

ACCRI Meeting Minutes
11/28/2005

In attendance:

Laura Posten, Peter Voss (Laura and Peter by conference phone), Paul Hess, Glenn Loury, Louis Putterman, Harold Ward, John Harroff, Courtney Hull, Adam Weinert, Daniel MacCombie (Research Assistant)

Guests: Scott Warren, Caitlin Cohen

The committee meeting started with a discussion of the personnel changes that have occurred this year. Due to faculty rules on committee membership, Harvey Silverman and Harold Ward will no longer be serving on the committee. Harold, will, however, continue to attend meetings and serve in an advisory role. Glenn Loury and Paul Hess were chosen to take their place, and Louis Putterman was unanimously elected to be the new chair of the committee.

Harold Ward reported on the Corporation Investment Committee's rejection of the proposal for the creation of a Social Choice Fund. The Investment Committee reasoned that, while they were aware and appreciative of the work the ACCRI had done up to this point, there was not yet enough expressed donor interest in the fund for it to be feasible at this date. Harold also noted that this was the second time that the proposed fund had gone to the Investment Committee, and that while the President supported the idea, a case still needed to be made that the fund would attract new donations, and that this increased revenue would cover the costs of administering the fund. Possibilities of putting fund money in less costly investments (such as mutual funds run by managers Brown already used) were also discussed.

Sandra Seibel noted that the Investment Office had come to the conclusion that a total of \$1 million would cover administration for the Social Choice Fund.

Courtney Hull also reported that She had put together an online petition supporting the Social Choice Fund that had gathered over 500 signatures, the majority of whom were alumni. She also alerted the Committee that the Undergraduate Council of Students had passed a resolution supporting the Fund.

After much discussion, Louis Putterman agreed to write a letter to President Simmons and the Corporation requesting clarification of what would demonstrate "significant donor interest", in order to better understand how to make the case for the Social Choice Fund.

Caitlin Cohen and Scott Warren from the student group Students Taking Action Now – Darfur (STAND) were invited to make the case for a wider divestment from Sudan than the one company (ABB) from which the ACCRI had recommended divestiture, which as of yet has not happened. Caitlin and Scott argued that Brown should divest from Sudan as soon as possible, due to the ongoing nature of the Darfur conflict and the sensitivity corporations had to exhibited in the past in regard to divestiture from areas like apartheid South Africa. They presented the ACCRI with a list of 10 companies doing business in Sudan that were worthy of divestiture.

They also requested that if there were companies on that list that Brown did not own, the University should pledge not to invest in these companies in the future until they had either gotten out of Sudan or the Darfur crisis had ended. After significant debate within the committee about the role of these companies, their stock's value to Brown, and the merits of divestment in general, it was agreed that Research Assistant Daniel MacCombie would further investigate the factual basis for the list STAND presented, and give his report at the next ACCRI meeting.

Harold Ward also noted the Committee's previous ideas of developing a process that would allow Brown to submit its own proxy proposals at corporation board meetings, or at the very least be cosponsors with other shareholders. He mentioned that he receives a number of requests for cosponsors through various sources, and that it would be good if Brown could develop some sort of process for dealing with these requests. It was brought to the Committee's attention that most filing deadlines were around November, and so if Brown wanted to act it should be done immediately. It was agreed that the decision to implement a process for joining proxy proposals should be developed and voted on at a full meeting, and so the proposal currently before the ACCRI would be used as a test to understand how such a process could work. The committee also discussed what would happen if the deadline for filing a proxy proposal was a different date than the date of record of ownership. RA Daniel MacCombie agreed to look into the issue more over the break and to look into what the general guidelines for joining proxies should be, and then report back to the Committee at its next meeting.

The next meeting of the ACCRI is Wednesday, February 1st 2006 at 4:00 PM.

Minutes prepared by Daniel MacCombie December 20th, 2005

ACCRI Meeting Minutes
2.1.06

Present:

Members: Louis Putterman, Courtney Hull, John Harroff, Adam Wienert, Peter Voss [by speakerphone]

Non-Members: Elizabeth Huidekoper, Anne Sharp, Elizabeth Baldwin, Daniel MacCombie, Harold Ward

The minutes from the last ACCRI meeting were read and accepted.

