

Advisory Committee on Corporate Responsibility in Investment Policy (ACCRIP)

Meeting Minutes for Meeting of April 16, 2019

Members Present

Chi-Ming Hai (chair)

Julie Pham (ugrad)

Joshua Jiang (ugrad)

Fulvio Domini (faculty)

Lisa Di Carlo (faculty)

Kayla Rosen (alum)

Members Absent

Andrew McIntosh (academic finance)

David Muller (alum)

Jamie Kase (alum)

Taylan Susam (grad)

Guests

Anne Sharpe (Investment Office)

Peter Levine (Investment Office)

Vikas Rajasekaran (RA)

Tal Friedman (Brown Divest)

Jane Dietz (Investment Office)

Marguerite Joutz (President's Office)

Maya Dayan (Brown Divest)

Jaylim Aboneaa (Brown Divest)

Spencer Schultz (Brown Daily Herald)

Christina Fournier (MCV)

Agenda:

1. Student Presentation by Brown Divest
2. Discussion of Broadening the Scope of ACCRIP

Meeting Notes:

1. Student Presentation by Brown Divest:
 - a. What is Brown Divest?
 - i. Coalition of undergraduate students that call for divestment from all money instruments Brown Divest believes to be complicit with human rights abuses in Palestine.
 - ii. 69% of Brown voters voted for Yes on divest in the latest UCS poll, which includes more than just undergraduates.
 - iii. Received 42 official student group endorsements and a supporting op-ed with more than 100 faculty signatures
 - b. Demands for Divest (5 strikes)
 - i. Strike 1: Provide products or services that contribute to the maintenance of the Israeli military occupation of Gaza and the West Bank.
 1. Israel failed to meet legal criteria for occupation standards by the UN.
 - ii. Strike 2: Provide products or services to the maintenance and expansion of Israeli settlements in the occupied Palestinian territories.
 1. Violates Geneva convention Article 49.
 2. UN Security Council resolution affirmed that Israeli settlements have no legal validity, and is thus a flagrant violation under international law.
 3. Over 25,000 homes were destroyed and 1.2 million trees were uprooted – olive trees are huge part of the Palestine economy and culture
 4. 42% of the West Bank is controlled by settlements.
 - iii. Strike 3: Establish facilities or operations in Israeli settlements in the occupied Palestinian territories.
 1. Remax, as an example, has been condemned for selling properties on Palestine land, which is normalizing crossing the border.
 - iv. Strike 4: Provide products or services that contribute to the maintenance and construction of the Separation Wall.

1. The wall cuts down on Palestine territory as well as cuts into the water supply.
 2. The Separation Wall is a harassing check point with over 700 forms of road blocks/check points in Palestine.
 3. International Court of Justice has called for Israel to cease construction of the separation wall for parts are within the Occupied Palestine Territory.
 - a. It is terrifying for even Israeli Citizens to get through to Jerusalem and back to West Bank.
 - b. One company that contributes to harassment is Caterpillar – Brown contracts with them and has invested in them.
 4. Strike 5: Provide products or services that contribute to violent acts against either Israeli or Palestinian civilians.
 - a. Violates Article 13 of the 4th Geneva convention on collective punishment tools.
 - i. IDF soldiers fired tear gas and shut down entrance/exit ways just for peaceful protest.
 - ii. Disproportionality: Israel lost ~ 60-70 soldiers/civilians, while Palestine lost over 2,100 with many civilians killed from the Gaza War in 2014.
 - iii. Children have been targeted and can be held in detention without charge, known as indiscriminate violence.
 - iv. As an example, United Technologies built the motors that the drones use, and as a result Bard College and University of Leeds have both divested.
 5. Students have voted on Brown Divest's criteria, not the exact list of the companies.
 6. Other companies Brown Divest recommends for divestment: Boeing, DXC Technologies, Airbus, Motorola, General Electric, Raytheon, General Dynamics Corp., Northrop Grumman, Oaktree Capital, AB Volvo.
- c. ACCRIPs Role:
- i. This case meets ACCRIP's charter as ACCRIP will recommend divestiture when company contributes to social harm so grave that it would be inconsistent with the goals and principles of the University to accept funds from that source.
 - ii. Divestment at Brown History:

1. ACCRIP started with apartheid divestment back in late 1980s.
2. ACCRIP made the recommendation to exclude investments in tobacco in 2003.
3. Divestment from Sudan – Brown was among the first schools to divest from that issue.
 - a. In the case, Brown called for research commission to find companies, it didn't start off with a list to divest.
- d. Response to President Paxson's letter:
 - i. Paxson letter came before she had conversations with Brown Divest coalition members, doesn't reflect open dialogue. Met with Paxson after the education conference.
- e. This issue has come up many times in the past 3-5 years:
 - i. There hasn't been a student referendum on this issue before and the situation has deteriorated recently with Israel reelecting Netanyahu, who wants to continue annexation.
- f. Although there's no collective list of companies right now Brown could commission a committee to compile a list.
 - i. UN is still working on a list of companies, but Brown could adopt it once they finish.
 - ii. Brown could also adopt other lists from other colleges.
- g. Brown Divest strictly has a stance on divestment from financial instruments not on other measures like scientific collaboration with these companies.
2. Broadening the Scope of ACCRIP:
 - a. ACCRIP doesn't want to hinder progress in research by placing mandates.
 - b. ACCRIP cannot accept not knowing where the money is going; there needs to do some kind of analysis of what we do know in terms of what funds are ESG focused and what funds we have no idea about.
 - c. There are many other situations like private prisons that are uncomfortable investments aside from just Palestine.
 - d. There are a lot of technicalities from the investment side, but that isn't enough to answer the concerns.
 - e. Although it is very difficult to engineer divestment, but that can't be used as an excuse.
 - f. The current proxy policy was a compromise between ACCRIP committee members.
 - i. Membership of the board is very different now and Brown divest has brought new information worth addressing.

- ii. ACCRIP should be open to listening to the arguments of the new students.
- iii. Brown Corporation gives guidelines for the investment office to follow and the investment office strives to be as transparent as possible.
 - 1. Brown knows a significant amount of the portfolio, but they have to sign disclosures to keep some information proprietary.
 - a. Brown can see some investments through the 13-F filing.
- iv. ACCRIP needs to write a report to Paxson and FEC about what they should address and mechanism to address.
- v. It is difficult to determine how the entire Brown community including the 100,000 alumni feel about the issue.
 - 1. Brown could do something similar to the government by putting out the policy and then getting feedback for 30-60 days.