other persons, particularly including activities which violate, or frustrate the enforcement of rules of domestic or international law intended to protect individuals against deprivation of health, safety, or basic freedoms." This is an existing policy at Wesleyan University that has already been ratified and acted upon by the Investment Office and Investment Committee of the Board of Trustees since 2015.

This process will rely on existing institutions at Wesleyan University but will proceed on an expediated timeframe given the urgency of the this discussion.

The Committee for Investor Responsibility (CIR) is a standing representative body of students, faculty, staff and alumni. It serves as an advisory group tasked with helping the Board of Trustees consider issues of ethical, moral and social responsibility in the investment policies of the University. The CIR has the responsibility for recommending changes to the current Socially Responsible Investment policy, including those now being suggested by the SJP-WPSE. SJP-WPSE and the University administration agree that the CIR should explore and implement strategies to foster greater transparency within the campus community about how Wesleyan's endowment is invested.

Representatives of the SJP will meet with trustee members of the Investment Committee to present their perspective when the Board of Trustees is on campus for their upcoming meeting on May 23-24, 2024. The CIR, in consultation with various university constituencies, will forward a proposal to the Investment Committee at their earliest Fall convening. The Board of Trustees commits to a vote on the resulting proposal as early as their September 22, 2024 meeting.

The CIR has in the past not always served as a standing (permanent) committee, especially when concerns about Wesleyan's investment policy were not at the forefront of campus politics. This has proven to be a regrettable institutional capacity gap, as it left the University unprepared to respond effectively to the concerns raised by the SJP-WPSE encampment. The University has now succeeded in re-constituting the CIR to address the concerns raised by the SJP-WPSE.

Moving forward, the University and the Wesleyan Student Assembly (WSA) commit to keeping the CIR active on a permanent basis. In the Spring semester, the WSA will interview students to ensure the longer-term sustainability of the CIR beyond the tenure of its existing student members as students enrolled at Wesleyan University. The CIR has access to the Investments Office through a non-voting representative on the committee chosen by

the Chief Investment Officer in accordance with the CIR bylaws. The CIR is responsible for any amendments and clarifications of those bylaws.

### III. Study Abroad & University Academic and Career-Services Partnerships

SJP-WPSE and University administration agree to convene a broadly collaborative ad-hoc community consultation process during the Fall 2024 semester concerning the norms and guidelines that might apply broadly and globally to other formal relationships that Wesleyan maintains with approved study-abroad programs, career services, and other formal academic partnerships. Examples relevant to the current crisis include the Tel Shimron archaeological field school, the pre-approved academic partnerships with universities in Israel, and career services programs (should they exist) to invite recruiters from industries with ties to the military industrial complex.

These consultations will begin in September of 2024 with the convening of a consultative ad-hoc committee (AHC) composed of students, faculty, and staff representatives. The Educational Policy Committee (EPC) will nominate three (3) faculty representatives to this working group. The WSA will nominate three (3) students, and the Office of Student Affairs will nominate three (3) staff members. The AHC will designate its own chair and meeting schedules, with the expectation that they will generate concrete policy recommendations by January 2025.

The AHC will deliver recommendations about study abroad and academic partnerships to the EPC, which will take these recommendations to the faculty for consultation and a formal vote by the conclusion of the 2025 Spring semester. The AHC will likewise deliver recommendations about the Gordon Career Center's (GCC) activities by January 2025, which will review and respond to those recommendations and implement any resulting policy changes by the end of the 2025 Spring Semester.

### IV. Amnesty and Decampment

SJP-WPSE and University administration agree that formal judicial charges related to violations of Wesleyan's policies on disruptions (i.e. establishing the encampment without prior approval) and chalking in the immediate encampment area shall be suspended if the encampment is voluntarily cleared.

Policy violations (including disruptions, damage/vandalism, harassment, etc.) occurring in the encampment area after the clearing of the encampment, or that occur elsewhere on campus, will be subject to usual disciplinary procedures.

SJP-WPSE commits to the safe removal of all encampment-related material from Wesleyan property by the morning of Monday, May 20, 2024. After the clearing of the encampment, all parties will be subject to the existing disruption policy.