Louis Putterman noted that Sandra Siebel from the Investment Office has expressed concerns about disclosure of Brown's holdings, and that a confidentiality form would be distributed to all members to read and sign. However, Sandra was not present so this will await a future meeting.

The members of STAND (Chris Talbot and Scott Warren) then came in and took part in a discussion about Sudan divestment. They made a case for why divestment should be the action Brown takes, described how the Sudanese regime is deeply involved in the genocide, noted that this situation was a very time-sensitive one, and explained the changes in the companies they wished to divest from. They also explained what schools and states had divested, which companies they had divested from, and how Brown's impact would be felt. Questions were raised about two oil companies that were not currently operating in Sudan, but it was noted that they were still making payments to Sudan's government.

It was unanimously decided that the ACCRI's recommendation would be for the University to opt to divest from companies that Brown directly holds whose investments in Sudan are generating revenue for its government, and for Brown to pledge not to invest in companies that it does not own and which are in the same position. An exception applies to companies whose activities serve the humanitarian needs of Sudan's people. This decision was made based on the provisions of the ACCRI's charter. It was decided that a document would be presented to the Brown community, as well as the Corporation, that would describe the background of the Darfur conflict, the case for divestment, and how it is the right action as described in the charter, and would include an appendix detailing which companies the University should either divest from or opt not to invest in.

It was agreed that the ACCRI would meet again before the proxy season to discuss the Social Choice Fund

Minutes prepared by Daniel MacCombie on 02.07.06

ACCRI Meeting Minutes
3/01/2006

Present:

Harold Ward, John Haroff, Courtney Hull, Adam Weinert, Louis Putterman, Anne Sharp, Sandra Seibel, Stanley Griffith, Beppie Huidekoper, Daniel MacCombie

Faculty member Paul Hess submitted his resignation via e-mail.

A confidentiality agreement was passed along to ensure that proprietary investment information be protected.

The Committee then discussed the Whole Foods Proxy issues. The first asked for a report on the company's use and sale of products that contain potential endocrine disruptors. The committee unanimously agreed to vote FOR the resolution. The second issue asked Whole Foods to report on its steps to support renewable energy. Again, the committee agreed to vote FOR the issue.

Members discussed the potential for the Social Choice Fund. Topics included recruiting donors, talking to the development office, and the rhetoric to be used for the fund. It was agreed that the RA would map out a plan to respond to the four issues raised in the President's letter. One important point that was raised was that it would be beneficial to show that the Fund could have returns above the Higher Education Price Index, which is used as a standard by other schools.

The next ACCRI meeting is scheduled for April 4th, 2006

ACCRI Meeting Minutes
4/4/2006

Present:

Anne Sharp, Sandra Seibel, Adam Weinert, Louis Putterman (Chair), Daniel MacCombie, John Harroff, Laura Posten, Stan Griffith, Courtney Hull

The minutes from last meeting were unavailable, and will be approved by e-mail.

The committee examined the proxy issues, which are to be voted on by Brown:

The first issue looked at was one to be voted on at Hershey's board meeting, which asks the company to monitor their sources for cocoa, and provide a breakdown of the percentage of their overall cocoa supply that each of their suppliers provides. The committee unanimously agreed that this issue fit the guidelines, and agreed to vote FOR.

The committee examined issues presented before Bank of America and American express, asking the companies to drop sexual orientation from their EEO policy. The committee clearly agreed that this went against the guidelines and so decided to vote AGAINST.

The issue presented to Wells Fargo regarding their predatory lending practices was also seen as clearly covered by the guidelines, and so the committee agreed to vote FOR.

The committee agreed that the second issue for Bank of America was covered by the guidelines; it asked the company to report their political contributions in newspapers and the committee agreed to vote AGAINST.

Honeywell shareholders have been asked to vote on an issue regarding the public education of the harms that Honeywell's predecessors have caused to Onandaga Lake in New York State. The committee agreed that this was clearly covered by the environmental issues guideline and so decided to vote FOR it.

