

How to Advocate for

**INVESTMENT
RESPONSIBILITY
AT
DUKE**



**the duke partnership
for service**

THE DUKE PARTNERSHIP FOR SERVICE

INTRODUCTION

WE ARE DUKE

There's no doubt our university is committed to social change. In fact, it's hard to escape people devoted to addressing injustice and inequality at Duke -- whether that's in the classroom, via a student organization, or even during a DukeEngage! Indeed, our motto for the 21st century has been quite clear: "Knowledge in the Service of Society."

But, as of late, it seems our emphasis on civic engagement as a community has risen at time when our focus on political activism has declined. As students, our fire for social change is most definitely alive -- we're tremendously willing to venture out into communities, both near and far, to create impact, and we're tremendously efficient at leveraging our networks and living groups to fundraise and spread awareness for social causes at Duke. However, as many of us have recognized, these efforts alone cannot always address systemic injustices in a global society -- volunteerism and philanthropy are complements, not substitutes, of advocacy.

We've often heard that the golden era of activism has passed -- that the average student is too apathetic, too neutral, too disconnected to effectively rise up and catalyze social change. We also hear that this phenomenon isn't just limited to our university, but rather applies to our entire generation -- we simply grew up in a different time, and possess different values than our predecessors.

We get it. All of that is valid, to some extent. But, honestly, we think the real problem is much simpler -- we still want to address global injustices at the systemic level as students, but we just don't know how. We're not empowered. In most cases, the pressing challenges facing us as idealistic kids are overwhelming in pretty much every sense. The most challenging question always seems to be this: where do I even start? How could I, as a twenty-something year old, make a difference?

Fortunately, we don't have look very far for some guidance on this question -- in fact, our answers lie tucked away in the confines of the University Archives. Indeed, Duke has a rich and storied legacy of leadership in student movements for social justice. The examples from history are too many to name here -- so we'll focus on two key moments to illustrate this point.

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Following the assassination of Martin Luther King, Jr. in 1968, the nation faced a moment of uncertainty as to the fate of the civil rights movement -- and Duke was no exception, as students too felt the anxiety that the struggle for equal rights was jeopardized. Deciding that the best way to pay respect to MLK was to carry his legacy forward, a group of students came together the day after his passing to begin advocating for labor rights and racial equality amongst laborers on-campus. Within a week, the silent protest transformed into a “sit-in” on the Chapel Quad that swelled to over 1,200 students. After gaining national attention (Bobby Kennedy sent a telegram of encouragement directly to student organizers, and singer Joen Baez traveled to Durham to support students with a live performance), the trustees and President eventually met student demands -- and Duke became a symbol of hope for the nation.

That spirit of activism was not just a remnant of the civil rights era, however. Later, in 1997, a group of students, led by alum Tico Almeida, mobilized support across campus to protest inhumane working conditions in firms producing apparel and clothing that carried the Duke brand. After sustained protest – including a 31-hour sit-in in President Keohane’s office – Duke became the first university in the nation to adopt an agreement mandating all its licensed vendors sign an ethical code of conduct and disclose lists of their manufacturing sites. The movement spread to over 60 universities within a period of a few years, and soon major apparel companies – Nike, Adidas, etc. – were disclosing information on their manufacturing sites.

These examples are not random; rather, they point to an underlying thread tying each and every instance of activism here together -- student movements at Duke can actually make a difference. Our protests aren’t just symbolic statements that echo into a vacuum of inaction; as students, we are stakeholders of a major institutional thought-leader that the nation will listen to if it speaks.

There are a variety of ways for an institution like Duke to issue a call for social change, but as we all know, sometimes talk can be cheap. Indeed, for a university to make a significant stand on a social issue, they may need to be willing to “put their money where their mouth is.” That’s why, for the remainder of this book, we’ll be examining how students can effectively lobby Duke for investment responsibility -- a tried and true method of institutional advocacy for corporate social responsibility (CSR).



*Above: Students on Chapel Quad during MLK Vigil, 1968.
Right: Leaders of the Students Against Sweatshops movement at Duke, 1997.*



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INVESTMENT RESPONSIBILITY: WHAT IS THIS STUFF?

Though the buzz around CSR seems to be a recent phenomenon, the discussion over the role of business in influencing social good has been taking place for decades. The practices of major corporations are connected to issues of sustainability, human rights, animal welfare, global health -- virtually any cause you can think of!