## V. Additional Initiatives

As a starting point, the parties agree to the following initiatives geared towards the overall campus response to this crisis, Palestine, and the study of Palestine:

- Utilizing Wesleyan's existing "Scholar at Risk" program to bring displaced Palestinian scholar(s) to Wesleyan.
- Trying to provide scholarships to a cohort of displaced Palestinian students who are interested in studying at Wesleyan.
- Making available micro-grants from the political engagement fund to support Wesleyan students interested in working toward political solutions beyond campus during the summer of 2024 and beyond.
- Academic Affairs will review Wesleyan's Middle Eastern Studies minor during the 2024-25 academic year and is open to enhancements and improvements to the program.
- The Wesleyan Office of Residential Life (Res Life) will assess student interest in the re-establishment of the Turath program house that previously served as the focal point of Arab, Middle Eastern, and Muslim cultural and religious activities on campus. Pending sufficient interest, the Office will initiate a relaunch of the program house by Fall of 2025.
- Wesleyan's College of the Environment (COE) will explore a collaboration with the Palestine Heirloom Seed Library.
- The University will pursue opportunities to bring Palestinian artists to Wesleyan through the Arab Fund for Arts and Culture (AFAC) as well as possible collaborations with the Edward Said National Conservatory of Music and the Barenboim-Said Foundation (USA).
- The Wesleyan Center for the Arts commits to bring Palestinian artists to campus as part of its programming during the 2024/25 academic year.
- The University as a whole invites all units to consider additional collaborations with Palestinian institutions.

## **Appendix 1**

### Response to Wesleyan SJP Request for Disclosure

Issued in response to concerns raised by the Students for Justice in Palestine (SJP) at Wesleyan University with regards to how the endowment is invested and its potential exposure to certain companies.

Clarity on investment process:

The endowment's underlying investments are controlled by external investment managers who have discretion to invest on Wesleyan's behalf. With few exceptions, our managers' portfolios are structured as a single, commingled fund in which many investors are invested alongside Wesleyan; all investors receive exposure to an identical portfolio. Given the broad investment discretion afforded to these experts, the Investments Office selects managers not just based on return potential but also on the means through which those returns will be generated. Wesleyan's primary tool to avoid investing in morally questionable areas is to understand the character, integrity, and strategies of the managers with whom it is partnered prior to committing capital. The Investments Office conducts rigorous diligence to ensure the University's investment partners are of the highest integrity and invest with strategies that broadly align with Wesleyan values.

As of December 31, 2023, 1.7% of the endowment was invested in companies categorized as Aerospace & Defense businesses as defined by Global Industry Classification (GIC) codes, a broadly accepted standard<sup>1</sup>. Most of the companies are component and parts suppliers with broad commercial and aerospace applications. Currently, none are directly involved in the manufacturing of weapons. Student protesters also asked about investments in Israel. As of the same date, Wesleyan's endowment was 0.4% invested in companies headquartered in Israel, all of which are enterprise software companies selling products globally, mostly outside of Israel. The protesters did not ask about investments in any other countries.

Wesleyan has an existing policy on socially responsible investing articulated in the Investment Policy Statement adopted by the Board of Trustees. The policy language is included as an appendix to this statement. The Investments Office includes a section on environmental, social, and governance (ESG) issues in its investment memos to the Investment Committee to highlight any potential topics for consideration and discussion prior to the Committee approving new investment partnerships. Additionally, the investments staff evaluates managers' approaches to diversity, equity and inclusion (DEI) within their own organizations and those of their portfolio companies where managers have control or influence. Consistent with this policy, there is no current exposure in the endowment nor plans to invest in industries such as civilian gun manufacturing, cigarette companies, and private prisons as an example.

---

<sup>1</sup> GIC codes were created by Morgan Stanley Capital International (now MSCI).

The Committee for Investor Responsibility (CIR) – a representative body of students, faculty, staff and alumni – is an advisory group tasked with helping the Board of Trustees consider issues of ethical, moral and social responsibility in the investment policies of the University. The CIR is the standing body that considers concerns by stakeholders and, as such, will consider the concerns raised this past year by students involved in the SJP. If and when the CIR makes a recommendation about ESG or DEI issues related to Wesleyan’s investment portfolio, the Investment Committee is obligated to take a vote on the proposal.

Moving forward:

Representatives of the SJP will meet with trustee members of the Investment Committee to present their perspective when the Board of Trustees is on campus for their upcoming meeting on May 23-24, 2024. The CIR, in consultation with various university constituencies, will forward a proposal to the Investment Committee at their earliest Fall convening. The Board of Trustees commits to a vote on the resulting proposal as early as their September 22, 2024 meeting.

Appendix – Policy on Socially Responsible Investing from IPS  
**POLICY ON SOCIALLY RESPONSIBLE INVESTING**

Wesleyan’s endowment provides essential enduring support for the academic mission of the University through annual cash distributions. The Wesleyan Investment Committee, which is responsible for overseeing the management of the endowment, seeks to optimize the endowment’s long-term investment returns by considering potential risks and returns and the University’s ongoing cash needs. The Committee believes that thoughtful engagement on environmental, social and governance matters is consistent with enhancing long-term returns and with prudently managing the endowment for the long-term benefit of the University.

