

Dear USD Campus Community:

Today, the Catholic Church celebrates the feast of St. Francis of Assisi, one of the most well-known and beloved figures in Christianity. Due to his great love for nature and animals, St. Francis is considered the patron saint of ecology. He is also revered for his compassion for the poor. These dual emphases, on the environment and the disadvantaged, led Pope Francis to honor St. Francis by adopting his name.

The Pope's 2015 papal encyclical, [Laudato Si'](#), echoes those two emphases. *Laudato Si'*, or "Praised Be To You" is a line from *The Canticle of the Sun* by St. Francis. The Pope's encyclical calls for urgent action to care for our common home, the poor and the vulnerable who are disproportionately impacted by global environmental problems such as climate change, pollution, access to clean water and loss of biodiversity.

On this day, the University of San Diego is delighted to announce that at its September meeting, our Board of Trustees unanimously adopted an amended investment policy in full alignment with *Laudato Si'*. With this action, the University of San Diego is one of the first universities in the world to do so.

This change to the investment policy reflects the university's commitment to social justice, stewardship of the planet, protection of human life and dignity, and promotion of the common good into its investments. The revised policy outlines our approach to Socially Responsible Investing (SRI) and Environmental, Social and Governance practices (ESG), including investments in enterprises having a positive social impact and demonstrated commitments to diversity, equity and inclusion.

The Board acted in support of a unanimous recommendation from the Investment Committee of the Board. This landmark decision clearly aligns the investment of our endowment assets with our vision to set the standard for an engaged, contemporary Catholic university where innovative Changemakers confront humanity's urgent challenges.

I want to thank the members of the Socially Responsible Investing [Task Force](#), which included students, alumni, faculty, staff and trustees. The Task Force met regularly during the past year, and recently recommended proposed language for consideration by the Investment Committee. The approved recommendations are consistent with the work started more than five years ago by the Investment Committee and provide guidance and transparency in SRI and ESG matters.

Since 2016, the university has made no direct investments in fossil fuels and reduced its exposure to this category by approximately 60 percent. As of June 30, only three percent of USD's \$818 million long-term investment pool was invested in fossil fuels. The university has committed approximately \$60 million toward impact investments in all three components of ESG — a growth of more than 400 percent since 2016. Under the approved policy, by 2035, the university will seek alternatives to eliminate its exposure from fossil fuel companies in alignment with its commitment to carbon neutrality. You can read more about how we plan to reduce our exposure to fossil fuels [here](#).

Our new investment policy is one part of multiple commitments that USD is making toward sustainability and care for our common home. This is an exciting time to be part of the USD community, as we continue to set the standard to ensure a healthy environment and a sustainable common home for future generations.

Peace,

James T. Harris III, D.Ed.
President