



Financial Ethics Research Committee (FERC)

Adam Winer (Coordinator) Report to SSMU Council

What does the FERC do?

The Financial Ethics Research Committee (FERC) aims to lay down the long-term policies and practices which will make SSMU a Canadian leader in socially responsible investing and purchasing. Last winter, SSMU Council passed two pieces of legislation put forward by the FERC: the Ethical Investment Plan and the Purchasing Policy. Building off the work of last year's committee, FERC's goal is to translate these documents into user-friendly structures which can guide SSMU's push towards sustainable, ethical, and cost-effective conduct in years to come. Our committee is composed of me, the V.P. FOPS, the SSMU Sustainability Coordinator, 3 councillors, and two members at large. We meet in small working groups on a weekly basis. Please be in touch with me if you have any questions, or would like to get involved with our work.

Socially Responsible Investing

SSMU has an investment portfolio currently valued at (approx.) \$2.4 million. The Ethical Investment Plan mandates that by the end of the 2012-13 academic year, a minimum of 6-9% of SSMU's portfolio be comprised of Socially Responsible Investments (SRI's). We have been working towards a definition of "Socially Responsible Investment" which takes into account SSMU's constitution and policies as well as Canadian industry standards.

The Ethical Investment Plan also provides criteria (pertaining to ethics and to sustainability) which FERC can use to rank our investments. This semester, we have undertaken a comprehensive review of major and publicly available SRI indices, in the hope that we can find an index which coheres well with these criteria, or that we can construct our own index. This index will be a permanent tool used by the SSMU to rank our investments and to evaluate potential investments. FERC will deliver a midpoint review of the Ethical Investment Plan to SSMU Council in February 2013, and our goal is to present a revamped version of the Plan which includes an index for ranking the SSMU's investments.

Purchasing Policy

FERC is mandated by the Purchasing Policy to create a Preferred List of Suppliers Database for the SSMU. This database will allow SSMU to compare its current major suppliers to their competitors in terms of the ethical and sustainable status of the product purchased and the company purchased from, as well as cost-effectiveness. The database will be a tool available to SSMU staff and students from this year forward, and will ensure that SSMU's purchases are consistent with our constitutional commitment to social justice and environmental protection.

This semester, FERC has taken several key steps towards building the database. We have worked with SSMU's accounting department to procure and organize lists of large purchases made by SSMU. We have also begun to clarify and systematize the criteria (as outlined in the Purchasing Policy and Ethical Business Plan) that will be used to rank our suppliers. We plan to complete a standardized scorecard that can be used to rank all current and potential suppliers. In the winter semester, we aim to present SSMU council with a proposed five-year purchasing plan, which will set annual benchmark goals for SSMU's purchasing.