In carrying out its responsibilities, the Investment Committee’s foremost duty is that of a fiduciary: to ensure that the endowment is invested for a long-term maximum return objective with appropriate consideration to controlling risk. At the same time, as an educational institution whose essential mandate is teaching and scholarship with a strong history of and commitment to social responsibility, the University recognizes its obligation to consider environmental, social and governance issues as part of its investment process. The manner in which the Committee takes such matters into account varies depending upon the decision being made by the Committee. As a general rule, Wesleyan will follow the principles set forth in *The Ethical Investor*, the seminal work that helped define the role for university endowments, foundations and other organizations seeking to balance fiduciary and socially responsible goals as investors. Guidelines from this work focus on the concept of social injury—“the injurious impact which the activities of a company are found to have on consumers, employees, or other persons, particularly including activities which violate, or frustrate the enforcement of rules of domestic or international law intended to protect individuals against deprivation of health, safety, or basic freedoms.” In selecting external managers or considering direct investments, the Committee and staff will consider environmental, social and governance factors as part of their investment process.

## **COMMITTEE FOR INVESTOR RESPONSIBILITY (CIR) BYLAWS**

### **Updated October 13, 2017**

The Committee for Investor Responsibility (CIR) will take the place of the Endowment Advisory Committee (EAC), the all-student committee currently under the authority of the Wesleyan Student Assembly. The CIR will have powers expanded beyond those of the EAC, which at present focuses on proxy voting. In addition, the CIR will allow for a more inclusive committee on investor responsibility, as it will have broader representation from the Wesleyan community at large. The CIR has no direct fiduciary responsibility, which rests with the Board of Trustees, but seeks to represent and empower the Wesleyan community in fulfilling Wesleyan's shareholder responsibilities.

#### **I. Purpose**

The Committee for Investor Responsibility shall:

1. Consider issues of ethical, moral, and social responsibility in the investment policies of Wesleyan University;
2. Vote on proxy resolutions on behalf of the University. The Chief Investment Officer must officially submit all votes in accordance with the decisions of the CIR;
3. Engage in other forms of shareholder advocacy when deemed appropriate, including but not limited to corporate letter writing and the filing of shareholder resolutions;
4. Consider proposals from members of the Wesleyan community regarding specific investment concerns, including but not limited to those pertaining to divestment from a specific security;
5. Obtain and provide information to interested parties in the Wesleyan community only available to shareholders through direct contact with corporations;
6. Make its actions transparent to the Wesleyan community.

#### **II. Membership and Organization**

A. The CIR shall be composed of up to 13 voting members:

1. Up to two faculty members, appointed by the chair of the faculty; faculty members shall serve two-year terms.
2. Up to two staff members, appointed by the Vice President for Finance and Administration; staff members shall serve two-year terms.
3. Up to two alumni members, appointed by the Vice President for University Relations; alumni shall serve two-year terms.
4. Up to seven undergraduate students, including:
  - a. One member of the Wesleyan Student Assembly (WSA), appointed by the President of the WSA for a one year term;
  - b. Up to six members from the undergraduate student body, who shall be nominated by the CIR subject to the approval of the President of the WSA. Undergraduate students shall serve renewable two-year terms.



- i. New members shall be selected through a well-publicized on-campus application process, which shall include a written statement and interview with student members.
    - ii. Members shall recuse themselves from considering any candidates with whom they are previously acquainted.
    - iii. New members shall be selected with the aim of representing all class years on the CIR.
  5. One representative from the Investment Office shall serve as a non-voting member, chosen by the Chief Investment Officer.
- B. A majority vote of the entire CIR is required for the committee to engage in shareholder advocacy.
- C. Initial terms shall be staggered to ensure continuity.
- D. The CIR shall be chaired by an undergraduate student member, nominated by the outgoing chair and subject to approval by vote of the CIR at the first committee meeting of the academic year. If the proposed chair is not approved, members may nominate other candidates, subject to approval by vote of the CIR.
- E. All votes of the CIR require a quorum of 2/3 of the committee's membership. Votes may be conducted via e-mail.
- F. The CIR shall convene at least three times each academic year:
  1. The first meeting shall occur at the beginning of the Fall semester; the purpose of this meeting shall be to set the year's agenda.
  2. A meeting shall occur at the end of the Fall semester; the purpose of this meeting shall be to finalize any shareholder advocacy that the committee has undertaken during the Fall semester.
  3. At least one meeting shall occur during the Spring semester; the purpose of this meeting or meetings shall be to vote on the University's proxy statements.
  4. Additional meetings may be proposed by any committee member and shall be convened with a majority vote of the committee.
  5. Students and other interested committee members may meet more frequently to perform preparation work for committee meetings; official actions of the CIR cannot be conducted at these meetings.
- G. Committee members may attend CIR meetings via conference call or video conference.
- H. The CIR may choose to create official subcommittees to work on specific issues or projects.
- I. The CIR shall communicate investment policy proposals directly to the Investment Committee of the Board of Trustees.

