

ACCRIP Proposal to President Christina Paxson
Fossil Fuels in Investment Policies
Voted and Passed on December 1, 2016

The Advisory Committee on Corporate Responsibility in Investment Policies (ACCRIP) considers issues of ethical and moral responsibility in the investment policies of Brown University.

In October 2014, the student group Fossil Free Brown asked ACCRIP to recommend divestment from the top 200 oil and gas companies. The previous year, ACCRIP recommended to the President that Brown divest from fifteen coal companies. The University declined to do so at that time.

ACCRIP believes that the fossil fuel industry constitutes a grave social harm to human health and the environment, and thus believes that it would be inconsistent for Brown to profit from such harm. Profiting from the fossil fuel industry contradicts the University's ethical values and principles generally, and undermines its renewed commitment to environmental issues as articulated in the "Sustaining Life on Earth" theme of the University's strategic plan, "Building on Distinction."

Included in ACCRIP's Charter is the mandate to "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."

ACCRIP has closely considered the issue of divestment from fossil fuels broadly, and coal more specifically. Although the value of Brown's investments in fossil fuel companies (including coal companies) might not be large enough to materially affect the economic well-being of the companies, we believe divestment can serve an important symbolic function in responding to ethical concerns. By divesting from fossil fuel companies, Brown can be a moral leader across higher education nationally and indeed internationally, and can contribute toward collective action for the higher good.

We believe that divestment can be an essential part of a larger toolkit of strategies and actions that move the needle away from a 20th century fossil fuel-based economy, toward a 21st-century investment in more sustainable technologies. Still, divestment per se is not a switch that can be flipped, but rather a set of complex financial transactions that unfold over time.

Members of ACCRIP are broadly representative of the University constituencies of faculty, staff, students and alumni. We are charged with exercising our moral and ethical judgment, but we are not experts in either climate change or the intricacies of investing a large endowment. However, we benefit from the riches of a large intellectual community on campus that indeed includes experts in both.

As such, we make two recommendations to President Paxson, to better align Brown's investment policies with its values:

- I. ACCRIP recommends that the President's Office establish a new **Climate Investment Task Force** ("CITF") to address a range of options for bringing Brown's investments in line with its intellectual and social commitment to environmental sustainability. CITF members should include Brown faculty, staff, students and/or alumni with expertise in the fields of climate change science/ policy and investment.

The mandate of the CITF should be to recommend how to move Brown's investment portfolio toward sustainable investment, using a combination of tools including divestment from fossil

fuel companies, investment in sustainable technology, and shareholder proxy resolutions. At the same time, Brown's investment policy must minimize financial risks associated with climate change, and not compromise the financial objectives of Brown's endowment.

The CITF will report to the President's office. ACCRIP recommends that the CITF members be appointed and convene before the end of Spring Semester 2017; issue an interim report by the end of Fall Semester 2017; and issue final recommendations to the President and the campus community by Commencement 2018.

2. ACCRIP recommends that Brown advocate for increased donations to the **Brown University Sustainable Investment Fund (BUSIF)**. This includes marketing the BUSIF aggressively as an option for new donors or a new avenue for existing donors, and raising the profile of the BUSIF on campus and in University publications. We believe that this fund would be particularly attractive as an option for graduating seniors and could potentially increase the participation rate of donations by young alumni.

ACCRIP appreciates the President's commitment to making Brown a leader in sustaining life on Earth, and we look forward to working together to move these ideas forward.