In addition to their own boards and structures of management, corporations are also directly accountable to their shareholders -- broadly, those that own stock in their company. As links between business practices and social injury surfaced over time (supporting apartheid, manufacturing dangerous chemicals, etc.), it became clear that -- outside of external regulation -- shareholder advocacy could be the most effective way to mitigate harm and pave the way for social change. If enough stakeholders in a given corporation indicate a desire for change, then a company might be willing to take given recourse out of self-interest, or may even be mandated to take action if a majority of shares are pledged in a certain way.

In the past, most universities weren't really a part of these conversations on shareholder advocacy. Even though many of them possessed large endowments invested in a variety of major corporations, the primary function of these funds were to maximize returns to help sustain the school's mission of education -- not to be an advocate for change. There was a valid fear that engaging in social/political debates would compromise the academic integrity of an educational institution. However, after the publication of an influential book, "The Ethical Investor: Universities and Corporate Responsibility," that made the case that universities should fulfill a "moral minimum" by self-regulating the negative social impact of their own investments, more and more institutions of higher-education began to seriously consider their role in advocating for corporate social responsibility as an institutional investor. These statements from universities could have real impact, the book explained, citing a Princeton economics study concluding that even the actions of a small minority of shareholders had been enough to draw the serious attention of corporate leaders in growing movements in the past. The same surely holds true four decades later, and beyond.

The book was careful to emphasize a crucial point: major decisions on university investments should be made by governing bodies that exist outside the academic community in order to preserve its integrity. This would prove to be formative. On August 20, 2004, Duke released a landmark document in response to a growing movement for corporate social responsibility on-campus: The "Guideline on Socially-Responsible Investing." In a moment, Duke had a formalized structure to hear requests from Duke community over concerns of investment responsibility -- and had taken a public stance to leverage its holdings and endowment to make practical and symbolic statements against social injury. Now, all forms of student activism -- from divestment to sponsorship of shareholder resolutions -- were on the table for a variety of important causes.

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Yet, even though these issues were important enough to warrant official action from our university, a serious conversation on investment responsibility has rarely occurred at Duke. As we'll explain later, the official committee to hear investment responsibility requests has only been convened twice so far in its history. We don't believe this is a result of apathy or disconnect on the part of Duke students -- rather, we firmly believe it's a function of the lack of information and guidance on how to actually initiate these processes.

That's why this book was created: to help further a spirit of activism for social justice by empowering student leaders to take a stand and help Duke resume its natural position as a leader for progressive change. All it takes to make an impact here is vision, passion, and patience -- this is your time. Even if you feel alone, just remember there's a long legacy of students standing by your side in spirit.



Students at a rally for divestment of funds from apartheid South Africa, 1986.

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HOW THE SYSTEM WORKS

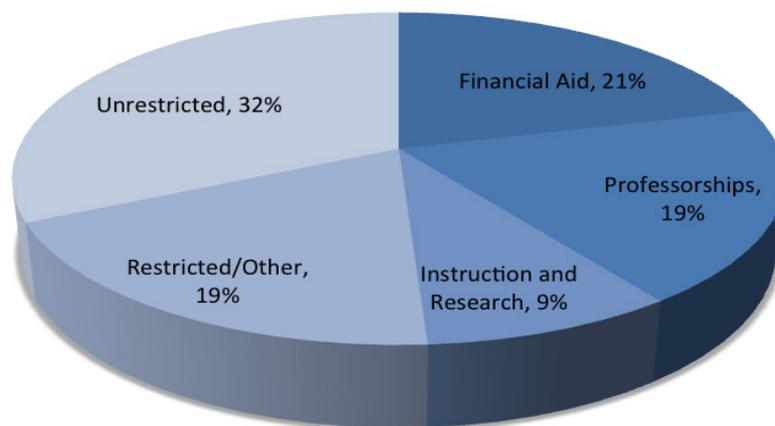
UNIVERSITY ENDOWMENTS 101

All major universities maintain an endowment as a form of a “savings” account. Institutions accrue money from donors and alumni over time, and as a result, older universities (usually private) tend to have the largest endowments. These funds are generally used to support scholarship programs, attract new faculty, and provide for new research opportunities. Colleges enhance the size of this “pot” by investing their endowment across a diverse portfolio of assets.

As of 2011, the Duke University Endowment was comprised of over 4,000 various funds that totaled \$5.7 billion. The individual funds are managed collectively in a “Long-Term Pool” by DUMAC – the Duke University Managing and Acquisitions Company.

University endowments are used to fund a variety of projects and initiatives, as demonstrated by the chart below. The Duke endowment helps subsidize research, faculty appointments, financial aid, as well as other discretionary spending.