### **III. Transparency and Community Engagement**

The CIR shall actively engage the Wesleyan community in issues of responsible investment and shall work to make its activities transparent. It shall accomplish this in numerous ways, including but not limited to:

1. The publishing of an annual report of its activities, made available to all members of the Wesleyan community. The report shall include a discussion of how the CIR has voted on specific proxy resolutions and any other forms of shareholder advocacy in which the committee has

engaged. A copy of the report shall be sent to the Investment Committee of the Board of Trustees.

2. The creation and maintenance of a website that:
  - a. Describes the CIR's purpose;
  - b. Describes Wesleyan's investment policy;
  - c. Lists the CIR's current membership;
  - d. Provides a way for members of the Wesleyan community to contact the CIR;
  - e. Lists relevant committees and individuals with purposes related to the activities of the CIR;
  - f. Lists Wesleyan's most current securities and provides a way for community members to express their opinion on these securities;
  - g. Records the CIR's proxy votes.
3. Communicating information to relevant Wesleyan publications, including the *Argus*.
4. Holding annual town hall meetings at which the Wesleyan community may express opinions and concerns regarding the University's investments. At these meetings the CIR shall solicit community feedback on relevant issues. Minutes of these meetings must be made public on the CIR's website.

#### **IV. Charter Review**

1. The CIR will conduct a charter review on a biennial basis, beginning in its first year;
2. Charter changes require a supermajority of 4/5 of the committee;
3. The CIR will host an open meeting prior to voting on charter changes in order to solicit commentary and suggestions for charter changes.

#### **Appendix A: Divestment**

1. A recommendation for divestment from a security owned by the University may occur when a company's activities or policies cause substantial social injury, and:
  - a. A desired change in the company's activities would directly alleviate the injury;
  - b. The CIR has exhausted its shareholder rights in seeking to modify the company's activities to eliminate or reduce the social injury;
  - c. The company has been afforded the maximum reasonable opportunity to alter its activities;
  - d. No alleviation of the substantial social injury by the company is likely within a reasonable time;
  - e. There is significant support in the Wesleyan community for divestment, to be determined through open meetings and referenda;
    - i. The results of these referenda must be made public in a timely fashion;
    - ii. The CIR's recommendation is not bound by the results of the referenda, but any significant divergence from community sentiment should be justified accordingly.
2. The CIR may do its own research in regard to divestment proposals to educate itself and the community. This fact-finding should be distinguished from advocacy on behalf of interest groups.

3. The CIR shall present their recommendation to the Investment Committee of the Board of Trustees, which will in turn present it to the full Board. The Board will then vote for or against divestment by a majority vote. The CIR shall be responsible for communicating the Board's decision to the Wesleyan community.

4. If the Board of Trustees decides that Wesleyan will divest from a company or group of companies, it will communicate this decision to Wesleyan's Vice President and Chief Investment Officer, who shall sell the securities in question within a reasonable period of time.

5. If the Investment Office or the Investment Committee wish to reinvest in a company from which Wesleyan has previously divested, it shall present its reasons for reinvestment to the CIR. The CIR may present its recommendation to the full Board. The Board will then vote for or against reinvestment by a majority vote.

6. It is the responsibility of the CIR to make all public information about the campaign for divestment or reinvestment accessible to the Wesleyan community.

7. The CIR may make divestment recommendations, but fiduciary responsibility rests with the Board of Trustees.

## **Students for Justice in Palestine / Wesleyan Palestine Solidarity Encampment (SJP-WPSE) Statement**

SJP-WPSE are motivated by their understanding that the world is currently witnessing a genocide in Gaza that is part of Israel's ongoing settler colonial regime of occupation and apartheid. As such, SJP-WPSE have mobilized in response to the call from Palestinian Civil Society to divest from all entities that sustain Israeli apartheid and occupation, and boycott all Israeli academic institutions until Israel complies with international law by ending its occupation and colonization of Palestinian lands, dismantling the apartheid wall, recognizing the full rights of Arab and Palestinian citizens, and respecting the right of Palestinian refugees to return to their homes and properties.

