

Brown University Advisory Committee on Corporate
Responsibility in Investment Policies (ACCRIP)

2008-2009 Annual Report

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Membership of ACCRIP in 2008-09

Faculty:

Stephen Houston, Professor of Anthropology

Louis Putterman, Professor of Economics (Chair)

Luiz Valente, Associate Professor of Portuguese and Brazilian Studies and
Comparative Literature

Undergraduate:

Sam Byker

Harry Reis

Joseph Kansao (alternate)

Graduate:

James Palardy

Staff:

Beth Burlingame, Athletics (until April, 2009)

Beverly Travers, Physics (until April, 2009)

Kathleen Morrissey, Controller's Office (joined April, 2009)

Christine Sprovieri, Commerce, Organizations and Entrepreneurship (joined
April, 2009)

Alumni:

Stanley Griffith

Laura Posten

Peter Voss

Investment office representatives (non-voting):

Sandra Seibel

Anne Sharp

Website

The ACCRIP can be found at the following address:

http://www.brown.edu/Administration/Finance_and_Admin/ACCRIP/

Charter

The original Charter of the ACCRIP was approved by the faculty in 1978, and was still in place at the beginning of the 2007-08 academic year. This Charter charged the Committee with tasks that properly belong to the Administration, and required activities well beyond the Committee's resources. In consultation with the Administration, the Committee prepared an amended version of the Charter that better represents the Committee's actual practices and expands the Committee's membership by adding two members from the University Staff. This amended version was approved by the faculty on March 6, 2007. (See Appendix A)

Proxy Voting Guidelines

During the 2007-08 year, the members of ACCRIP voting to amend the Internet Access guideline to read: "Support resolutions intended to increase access to the Internet, and to promote security of all communications, including those through the Internet." In 2008-09, the committee was informed that the Advisory and Executive Committee of the Corporation proposed instead the following wording: "Support resolutions intended to increase access to the Internet and to promote the free exchange of ideas via the Internet." Members of ACCRIP expressed agreement to the change at the meeting of December 8, 2008. The guidelines applied in the 2008-2009 season appear in Appendix A.

Recommendations on Proxy Votes

Given financial market conditions in 2008-09, all directly-held assets (which historically had comprised less than 10% of the total endowment) were liquidated to give the University greater flexibility during an unstable time. Thus, ACCRIP received no proxy resolutions on which its advice was requested during 2008-09.

Social Choice Fund and Socially Responsible Investment Group

The committee was pleased to learn that a first gift of roughly \$3 million had been placed (at the donor's request) in the Social Choice Fund approved by the Corporation in 2007. Student members of ACCRIP asked whether a more actively managed socially responsible investment fund might also be created, and the committee encouraged the development of a proposal for a group resembling the existing Brown Investment Group, in which students help to manage a small portion of the university's endowment while gaining experience in investment analysis. In April of 2009, the Brown Corporation approved creation of a student-run Socially Responsible Investment Group.

HEI Hospitality

At the December 8, 2008 meeting, members of the Student Labor Alliance requested that ACCRIP address alleged worker abuse by management of certain hotels owned by HEI Hotels and Resorts. HEI is an investment group that specializes in the hospitality industry. The union UNITE-HERE has been attempting to organize employees at some locations, and there have been allegations of retaliation against those workers that support the union. The Brown SLA asked ACCRIP to recommend that Brown back UNITE-HERE's demand that the decision on union representation be made by the card-check method with a pledge of management neutrality. Management has offered to hold an NLRB-supervised secret ballot election, which UNITE-HERE opposes, claiming it is conducive to intimidation of workers by management. ACCRIP's members concluded that there is not enough evidence of worker maltreatment to merit a resolution to divest from HEI. ACCRIP did not recommend that Brown take a position on card-check neutrality versus secret ballot voting.

ACCRIP voted to write to President Simmons of its concerns about the workers' allegations, and suggested that Brown issue a statement to HEI stating that Brown feels the allegations of worker abuse would be matters of concern were they to be found to have merit, but takes no stance on card check neutrality.