Pfizer has numerous issues being presented at the board meetings. The first one considered by the committee asked Pfizer to report on its commitment to restrain the increase of drug prices to equal to or below the rate of inflation. The committee agreed to postpone a vote on this issue.

The second issue asked Pfizer to report on its political contributions, but to only publish those facts on its website. The committee agreed that this was covered by the guidelines and decided to vote FOR the issue.

The third issue asked the corporation to examine the fact that its animal care and use policy does not extend from beyond the corporation to its contract labs. The committee decided to postpone a vote on this issue, and **it was agreed that this guideline should be reconsidered at the end of the proxy season.**

Torchmark has an issue asking for an increase in board diversity; the committee agreed this was covered by the guidelines and agreed to vote FOR.

Abbott Laboratories' proxy ballot has an issue asking for a report of the company's political contributions, as well as to identify the individuals responsible for that decision. The committee agreed that the guidelines covered this issue and calls for voting FOR the proposal. We also decided that **the guideline should be reexamined at the end of the proxy season.**

Dominion Resources' shareholders have requested a report on how the company is responding to pressure to reduce its CO2 emissions connected to power plant operations. The issue is clearly covered by the guidelines and the committee agreed to vote FOR.

St. Paul Traveler's Corporation has been asked to provide a report on its political contributions disclosing its policies and procedures for distributing political contributions. The committee agreed that this issue was covered by the guidelines and agreed to vote FOR it.

Bristol Myers Squibb has a resolution similar to the one being presented to Pfizer's shareholders, and due to the lack of clarity the committee agreed to wait to vote on this issue as well.

The committee discussed the question of assessing whether companies targeted for divestment by Amherst, Yale, and the University of California Regents, in connection with their operations in Sudan, should be added to the list of companies targeted by Brown. A set of reports on these companies prepared for us by ISS was distributed in hard copy and has been e-mailed to the members. It was concluded that members should read these reports at their earliest opportunity and that we would try to agree on additional companies that should definitely be listed by e-mail communications before the next meeting, taking up more ambiguous cases as necessary at the next committee meeting.

The committee agreed to hold its **next meeting on Wednesday, 4/19** at 4:00 p.m.

ACCRI Meeting Minutes 4/19/06

Present: Sandra Seibel, Anne Sharp, John Harroff, Courtney Hull, Adam Weinert, Louis Putterman, Daniel MacCombie; by phone: Peter Voss, Laura Posten

Agenda: Discuss future direction of research for the social choice fund, decide on possible further divestments from companies doing business in Sudan, and discuss a number of proxy issues.

At the beginning of the meeting the next meeting date was decided; if necessary, it will be held on May 3rd. Additional meetings may also be held on May 10 and May 17, if required.

The first issue addressed was the decision of what other companies with ties to Sudan to divest from. A list was compiled of the companies that Yale, Amherst, and the UC Regents had divested from. Using a list of information that the ISS compiled based on a request from Sandra for information about those companies, the following recommendations were made:

Alstom: Due to the fact that most of the benefit of Alstom's dam work will go to the government, the ACCRI recommends that the University add Alstom to the divest/do not invest list.

CNOOC: It was concluded that this company has been confused with CNPC and so the ACCRI chose to recommend no action regarding CNOOC

Harbin Power: The ACCRI voted to include Harbin on the divestment list due to its equipment contract with the Sudan State Power Co., which will contribute to power generation in a similar manner as Alstom.

Lundin Petroleum: Because Lundin expects to start drilling again this year after a long hiatus, and has clearly publicized their positive view of that development, the committee voted to recommend adding them to the divest/do not invest list.

Nam Fatt Co.: Due to Nam Fatt's contract to build 6 oil pumping stations for the government, ACCRI chose to recommend adding Nam Fatt to Brown's divest/do not invest list.

Oil & Natural Gas Co.: ONGC is currently pumping 300,000 barrels a day and is on record as saying that the situation in Darfur is not a concern to the company, so the ACCRI voted to recommend adding this company to the divest/do not invest list.

