

DECEMBER 04, 2007 MINUTES

At a meeting of the Advisory Committee on Socially Responsible Investing, held on Tuesday, December 4, 2007, in the Burden Room, 206 Low Library, the following members participated:

Mary Ellen Bianco, Alumna	Jack McGourty, Faculty
Anna Couturier, Student	Shahid Naeem, Faculty
Alex Feerst, Student	Sidney Small, Student
Peggy Kauh, Alumna	Anne Sullivan, Administrator
Richard Levine, Alumnus	Caroline Yao, Student
Shearwood McClelland, Alumnus	

The following members sent an explanation of their absence:

Geoffrey Heal, Faculty (Chair)	Burton Edelstein, Faculty
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A senior member of the Committee called the meeting to order at 6:25 p.m. and introduced John Wilson of Christian Brothers Investment Services and the Interfaith Center on Corporate Responsibility. John Wilson of Christian Brothers Investment Services and the Interfaith Center on Corporate Responsibility addressed the Committee on the subject of Socially Responsible Investing. John discussed the rationale behind SRI, concerns that face the industry, the evolution of the industry over time and various SRI strategies. John spent considerable time explaining different levels of active ownership, namely corporate dialogue, shareholder resolutions and proxy voting, particularly in the context of what CBIS attempts to accomplish through these various forms of engagement.

Call to Order and Introduction of Guest Speaker

Presentation by Guest Speaker

The Committee approved the minutes of its meeting on October 16, 2007.

Approval of Minutes

The Subcommittee presented its research findings and recommendations to the Committee for review. The Subcommittee applied the criteria used last year for the monitoring process to the most recent research provided by the Sudan Divestment Task Force and the ISS, as well as independent internet research. The Subcommittee briefly explained its findings and the organization of its report. The recommendation will be voted on at the next meeting on December 11, 2007 after the Committee has had a chance to review the recommendations and related research.

Sudan Divestment Monitoring

The Committee was presented with a draft tobacco policy recommendation document for review. A Committee member raised the issue that the recommendation is to screen investment from companies who derive 100% of their revenue from the distribution of tobacco products, but that anything less than 100% is acceptable for investment. Some discussion ensued about the inclusion of distribution at all, and about the absolute percentage that should be the bar. A similar issue arose around the use of the word "large" in relation to the ownership stakes companies may take in tobacco manufacturers. It was decided that further research would be done to find out if distributors are at all included in the ISS screen that we purchase. A question also arose about what, if any, understanding there is about distributors of tobacco products in the current practice. Further research will also be required to determine this. The Committee emphasized that currently its task is to clarify the current screening practice and recommend that the Trustees formalize that practice into policy. If the Committee decides to recommend screening criteria that go beyond or differ from the current practice, it will need to make this clear in its recommendation to the Trustees and ask that they adopt this policy recommendation in place of the current practice.

Tobacco Policy
Recommendation

The proposal on engaging in community investing was seen as something that was outside the realm of what the Committee has typically undertaken. Questions arose as to what the actual scope of the Committee is. The Committee's task is to address social issues as they relate to the investment of the endowment and make recommendations as such, not to ensure that the endowment is well managed. Two issues surfaced out of the discussion 1) is the role of the Committee to advise the University as it relates to matters outside of the endowment? And 2) as it relates to the endowment, is advising the management company on community investing an appropriate role of the Committee? In terms of community investing being an appropriate investment vehicle for the endowment, it was emphasized that the mission of the endowment is to support teaching and research at the University. As such, one view was that while community investing may have a role elsewhere at the University, it does not necessarily fall within the scope of the endowment and would require that an additional mission/social goal be added to the endowment. Others felt that community investing could still fall within this mission. Most agreed, however, that this proposal falls outside the scope of the Committee as it is currently defined. It was decided that the charter of the Committee would be distributed to Committee members in order that they may review what exactly their role is and whether or not there should be further discussion about recommending a change to this role.

Community Investing

Both student proposals request that the Committee engage with and send letters to management at the companies, similar to the actions taken last year by the Committee in relation to Chevron's legacy operations in Ecuador. Committee members were pleased that their efforts last year had a positive impact on students in this manner and felt that both causes were worthy of further attention by the Committee.

Chevron Pipeline in Burma
and Dow Chemical Legacy in
Bhopal

How exactly both of these issues will be fit into the schedule remains for further discussion. The possibility of breaking into subcommittees was raised, along with having company engagement related to these issues be ongoing beyond May when the Committee stops meeting for the academic year. Next steps will be to determine what exactly the Committee wants to do in regards to these issues and how they will be approached.

At the next meeting on December 11, 2007, the Committee will hear a presentation from Professor Peter Rosenblum on Human Rights and Labor Standards, discuss the upcoming conference, vote on the Sudan Divestment List, revisit the Tobacco Policy and proposal on Community Investing, review the remaining proposals from the Town Hall and approve the 2007-2008 Annual Agenda. The Chair will then report on the agenda at the University Senate meeting on December 13, 2007.

Calendar

There being no further business, the meeting was adjourned at 8:12 p.m.

Adjournment

Respectfully submitted,

Katie Sherwin
Senior Manager, SRI