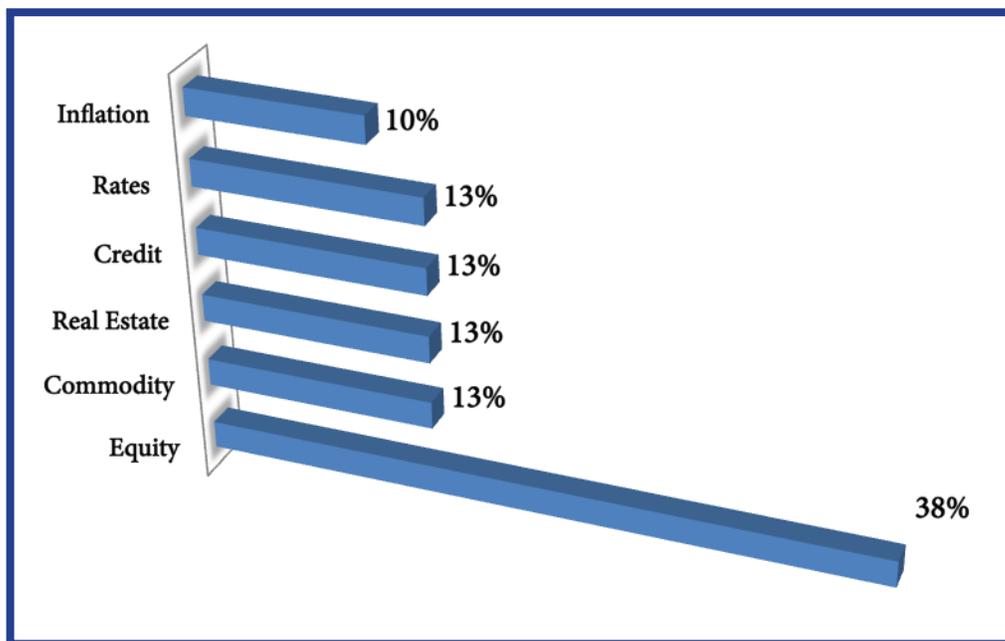
What does our endowment fund?



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To maintain relative stability in the market, university endowments are invested across a wide variety of assets – ranging from stocks to hedge funds to real estate and private equity. If you're lobbying for corporate social responsibility, you're most likely interested in the portion invested in stocks. Below, you'll find a breakdown of where our endowment is invested as provided by Duke– you'll want to pay attention to the 38% (~\$2.2 billion) invested in “equity.” Endowment transparency is very difficult – there's no disclosure mechanism as of yet for members of the Duke community to determine which companies our endowment is actually invested in.

Long-term Targets for Drivers of Returns



Sources: Duke University Endowment. For more statistics and information on the Duke endowment, please visit their website at www.giving.duke.edu/endowment

It's worth recognizing that Duke's investment performance under the guidance of DUMAC has performed extremely well in comparison to other universities. Besides a setback in 2008-2009 that saw global markets fall steeply, Duke's endowment has continually generated a substantial return that seen our endowment almost quadruple from its 1995 value of \$1.5 billion. The endowment is at the backbone of all of Duke's growth and expansion -- and for that reason, it is purposefully challenging to alter policy guiding its operation!

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WHAT ARE YOUR OPTIONS?

When lobbying Duke to become an advocate for corporate social responsibility, there are a number of actions you can recommend – ranging on a spectrum from most extreme to least.

DIVESTMENT

If you find substantial evidence that certain corporate or industry-wide practices are contributing to social harm, then a powerful measure to advocate for is university divestment. Divestment is relatively simple – Duke would instruct members of DUMAC to not invest money in “X” given firms or corporations, and retract all money currently invested in those entities. This action sends a very direct message to corporations that their practices are intolerable, and that our university community is willing to withdraw our financial support. As with any movement, divestment at Duke is most powerful when coupled with a multi-institutional campaign.

Prominent examples of divestment at Duke include the **South African Anti-Apartheid Divestment Campaign** in the early 90’s that saw our university withdraw funding from corporations supporting racial discrimination in South Africa, and the **Sudan Oil Divestment Campaign** in 2007 that saw Duke divest funds from multinational corporations operating alongside a Sudanese government associated with crimes against humanity in Darfur.

FILING A SHAREHOLDER RESOLUTION

If divestment seems like too extreme of an action – don’t worry, there are alternatives. For some issues, it may be more useful to leverage the influence Duke already possesses within companies for positive change instead of withdrawing funds to make a statement. This can be accomplished through the process of filing shareholder resolutions.