PECD: Due to this company's heavy involvement in the Sudanese oil sector, the ACCRI voted to recommend adding it to Brown's divest/do not invest list.

Royal Dutch Shell:

Unlike other oil companies mentioned, Shell is not producing oil in Sudan, but rather selling oil. Due to the vagueness of how much material benefit this company is providing to the government due to its provision of fuel, the ACCRI voted to send a letter to Shell's management asking them to clarify their involvement in Sudan. Of particular concern are reports that the company has supplied aviation fuel to Sudan's military, which could be used to support the government's actions in Darfur.

Shlumberger: Due to Shlumberger's oil rig investment in Sudan, the ACCRI voted to recommend that this company be added to Brown's divest/do not invest list. The committee noted that there are some indications that the company is concerned about its reputation for social responsibility, which raises the likelihood that divestment could change its behavior.

Sudatel: ACCRI chose not to recommend divestment from Sudatel because its actions (helping with the development of telephone services) seem to be generally beneficial to the Sudanese people.

Sumatec:

Due to the lack of clarity of Sumatec's role, ACCRI chose not to recommend divestment.

Ericsson:

Like Sudatel, Ericsson was seen as being a force for greater development that would benefit the Sudanese population, so the ACCRI chose not to recommend divestment.

Videocon: It was determined that Videocon may only have recently invested in Sudan, if at all, so the ACCRI chose to contact the company before taking action.

Weir Group: Weir is participating in the single largest power project in Sudan, and so it was decided that ACCRI should recommend adding this company to Brown's divest/do not invest list.

Bharat: Due to Bharat's large scale involvement in a power generation project, similar to Alstom and to Harbin Power, the committee voted to recommend divestment/not investing in it.

No decisions were taken regarding 5 other companies on the list for which ISS was unable to provide information.

The committee chose to move on to some proxy issues that are coming up before the next meeting:

Bristol Myers Squibb:

Issue 3320: This issue asks BMS to set certain standards for its animal testing. ACCRI chose to vote with management, as the guidelines suggest.

Pfizer: There were two issues at Pfizer's meeting concerning animal rights; the ACCRI chose to vote with management on both issues.

Pfizer is facing another issue regarding drug price restraints. Because the ACCRI felt that it would impose a competitive disadvantage on Pfizer, ACCRI chose to vote with management.

Alcan: Alcan is a 45% partner in a Bauxite mine in India, which impacts a vulnerable tribal population, and this issue asks them to establish an independent board to monitor the impact of its activities. The ACCRI chose to try to do more research into the situation before making a decision.

Courtney Hull then reported on the BUCC meeting that examined the Social Choice Fund. Ruth Simmons has agreed to pay for a research assistant over the summer to put together a proposal to go before the corporation in October. Particularly, the University needs to focus on what it thinks is the best SRI strategy. There is also an upcoming meeting with the Development office over the potential for market research into the demand for a social choice option. A number of potential avenues for future planning were discussed. It was agreed that potentially the ACCRI could meet more after classes are finished.

Prepared by Dan MacCombie 4/18/2006; amended on 4/24/2006.

May 3, 2006

ACCRI Meeting

4:00 pm

UEL Building, 2nd Floor

Attendees:

Louis Putterman, Chair

Courtney Hull, Student member

Adam Weinart, Graduate student member

Eli Upfal, Faculty member

Via conference call: Peter Voss, Alumni member

Via conference call: Stan Griffith, Alumni member

Sandra Seibel and Anne Sharp, Investment Office support to the committee

Minutes

The minutes of the last meeting were approved.

Personnel issues:

Louis Putterman, current Chair, 3-year term expires now

Glen Loury, faculty member, resigned yesterday

Eli Upfal, faculty member, appointed by Faculty at April meeting, present for first meeting

Stephan Houston, faculty, appointed at May Faculty meeting to join ACCRI in September

Harold Ward, emeritus faculty member and former Chair, appointed at May Faculty meeting to return to serve next year (a 1 year term)

Dan MacCombie, current Research Assistant to the committee, will be student member next year.

