



BROWN
Department of History

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May 25, 2017

Christina Paxson
President's Office
University Hall

Subject: ACCRIP Recommendations for Changes in Voting Guidelines for Proxy Resolutions

Dear Chris,

At ACCRIP's last meeting on April 27, 2017 we were pleased to see the formal announcement of the Task Force on Climate Change and Business and Investment Practices and look forward to its report in March 2018. At this meeting we also reviewed and unanimously voted in favor of some changes to our Voting Guidelines for Proxy Resolutions. Our existing guidelines are a decade old and these recommendations begin the process of updating them in light of resolutions we have been receiving and in keeping with ACCRIP's mandate. I explain each of our recommendations below:

1. Human Rights: Support resolutions seeking reports and improvement of corporate policy and practice on human rights. Support resolutions seeking reports and codes of conduct on investment in countries where there are pervasive violations of human rights. Support resolutions to limit or prohibit doing business in those settlements in the Occupied Territories of Palestine which are considered illegal under international law. Refer resolutions to limit or prohibit doing business in countries where there are pervasive violations of human rights to ACCRIP.

Our existing Human Rights guideline [*Human Rights: Support resolutions seeking reports and codes of conduct on investment in countries where there are pervasive violations of human rights. Refer resolutions to limit or prohibit doing business in such countries to the ACCRIP.*] was probably written in light of the anti-Apartheid movement, which led to the creation of ACCRIP. It therefore only focuses attention on countries where there are pervasive violations of human rights. This country focus remains important, but now seems insufficient in light of recent resolutions we have been receiving that are not country specific, but rather address corporations. For instance, by May 4, 2017 we had to vote on a proxy resolution requesting that Verizon establish a Human Rights Committee to review, assess, disclose, and make recommendations to enhance Verizon's corporate policy and practice on human rights. We have received other similar resolutions and are therefore recommending additional language to support resolutions seeking reports and improvement of corporate policy and practice on human rights. We are also recommending another addition to the Human Rights guideline based on ACCRIP's vote on November 12, 2012, recognizing "ongoing systemic abuses of human rights and violations of international law, as documented by the United Nations Human Rights Council and the International Court of Justice" in the Occupied Territories of Palestine.

2. Political Contributions and Related Issues: Support resolutions requiring disclosure to the stockholders (e.g. in the annual report) of policy, criteria and aggregate amounts of contributions. Support requirements to publish such reports in newspapers or to provide details of contributions. Refer to ACCRIP resolutions that seek bans on political contributions.

At present our guideline on Political Contributions and Related Issues supports disclosures, but *opposes* requirements to publish such reports in newspapers or to provide details of contributions and *opposes* bans on political contributions. ACCRIP recommends changing this guideline as ethical concerns around corporate political expenditures have grown since *Citizens United v. Federal Election Commission* 558 U.S. 310 (2010). For instance, ACCRIP had to vote on a resolution from NestEra Energy Inc. for May 18, 2017, requesting disclosure of political contributions, including recipient names and amounts. We believe supporting resolutions for greater transparency on political contributions is also in keeping with our general guideline that “[s]upport proposals for reports and development of standards where cost does not appear excessive and when the intent is to inform and to focus management attention on issues of moral responsibility.”

3. Lobbying Expenditures: Support resolutions requiring disclosure of lobbying expenditures to the stockholders (e.g. in the annual report) of policy, criteria, recipient names and amounts of expenditures.

At present we have no guidelines on lobbying expenditures, but we regularly receive resolutions, such as ConocoPhillips (May 16 2017) requesting a report on lobbying expenditures including recipients names and amounts. ACCRIP recommends this new guideline for greater transparency on lobbying expenditures as it is also in keeping with our general guideline that “[s]upport proposals for reports and development of standards where cost does not appear excessive and when the intent is to inform and to focus management attention on issues of moral responsibility.”

The Investment Office informs us that after we have made our recommendations to you, there is supposed to be a review process that has not been used in years. We hope these recommendations will initiate this process once again so that we can have more robust and responsive guidelines in the years to come, including those proposed by the Task Force on Climate Change.

I will be completing my term as chair of ACCRIP this academic year, and will be succeeded by Katie Silberman who will serve as Interim Chair for Fall 2017. She will continue working with your office on updating our current voting guidelines.

Yours sincerely,

Vazira Zamindar
Chair, ACCRIP