Every publicly traded company is accountable to its shareholders. If individuals that hold stake in the company wish to see change in operations, all that needs to happen is to have people controlling a majority of the company’s shares to pledge their support to a common resolution. Easier said than done! But, still effective. Any shareholder can draft a resolution asking companies to institute some change – could be instituting a more strict non-discrimination policy, capping executive compensation, even monitoring supply chains – which means its simple for students to draft such language. Then, all resolutions are compiled and sent to all shareholders for their approval or dismissal (called “proxy-votes” – see below). Again, if more than 50% of shares are voted in favor of a resolution, it passes and the given company must take the directed action.

Prominent examples of successful filing of shareholder resolutions can be found in **Swarthmore’s request that Lockheed Martin implement an LGBT non-discrimination policy in the 2000s.**

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DRAFTING A “PROXY-VOTE” RESOLUTION

“Proxy-vote” resolutions originate from the same concept as shareholder resolutions, but allow the university to weigh in on an issue of corporate social responsibility without taking as an active as a stance. As mentioned above, resolutions circulating through a corporation that are approved by a majority of shareholders must be enacted. Universities that have invested portions of their endowment in corporations serve as major institutional shareholders – and thus have the power to vote their shares on these “proxy-votes.”

A “proxy-vote” resolution will essentially commit the university to voting a certain way whenever a relevant shareholder resolution circulates through a corporation’s investors. While it is indeed a less active measure than actually filing a shareholder resolution, a “proxy-vote” resolution can be very effective due to its ability to commit the university towards responsible practices within an entire industry at once – not just a specific company.

A recent example of this category of request can be seen in the advocacy of the **Coalition for a Conflict-Free Duke**, and the previous work of students at Stanford University, who called for a “proxy-vote” resolution committing their universities to supporting shareholder resolutions pushing for “conflict-free” electronics supply chains sourced from warring regions of the Democratic Republic of Congo.

CORPORATE ENGAGEMENT

A moderate but potentially effective policy ask maybe asking Duke to consider engaging with corporations of which it is a shareholder to communicate a desire to see adaptations in certain practices. This could consist of the Board of Trustees instructing DUMAC to send a letter to the CEO of a given corporation requesting they consider shift in supply chains or removal of business practices in a specific area. This practice may be well adapted for practices that are universal throughout a given industry, like the proxy-vote. In many times, these practices can be coupled together. Other universities have adopted a policy of short-term corporate engagement and have set a long-term deadline for tangible change – if a corporation fails to meet recommended intervention, university will commit to divestment. Thus, university leverages its investment and symbolic power as an incentive.

As of 2012, **students at Yale University** were lobbying their advisory committee to consider a policy of corporate engagement regarding companies that did not comply with federal regulations related to use of “conflict-minerals” in their products.

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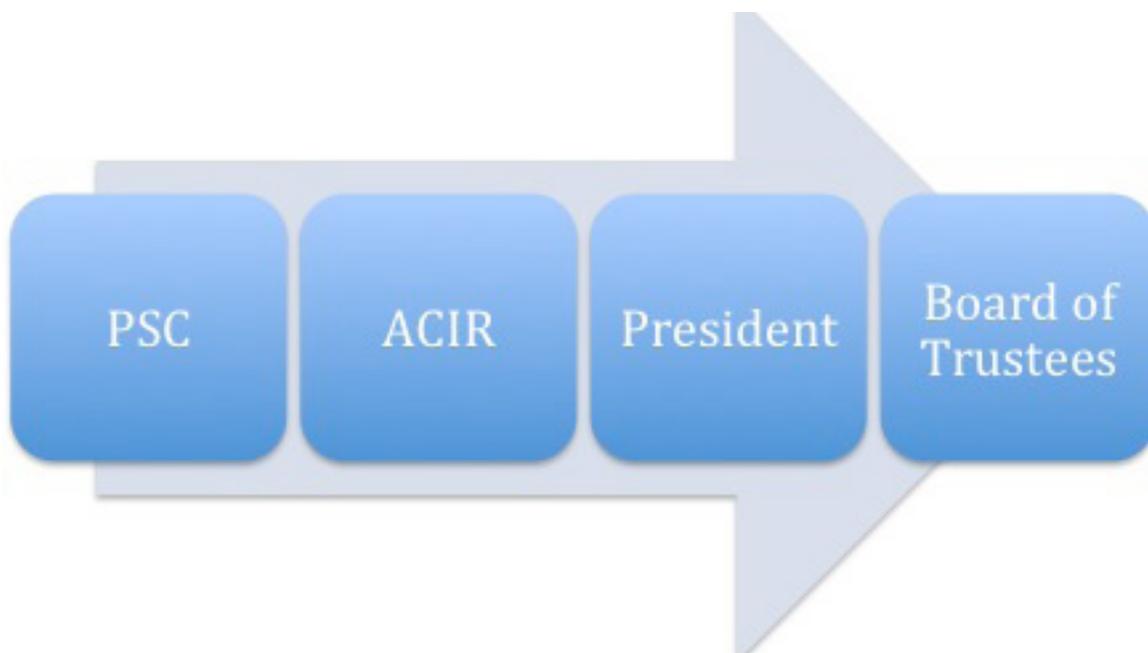
KEY STRUCTURES AT DUKE

