At a meeting of the Advisory Committee on Socially Responsible Investing, held on Tuesday, December 11, 2007, in the Burden Room, 206 Low Library, the following members participated:

Geoffrey Heal, Faculty (Chair)  Shearwood McClelland, Alumnus
Anna Couturier, Student  Jack McGourty, Faculty
Alex Feerst, Student  Shahid Naeem, Faculty
Peggy Kauh, Alumna  Anne Sullivan, Administrator
Richard Levine, Alumnus

The following members sent an explanation of their absence:

Mary Ellen Bianco, Alumna  Sidney Small, Student
Burton Edelstein, Faculty  Caroline Yao, Student

The Chair called the meeting to order at 6:14 p.m. and introduced Peter Rosenblum, Columbia University’s School of Law Lieff, Cabraser, Heimann and Bernstein Associate Clinical Professor of Human Rights.

Peter Rosenblum addressed the Committee on issues of human rights and labor standards as they relate to the proxy work the Committee undertakes in the Spring. Peter’s work involves business and investment and the ways in which human rights and labor standards are addressed therein. He provided a history and overview of the advocacy work that has gone on around these issues, including engagement with various companies, governments and industries. He also outlined the mechanisms through which such work gets accomplished and how these mechanisms have evolved over time. He also touched on ILO standards and the FLA and how to think about these in terms of proxy resolutions that the Committee will review.

The Committee approved the minutes of its meeting on December 4, 2007.

Lisa Sachs, a second year student in the Law School active in the Human Rights Clinic presented the Clinic’s proposal for a meeting of SRI committees similar to Columbia’s, with the ACSRI as the host. The goals of the conference would be to bring the committees together for the first time to talk about experiences and strategies and to encourage collaboration among schools. Overall, it was felt among Committee members that the gathering was a good idea and that planning should move...
forward. A member of the Committee was named point person to coordinate with Lisa and prepare an initial list of interested schools.

The Committee voted on Divestment List based on the research provided to them by the Subcommittee at the last meeting. The Committee voted to approve the recommendations of the Subcommittee. These recommendations entailed leaving 19 of 25 companies on the list, removing 6 companies, adding 6 new companies and creating a watchlist with 6 companies that will be the starting point for the monitoring process next year. The Subcommittee addressed some issues needing more clarification, such as whether or not companies on certain exchanges should be considered. It was decided that these companies would be added to the list if they met the criteria, regardless of the exchanges on which they are traded, as Columbia is capable of trading on virtually any exchange in the world.

The Committee discussed the revised version of the tobacco policy recommendation, which took into account certain concerns raised by the Committee at the December 4th meeting. The Committee unanimously agreed to approve the new version of the policy recommendation.

Several issues were raised in relation to this proposal. It did not appear to the Committee that there was broad consensus on campus to divest from these weapons manufacturers based on their role in the Iraq war, as must be the case according to the University’s criteria for divestment. It was unclear to the Committee what exactly the proposal was trying to accomplish. If the Columbia Coalition Against the War was opposed to the war itself, why was it only requesting divestment from weapons manufacturers and not other companies profiting from the war and activities in Iraq? If the Coalition was against weapons companies as a whole, why were they only requesting divestment from these three companies in particular? While the Committee’s general sentiments about the war and weapons manufacturers were not in opposition to that of the Coalition, the Committee did not feel that this proposal met Columbia’s divestment criteria.

It was proposed to the Committee at the Town Hall that it put together a set of guidelines that summarize the judgments and values behind how the Committee votes on a variety of issues and that these guidelines be public. Several Universities, as well as professional fund managers do have guidelines and it was generally thought to be a reasonable concept by the Committee, as long as it was clear that the flexibility remained to address individual nuances of proposals as they arise. In a sense, the Committee’s Annual Report and precedent tables received with each proxy resolution provide the Committee’s past views on given issues, though guidelines could be useful given the frequent turnover of Committee members. It was resolved that precedent on issues would be gathered throughout this upcoming proxy season and the issue of guidelines would be revisited once this record has been collected.
As the Committee expressed interest in addressing both Chevron’s position in Burma and Dow Chemical’s legacy in Bhopal at the last meeting, it was suggested that subgroups for each issue be set up, with two Committee members in each. Before the next Committee meeting in January, the subgroups will research their respective issues to a) decide if the issue is worthy of corporate engagement and b) if it is, to create a list of specifics to address in a letter to management. The subgroups will then report back to the Committee at the next meeting. The Chair and Office of Socially Responsible Investing will work to nominate subgroup members.

The Chair will report to the University Senate on December 13, 2007. The next Committee meeting will be held January 22, 2008.

There being no further business, the meeting was adjourned at 8:15 p.m.

Respectfully submitted,

Katie Sherwin
Senior Manager, SRI