SJP-WPSE believes that the apartheid, genocide, ethnic cleansing, military occupation, and illegal human rights violations unfolding across occupied Palestine are against Wesleyan's values. As such, Wesleyan should not be supporting companies or institutions that create the conditions of colonial oppression. Wesleyan should serve the public good as an institution, but it cannot do so through partnerships with discriminatory academic institutions or investments in companies that profit from war crimes and violence. Divestment and academic boycott, as outlined in our demands, will more closely align Wesleyan with its values.

In acting on these longstanding convictions, SJP's most recent set of demands were filed as a petition with the Wesleyan Student Assembly on May 3rd, 2024:

1. We demand Wesleyan University divest all finances, including the endowment, from companies and institutions that:
  - a. Provide weaponry, trainings, security systems, prisons, or other military support for the Israeli occupation of Palestine.
  - b. Provide tools to the Israeli government for the demolition of Palestinian homes and cultural markers, as well as the establishment of settlements in occupied Palestine; including companies that facilitate the building, maintenance, or economic development of illegal Israeli settlements, outposts, and segregated roads and transportation systems on the Occupied Palestinian Territory (Gaza Strip, West Bank, and annexed East Jerusalem).
2. We demand Wesleyan University provide full transparency regarding its investment portfolio through the following means:
  - a. Public availability of the comprehensive investment portfolio, including information on equity in specific companies and funds, rather than categories of investment.
  - b. End the confidential fund manager system and establish a new system that enables such transparency by the next renewal of contract.

- c. Provide proof of divestment to faculty, staff, students, and the Board of Trustees.
3. We demand Wesleyan University cease all affiliations with Israeli academic institutions and institute a full academic boycott of programs and affiliations with Israeli academic institutions; including termination of all Study Abroad programs with Israeli academic institutions by the Office of Study Abroad, the Wes-at-Shimron Archaeological Field School, as well as all Gordon Career Center recruitment programming involving companies target for divestment.
4. We demand Wesleyan University protect student, faculty, and staff First Amendment rights to free speech and protest by ensuring amnesty for anyone condemning genocide.

On May 9th, 2024, the student body passed a referendum on these demands.

SJP-WPSE provided the following list of companies to the Wesleyan Administration as targets for divestment in line with the WSA referendum and our demands. The companies, reproduced from their original source, have been identified by the American Friends Service Committee, along with the BDS National Committee, as companies that “consistently, knowingly, and directly facilitate and enable human rights violations and violations of international law as part of Israel’s prolonged military occupations, apartheid, and genocide.”<sup>1</sup>

---

<sup>1</sup> BAE Systems, General Dynamics, RENK Group, Boeing, General Electric, Rolls-Royce Holdings, Cadre Holdings (Safariland), L3Harris Technologies, RTX (Raytheon), Colt CZ Group, Leonardo, Sturm Ruger & Co, Elbit Systems, Lockheed Martin, Textron, Genasys (LRAD), Northrop Grumman, Thyssenkrupp, Caterpillar, Genie Energy, Palantir Technologies, Chevron, Motorola Solutions, Valero Energy, Alstom, Kardan, Cemex, Primo Water (Mey Eden), Fosun International (Ahava), Shunfeng International Clean Energy, Heidelberg Materials, Alony-Hetz Props & Inv, Elco, Mizrahi Tefahot Bank, Amir Marketing & Inv, Electra, Mordechai Aviv Taasiot, Ashtrom Group, Energix-Renewable, Oron Group Invs & Hldgs, B Communications, Export Investment, Partner Communications Co, Bank Hapoalim, F I B I Holding, Paz Oil, Bank Leumi Le-Israel, First Intl Bank of Israel, Rami Levi Chain Stores, Bank of Jerusalem, Formula Sys (1985), Rotshtein Realestate, Bezeq Israeli Telecom, G1 Secure Solutions, Salomon A. Angel, C Mer Industries, Internet Gold-Golden, Senstar Technologies, Cellcom Israel, Israel Discount Bank, Shikun & Binui, Danya Cebus, Lapidoth Capital, Shufersal, Delek Group, Lesico, Themis GREN, Delta Galil Industries, Mega Or Holdings, Tigbur-Temporary, Delta Israel Brands, Meshulam Levinstein, Z M H Hammerman, Dor Alon Energy, Mivne Real Estate (K.D)