After 2004, Duke became one of a few universities to formalize a structure to hear concerns of investment responsibility originating from within the Duke community. While these structures are established, they have seldom been utilized – only a handful of times since their creation. As a result, not much is known about them by the student community – and this book intends to change that.

As key stakeholders and decision-makers at the university, the Board of Trustees holds ultimate authority over investment responsibility decisions at Duke. For there to be an eventual shift through any method, the Board will have to ratify a resolution instructing DUMAC to take specific action. However, the Board does not have the bandwidth to seriously address every legitimate request for socially-responsible financial practices – that’s why Duke created a formal structure to make recommendations to the President and Board of Trustees². The changes created two committees:

- 1) The President’s Special Commission of Investment Responsibility (PSC)
- 2) The Advisory Committee on Investment Responsibility (ACIR)

While this process may seem complex, it’s really not – think of it as a 4-step process. All initial requests for investment responsibility are directed to the PSC (1), which generally serves as a filter. If there is a legitimate cause and request, the PSC will recommend further consideration by ACIR (2) – the committee that will deliberate on the issue, host public hearings, and then eventually makes a recommendation for action to the President. The President (3) can then either decide to present the recommendation to the Board of Trustees (4), or withhold it. The Board can then choose to ratify the recommendation or not.



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THE PRESIDENT’S SPECIAL COMMITTEE ON INVESTMENT RESPONSIBILITY (PSC)

The PSC is the first body you’ll go through when proposing any investment action. Their mandate concerns the following two questions:

- 1) Does a company’s activities or policies credibly cause a substantial amount of social harm?
- 2) Would the desired change in company policy have a direct and material effect?

The PSC is a relatively small committee comprised of the following individuals: the Provost, the Executive Vice President, a dean of one of the professional schools, Chair of the Academic Council, and a young trustee. You can find the names of the current members of the PSC as of 2012 in Section 4.

Though not in their official mandate, the PSC is sympathetic to proposals that begun to stir a substantive dialogue at Duke about the issue. This makes it all the more important to leverage the Chronicle and other media, as well as host teach-ins and symposiums prior to submitting your request.

The PSC individually gets to determine the threshold of evidence required to forward the request onwards to the ACIR. Any member of the Duke community can submit a brief to the PSC by sending a request directly to the Chair of the committee. In 2012, this was Provost Peter Lange.

For more information, see the document “Creation of the President’s Special Committee on Investment Responsibility and Advisory Committee on Investment Responsibility” in the appendix.

THE ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY (ACIR)

If the PSC directs your request forward, it will be heard by ACIR – a committee of ten members representing a broad spectrum of the Duke community (1 undergraduate, 1 graduate student, 1 alumni representative, 3 academic faculty, the University Counsel, the University Treasurer, and two administrative representatives chosen by the President. ACIR has met only twice after its creation in 2004 – from our knowledge, it was convened in 2007 to discuss and eventually recommend divestment from companies engaging in Sudan. In 2012, the committee later met to discuss the “conflict-minerals” proxy-vote resolution as described earlier.

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ACIR can execute the following three functions:

- 1) Monitor trends in investment responsibility – especially those at other peer universities
- 2) Conduct research and update files on companies when requested by PSC
- 3) Make recommendations on proxy votes, sponsorship of shareholder resolutions, whether to correspond with corporate management, and divestment if warranted.

ACIR's recommendations are based on the research and findings found during internal review regarding culpability of companies, and are also dependent on the opinions expressed by the Duke community, including the degree of consensus. ACIR has the ability to conduct public forums where members of committee convene to hear opinions of Duke community directly – this is an important avenue for student organizers to make a strong showing.

ACIR will make a recommendation directly to the President, who then has the ability to take the proposal directly to the Board of Trustees.

