

Advisory Committee on Corporate Responsibility in Investment Policies

1. Charge

The Advisory Committee on Corporate Responsibility in Investment Policies (hereafter "Committee") shall:

- a. consider issues of moral responsibility in the investment policies of Brown University. The Committee shall evaluate information on such questions that are submitted to the Committee from individuals, groups, and organizations within and outside the University community;
- b. examine all proxy resolutions that are presented to the University as a shareholder in any company and that raise issues of social responsibility. The Committee shall develop guidelines for voting on proxy resolutions and from time to time, as appropriate, amend these guidelines. The guidelines and any amendments shall be submitted to the Advisory and Executive (A&E) Committee for their review and approval. After A&E approval of such guidelines, each proxy resolution shall be reviewed and, if the resolution clearly is covered by the guidelines, that resolution shall be voted in accord with the guidelines. If a particular proposal is not covered by the guidelines, that proposal shall be considered by the Committee. If the Committee recommends voting against the proposal, that vote will be cast. If the Committee recommends voting in favor of a proposal or abstaining from a vote, that recommendation will be sent to the Proxy Committee of the Corporation, for its review and action;
- c. consider requests by any member of the Brown Community to examine issues of alleged "social harm" with respect to the activities of corporations in which the University is an investor. Social harm is defined for the purpose of this charge as the harmful impact that the activities of a company or corporation have on consumers, employees, or other persons, or on the human or natural environment;
- d. carefully balance (in making its judgment on any specific question of social harm) the gravity of the social harm, the potential effectiveness of various means of influencing corporate policy, the University's need to maintain a sound financial policy, and the consistency of various proposed courses of action with the maintenance of an environment at Brown conducive to teaching and scholarly inquiry. In no event will a recommendation be made that an endowment security be selected or retained solely for the purpose of encouraging or expressing approval of a company's activities or, alternatively, for the purpose of placing or leaving the University in a position to contest a company's activities;
- e. not recommend action on any proxy resolution or other aspect of investment that advances a position on social or political questions unrelated to the conduct of the company's business or the disposition of its assets;
- f. have the power to recommend one or more of the following actions if it deems a proxy or other issue raises a significant question of "social harm" (as defined above):
 - that letters of inquiry and/ or protest be directed to the corporation(s) involved, expressing the University's concerns and requesting further information, and that (in appropriate cases) such letters establish specific terms and deadlines for the correction of the social harm involved and suggest that the University might divest itself of its shares in that corporation if these terms are not met;
 - that the University make its views on these issues known to the public;

that a representative of the University appear at the shareholders' meeting where the proxy is to be voted and present on behalf of the University its views on the issue;

that the University cooperate with other interested groups and institutions to exert additional pressure upon the company (or companies) involved to correct the social harm; and

that the University pursue any other measures the Committee deems likely to be constructive.

- g. recommend divestiture (keeping in mind the fundamental principle of sound financial policy, the legal responsibilities of the Corporation to sustain fiscal soundness and stability of the endowment fund, and the kinds of balanced judgment called for above) when divestiture will likely have a positive impact toward correcting the specified social harm, or when the company in question 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.
- h. conduct open meetings, except when the Committee specifically votes that they should be closed, and
- i. report annually to the University community on its actions by posting this report on the Committee's website.