Another student, who has an internship at Inovent (SRI manager) will be student member next year.

Discussion regarding replacement of Research Assistant. No resolution.

Courtney noted that at a recent BUCC meeting a Medical School rep expressed interest in having a Medical School student serve on ACCRI. She is meeting with the President soon and will remind her of the request. Courtney will update the committee on the response. Members agreed that they are open-minded on this issue.

Sudan

Louis mentioned a difference of understanding between some ACCRI members about whether Bharat was put on the list of companies to recommend divesting. His understanding is that Bharat is included. The members agreed.

Louis communicated with Beppie recently regarding the additional recommendations for divestment. Beppie plans to present the recommendations to the relevant committee during the May Corporation meeting. Beppie said she had a contact at Yale and would

seek further information from them. Louis communicated by e-mail with a member of the task-force that recommended divestment of specific companies to UC (Jason Miller, a medical student recommended by Eric Reeves). Miller felt Brown should remove Royal Dutch Shell from suspicion, and he presented convincing arguments. The members approved amending the resolution from it's April 19 meeting to remove mention of Shell. Miller agreed with Louis and ACCRI that Nam Fatt and Videocon were the most questionable companies on UC's list, but thought that Nam Fatt should nonetheless be divested, as UC had done and ACCRI has recommended. We are still seeking more information about Videocon

Social Choice Investment Option for Donors

The BUCC in its April meeting expressed support for the idea of a social choice option, and tasked ACCRI with coming back with more specific information. Beppie has agreed to provide and supervise a summer research assistant to work on this issue. Courtney wrote a job description which was read to members. The research assistant will formally work for Beppie with the goal of presenting findings on which basis ACCRI might act in September. The goal is to produce the responses requested by the President in her last letter to the ACCRI on this topic in order to have a formal proposal ready for the October Corporation meeting. Members agreed that the ACCRI meet in early fall to review the results. Stan Griffith offered to help the research assistant with information.

Courtney suggested a concluding meeting of the ACCRI to review progress and proxy guidelines. Members were in favor of the idea.

Proxy Issues

International paper - Sustainable Forestry FSC Certification – covered by guidelines – FOR

Lear – Global Human Rights Standards – AGAINST

JP Morgan – Exclude sexual orientation – AGAINST

JP Morgan – Lobbying Priorities Report – AGAINST

JP Morgan –Political Contributions –covered by guidelines- FOR

Halliburton – Report on Human Rights Policies and Implementation – FOR

Dean Foods – Sustainability Report – 2 FOR, 4 AGAINST – Vote is AGAINST (because term “sustainability” appears to be used very broadly)

Next Meeting

Scheduled for May 10, 2006, 4 pm, UEL, 2nd floor

Proxy topics: WalMart, McDonald's, Exxon

ACCRI Meeting Minutes
5/10/06

Present: Adam Weinert, Courtney Hull, John Harroff, Louis Putterman, Anne Sharp, Sandra Seibel, Stan Griffith, Peter Voss, Dan MacCombie (Research Assistant)

Proxies

McDonald's:

Asks company to label genetically engineered contents in their products. It was noted that the committee's guidelines state that the committee should vote against if the company could not control the source of their ingredients, but that probably does not fully apply here. Nevertheless, most members thought the aims of the proposal could be served by legislation, if needed. The committee voted 4-2 AGAINST this proposal.

Exxon:

Item 11: Report on Political Donations

This proposal requesting a report on policies and procedures for political contributions, outlining a number of areas in which information is requested. The committee debated the section of the issue requesting disclosure of individuals who are in charge of making these decisions. The committee voted 5-1 FOR this resolution, which resembles another on which we voted similarly at an earlier meeting.

Item 12: Corporate sponsorships report

The proposal asks for a report on decision making processes as they relate to corporate sponsorships of potentially discriminatory organizations or events. The committee voted unanimously FOR this resolution

Item 13: Amendment of EEO Policy

The proposal asks Exxon to include sexual orientation in its EEO Policy. The committee voted unanimously FOR this resolution.