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HOW TO START A MOVEMENT

In principle, no one disagrees with us when we call for the respect and implementation of standards for human rights or corporate social responsibility. However, from our experience, most movements calling for tangible policy change exist in the context of serious disagreement and debate. Implementation of changes and oversight in corporate supply chains, for instance, is a nuanced topic – reforms will have consequences! This section will hopefully provide some guidance not just on the relevant structures and processes for successful advocacy at Duke, but also provide some tips related to student organization. We'll focus on the 2011-2012 “conflict-free” movement at Duke to provide some examples and context



REFINE YOUR ASK

The most important first step we have to take as student advocates is not mobilizing our friends to protest and burn down the campus – it's clearly defining and refining our request. First, start off a little broad. What exactly is the “change” we wish to seek through activism? Is it the protection of non-discrimination policies? Is it limits on executive compensation? Guarantees of human rights standards with a corporate supply chain?

Once you zero in on a high-level aim for reform, start looking around the nation for precedents and resources. Effective movements for corporate social responsibility aren't just based off the work of Duke or any single university – they're most powerful when they combine the thought power and leadership of many institutions. Have students at other universities found a way to address your issue? If so, this will make your work much less difficult. The obvious benefit is that you will have a model off which to base your policy recommendation – you can tailor existing language for a recommendation at Duke, which is great. A less obvious benefit is that the movement of other universities on an issue makes it exponentially easier to persuade administrators that the time is right for Duke to act. However, this shouldn't dissuade you from bringing up a “new” issue – Duke has proven it's willing to take national leadership on these issues in the past!

Take-away: precedents at other universities can be very helpful, but are not always necessary!

Additionally, it may be helpful to seek guidance from national advocacy organizations aiming to coordinate campaigns for investment responsibility across multiple campuses. Two prominent organizations we have worked with include the student anti-genocide coalition STAND and the Responsible Endowments Coalition (REC).

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Other organizations that have student-based chapters at Duke, such as Amnesty International, could be potential resources for bringing an on-going nationwide campaign to campus.

After taking these steps, it's crucially important to now define your "ask." You saw the various options for investment responsibility listed above – from divestment to corporate engagement. Each of them has their own benefits and limitations. Some can be customized depending on the scope and language incorporated, such as the use of "proxy-voting" resolutions. There are multiple factors to consider here: how feasible is your proposed action? Is the issue defined to one specific company or region? Is it proven that divestment, for example, would result in more good than harm? Is overly symbolic action beneficial? Many of these methods have been passed as measures of investment responsibility at Duke – the appendix contains text from past resolutions as well as proposals from Duke's recent history.

DO YOUR HOMEWORK

To have administrators seriously consider your request, you have to be well-informed. For Duke to act, our administrators want to understand two key things: that the practices of an industry or corporation are linked to substantive social injury, and that requested changes in a given corporation would reduce harm. It's crucial to have not just anecdotal evidence substantiating both of these criteria, but thorough data from respected sources – the UN, US government, OECD, etc. When you submit an initial proposal to the President's Special Committee (PSC), you will want to frame it via a concise, well-researched brief that is framed around these pillars. In the appendix, you'll find a draft of the brief submitted to the PSC for the "conflict-free" campaign.

SPARK DIALOGUE

Here we go. After you drill down on an issue, it's time to start mobilizing students that can help you start a dialogue across campus. As much as we've stressed knowledge, you can't neglect this part – administrators will favor action on issues that have been subject to a "substantive discourse" across campus. So, where do you start? We'll try to lay out a few steps.

Step 1: Form an organization

This doesn't have to be formal – you don't have to become a recognized student group for this to work. However, it's important for you to establish a core team of students who will work together, for your advocacy may be a long haul! There are a few different models available for such a group. You can create a separate organization dedicated specifically to a given cause (ex: Students Against Sweatshops) or you could model a "coalition" of existing student groups (ex: Coalition for a Conflict-Free Duke). We've found the coalition model intriguing for its potential to draw in a diverse group of students – however, it's tough to manage. We suggest creating a stand-alone organization with a small, tight board of individuals with specialized roles – with some focused on becoming "experts" in policy, some focused on education and awareness, and others focused on media and communications. From there, you can expand the role of the group towards incorporating other student groups!

