

IEN Q&A: Protecting Higher Education's Freedom to Consider Sustainability Metrics When Investing

An Interview with Benjamin Tabor, Director, Policy Engagement, Investor Network, at Ceres

Over the past year, there has been a concerted effort by political forces attempting to discredit the use of environmental, social and governance (ESG) information in the investment process, resulting in elected officials in many U.S. states proposing laws aimed at [restricting asset managers' decision-making abilities](#).

These political attacks against sustainable investing are relevant to higher education, as colleges and universities allocate around a trillion dollars in capital toward endowment assets and retirement funds. Last fall, we shared a selection of [responses to these attacks](#) from members of our network.

To learn more about how the IEN Network can protect higher education's freedom to consider sustainability metrics when investing, we recently talked with Benjamin Tabor, Director, Policy Engagement, Investor Network, at Ceres. Ben shared his insights on the Freedom to Invest sign on opportunity and how higher education institutions can take action to protect their rights to consider sustainability metrics when investing their capital.

CAN YOU PROVIDE AN OVERVIEW OF "FREEDOM TO INVEST", AND WHY IT IS IMPORTANT FOR INVESTORS, COMPANIES, AND INSTITUTIONS TO BE FREE TO CONSIDER MATERIAL FACTORS RELEVANT TO THE SUSTAINABILITY OF BUSINESS?

Freedom to Invest aims to protect the freedom to invest responsibly in light of a political backlash against sustainable investment and business practices. Under the banner, "Freedom to Invest," business and investor leaders are reminding policymakers that they must be free to consider all material financial risks to plan for the long-term and build a stronger, more resilient economy. Building profitable businesses and portfolios demands an

To learn more about the Intentional Endowments Network, please contact:
info@intentionalendowments.org

analysis of all risks – from inflation to climate change. Policies that limit consideration of these risks simply defy responsible investing and business practices.

In a recently published statement, [Investors and Businesses Call on Policymakers to Protect the Freedom to Invest Responsibly](#), hundreds of investors and companies emphasized the importance of prudent investment strategies and smart risk management, as well as their commitment to continuing these mainstream practices to protect their investments and business operations.

WHY IS THERE SO MUCH URGENCY AROUND PROTECTING INVESTORS' AND COMPANIES' FREEDOM TO CONSIDER THE ECONOMIC IMPACTS OF CLIMATE CHANGE IN DECISION-MAKING?

Some elected officials are working to restrict investors and companies' freedom to consider the economic impacts of climate change in decision-making. While nearly half of U.S. states have considered restrictions on asset managers' decision-making ability, many of these measures have failed or stalled. The financial value of clean energy, the business risks of climate change, and the opportunities associated with building a stronger, more resilient economy are undeniable factors that investors and companies consider in decision-making. Investors and companies must continue to be able to make decisions that are best for their shareholders, beneficiaries, employees, and customers.

WHO CAN SIGN THE STATEMENT, AND ARE THERE ANY REQUIRED ENGAGEMENTS FROM THE FREEDOM TO INVEST SIGNATORIES?

Any investment entity with assets under management or business with revenues are eligible to sign the statement. There is no specific commitment associated with signing the statement.

This means that any college or university with an endowment is eligible to sign-on, as are investment firms with assets under management.

WHAT SPECIFIC ACTIONS DO YOU WANT THE CURRENT ADMINISTRATION AND POLICYMAKERS TO TAKE TO PROTECT CONSIDERATION OF MATERIAL ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS?

Freedom to invest calls on policymakers at the state and federal level to oppose any effort that restricts their freedom to make financial decisions that they believe benefit shareholders, employees and customers.

Freedom to Invest will continue to grow with more vocal private sector leaders who champion prudent investment strategies and smart risk management business strategies. These leaders will continue to reaffirm the importance of these mainstream practices that protect their investments and business operations, and oppose any effort that restricts their freedom to make financial decisions.

WHAT CAN IEN MEMBERS (ACROSS HIGHER EDUCATION INSTITUTIONS, INVESTMENT FIRMS, AND OTHERS IN THE FIELD) DO TO SUPPORT FREEDOM TO INVEST ?

We urge investors and companies to sign the Freedom to Invest statement and to continue to speak out and stand up to protect the freedom to invest responsibly. Go to www.freedomtoinvest.org