Item 14: Biodiversity Impact Report

The proposal asks the company to report on the possible environmental damage (specifically to biodiversity) that would arise as the result of their drilling and other activities. The committee voted unanimously FOR this resolution.

Item 15: Community Environmental Impact

The shareholders request the board to report on how the corporation ensures that it is accountable for its environmental impacts in the communities in which it operates. The committee voted AGAINST this proposal 5-1 on grounds that the scope of the request is too broad and preparation of the report could be impractical.

Wal-Mart

Item 3:

Requests a report detailing the progress made towards implementing standards that demand humane poultry slaughter methods. The committee unanimously voted against this resolution, based on a lack of information about this method.

Item 4: Report on political contributions.

This report was identical to Exxon Mobil's, and the committee voted 5-1 FOR this resolution.

Item 6: Request for sustainability report

Report asks Wal-Mart to develop a report outlining its environmental and social sustainability, based on Global Reporting Initiative Sustainability Reporting Guidelines. The ACCRI unanimously voted AGAINST this proposal, based on the fact that Wal-Mart is already doing significant work towards developing its own guidelines.

REMAINING BUSINESS

It was noted that the ACCRI should look into utilizing these GRI guidelines to work on its own voting guidelines.

The ACCRI discussed the existing guidelines in order to determine which ones are worth re-examining. Other issues seen as remaining at the end of the year were creating a web site, joining the Investor's Network on Climate Change, and allowing Brown to propose proxies.

It was determined that the ACCRI would hold a final meeting on 5.25.2006

Finally, the upcoming research on the Social Choice Fund was discussed. Courtney Hull stated that the Alumni office was excited and on board. The two alumni members discussed potential alumni support for the fund.

Minutes prepared by Dan MacCombie, 5/10/2006, modified by Louis Putterman.

Minutes of ACCRI Meeting, 5-25-06, 5:00 p.m.

Present Eli Upfal, Louis Putterman, by phone: Peter Voss, Stanley Griffith; for the Investment Office: Anne Sharpe, Sandra Siebel.

The meeting had been called in part due to Courtney Hull's interest in reviewing some of the committee's guidelines. But she had a last minute family emergency and could not attend. The other student representatives were also absent.

Those present briefly discussed the question of whether they constituted a quorum. There should be 9 voting members and 5 would ordinarily constitute a quorum, but as there are presently only two faculty representatives (new ones being appointed for next academic year but not yet serving), the four attending might count as 50% of 8 members. There was no conclusion, but it was decided to consider the proxy issues to see whether they could be settled on the basis of existing guidelines.

Kroeger:

Proponents request a report on adopting the controlled atmospheric killing method of slaughtering chickens. The committee voted to oppose an identical proposal at its last meeting, and the members saw no reason to depart from that response.

Proponents of another proposal at Kroeger request a wide-ranging sustainability report. The committee voted at its last meeting against an apparently identical proposal brought to Exxon-Mobil, but it was pointed out that there was a special circumstance there because of the size and dispersed physical operations of Exxon-Mobil, whereas implementing the request might be more feasible for Kroeger, hence consistent with ACCRI guidelines favoring reports at reasonable expense. It was recalled that ACCRI voted for similar proposals regarding other companies last year. This led to a discussion about how the committee's decisions on past proposals might be archived so that we can refer to the history of our past decisions and be consistent when we don't have reason not to be. Because Kroeger's meeting is still some weeks off, it was decided to try to discuss the matter further by e-mail.

The committee turned to the question of amending its guidelines. Stan Griffith suggested revisiting the guideline about political contributions disclosures. Peter Voss pointed out that most of this is covered by statutes.

It was decided that we should try to conduct a conversation about the guidelines using e-mail messages and involving both the incoming and the present members. A copy of the guidelines will be sent to all of these to initiate the conversation. Possible proposals to change the guidelines can still be voted upon by the present members, possibly by e-mail, at least until the end of June.

The meeting adjourned shortly after 5:30.

Submitted by Louis Putterman.