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Step 2: Create a presence on the web

We suggest establishing a simple blog (Wordpress, Blogspot, etc.) sooner rather than later. Again, this doesn't have to be anything fancy! However, it's really helpful to establish some type of Internet presence where students, faculty, and administrators can turn to for more information. This can be an amazing resource to explain the exact rationale behind your policy requests and recommendations that extend past the nature of your proposal – in fact, the Chair of ACIR referred to our blog numerous times in private conversation! Additionally, a regularly updated blog can legitimize your movement and serve as a reservoir for all media attention. Besides posting updates on the policy front, a blog can be a useful tool for engaging criticisms of your movement and delving into the nuances – in short, a web presence allows others to learn whether or not students in your movement have really thought critically and are dedicated towards taking balanced action.

Key sections to include in your website: A profile of your movements, list of recent press, links to online petitions and other forms of action, and resources (briefs, videos, etc.) to learn more about your issue. A module linked to a Twitter account is also a useful way to keep others connected to your daily activities. You'll see these in a screenshot of the CCFD blog below.



Step 3: Go to the Chronicle

The Chronicle is a really effective way to spark a dialogue amongst all members of the Duke community – students, faculty, staff, and administrators. If you can find a compelling frame to issue a call for action, an op-ed in the Chronicle can launch your campaign. While drafting op-eds is more of an art than a science, they provide you with the opportunity to incorporate evidence surrounding your cause with a dose of your personal narrative and fire. When submitting to the Chronicle, you have three main options if you are not a regularly scheduled opinion columnist:

a) Submit a “guest” column

This is your most preferred option! Guest columns are just like regular columns printed in the back pages of the Chronicle – you have about 800 words to delve into a compelling story and inspire action. The only drawback is this: there is no guaranteed scheduling for guest content. If your column is time-sensitive, you can request for it to be run “online-only” – essentially as a blog on the Chronicle website. Like any news article online, these can actually go “viral”, so don't discount this option!

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b) **Submit a letter to the editor**

Letters to the editor run almost daily in the Chronicle, and cover a wide-range of topics. They are usually run within a few days of submission to the Chronicle editors – however, they are limited to a maximum of 325 words.

c) **Contact the Chronicle Editorial Board**

As an alternative to actually writing content for the Chronicle, you can also contact the Chronicle editorial board and gauge whether they might be interested in writing an opinion piece related to your cause. They are usually predisposed to covering issues that are relevant to contemporary policy issues facing the university, so this option may be more appropriate when your request is pending before PSC or ACIR.

We've included some news stories, opinion articles, and editorials from the Chronicle's online archives in the Appendix. To contact editors at the Chronicle, check out current info listed here: <http://www.dukechronicle.com/page/contact>. From our knowledge in 2012, letters to the editor can be submitted to chronicleletters@duke.edu.

Step 4: Host a “teach-in” or symposium

This is crucial for informed advocacy. While you may have done all your homework, you need to spread the knowledge to everyone who may be intrigued by the steps you've taken so far. If your group is not recognized by SOFC yet, the first step is to find an existing student organization that can help sponsor your event. Don't have one in mind? Reach out to us at the Duke Partnership for Service – we can help you find the right one.

Once you have a sponsoring organization, go ahead and reserve space. From our experience, an intimate auditorium such as Schiciano Auditorium in CIEMAS works perfectly. Reach out to any national sponsors of your campaign, and see if any lead organizers would be willing to come down to Duke for a weekend – if they are speaking at your event, you will most likely be able to fund their travel expenses through SOFC.

You'll want to find some accessible introductory material – documentaries are great! – and compile some handy literature for all who attend. At the event, introduce your interest in the cause, and emphasize your goal for tangible action on this issue at Duke – and explain your investment responsibility ambitions. Students may not be familiar with the process, but it doesn't matter – it's important to stress that this is not just an awareness campaign, but rather a movement for real policy change. Be sure to note NetIDs of all attendees to expand your group's list-serv, as well!!

Step 5: Pass a DSG Resolution

When administrators want official confirmation that campus advocates are serious about an issue, they look to action by Duke Student Government. Passing a resolution – no matter how symbolic – through DSG provides an impetus for action. In our experience, we've found that a resolution from DSG calling on PSC/ACIR to act was much more compelling than any other strategy – even more than receiving national media attention! Find a DSG Senator sympathetic to your cause, and ask them to sponsor a resolution on your behalf calling on Duke to examine your issue in the context of investment responsibility. See the Appendix for an example resolution approved by DSG in 2012 regarding a proxy-voting guideline for “conflict-minerals.”

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SUBMIT A REQUEST

Now, it's finally time to take direct action – to submit a request to the President's Special Commission on Investment Responsibility. Earlier on, you honed in on your ask and did your homework – you're in the perfect position to draft language for a request now. Given your knowledge of previous university precedents and potential communication with national organizers, you should have an idea of what investment strategy is preferred (divestment, shareholder advocacy, etc.).

A lesson learned the hard way: spend time drafting your exact language!! The wording of your resolution is critical, and may be considered verbatim regardless of your intent. It's important to vet your language by many faculty experts, especially those in the Sanford, Fuqua, and Law experts. Indeed, it may not be a large quantity of text, but its meaning and scope are important to discern.

It may be very useful to also run your language by the investment responsibility managers of other universities – especially those who have taken previous action on the issue you are concerned with.

Unfortunately, there's not a large reserve of historical policy to draw from at Duke – in the appendix, we have included the resolution certifying 2007 divestment from companies operating in Sudan. Language regarding other forms of shareholder advocacy, such as proxy-voter guidelines, will likely be more nuanced. We have included Stanford's approved proxy-voting guideline regarding "conflict-minerals" from 2010.

To submit a request, you need to e-mail a concise brief outlining your proposed request as well as evidence substantiating the need for action. Again, there's no reserve of previous requests to draw from – we have included the brief submitted to the PSC by the Coalition for a Conflict-Free Duke in 2012 in the Appendix. However, this is by no means the best model – it was compiled with no guidelines in mind besides the general ones provided by PSC.

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FUTURE EFFORTS: SRI FUNDS

Shareholder advocacy is an important avenue that has proven its ability to catalyze real movements for ethical business practices in recent history. But, as you can imagine, it can be very difficult to continuously keep altering university endowment policy.

Students at other universities have begun turning to complementary models to demonstrate the impact of ethical investing -- including the creation of student-operated **socially-responsible investment (SRI) funds**. In basic terms, students fundraise a large sum of money that they have control over (instead of a university managing company) -- and choose to invest only in ethical mutual funds that are free of companies with questionable business practices.

Yale was the first university to initiate this approach in 2008, when their umbrella organization for social action-minded student groups (Dwight Hall) created an SRI fund with an initial endowment of \$50,000. The premise was simple: students will operate this fund, and all positive returns will be used to fund the operations of Dwight Hall and supplement funding for public service and social justice student organizations on-campus. Under the guidance of campus administrators, graduate students, and investment professionals, the fund has grown 20% in the last two years alone. Recently, Harvard has jumpstarted a campaign to create a similar SRI initiative -- the "Fair Harvard Fund" -- that has generated significant attention on their campus, as well.

The point of these funds is not simply to generate eye-popping returns, but rather serve as an educational experience. A large percentage of students at Duke and similar institutions are interested in career paths involving finance and investment banking -- yet, there are sometimes few options during the undergraduate experience to apply lessons from the classrooms and summer internships on-campus. Additionally, there is often a perceived disconnect between students pursuing this career trajectory and values associated with the public service community -- an SRI fund seems a perfect opportunity to breakdown the false dichotomy often drawn between the two. Finally, the creation of SRI funds can further the cause of ethical investing by demonstrating that it is possible to simultaneously be a conscious-investor and generate significant financial returns.

When thinking about investment responsibility at Duke, this is definitely an alternative approach to consider heavily -- we at the Duke Partnership for Service have started exploratory consideration of it, and would love feedback on whether this an initiative worth pursuing. For more information, visit dwighthall.org!



THE DUKE PARTNERSHIP FOR SERVICE

KEY PEOPLE TO KNOW

There are a few key players in the administration that you should be aware of, for they heavily influence the process. These names are all circa 2012, and will likely change over the years, but they provide context for the administrators that will be in these positions in the future.

Here, we include the rosters of both the PSC and ACIR as of April 2012:

President's Special Committee on Investment Responsibility

Peter Lange, Provost (Chair)

Tallman Trask, Executive Vice President of Financial Procurement

Susan Lozier, Chair of Academic Council

David Levi, Dean of Law School

Advisory Committee on Investment Responsibility (ACIR)

Administrators

University Counsel: Ralph McCaughan, 2012

Deputy Treasurer: Tori Nevois, 2012

Administrator: Scott Gibson, 2012

Administrator: Tracy Futhey, 2013

Faculty

Jonathan Wiener, Chair, (Law), 2013

Wayne S. Norman (Philosophy), 2012

Philip Morgan (Sociology), 2013

Student representatives

Alexandra Swain, DSG, 2012

Haobo Zheng, GPSC, 2013

Alumni

Laura Meyer Wellman, 2012

THE DUKE PARTNERSHIP FOR SERVICE

ACKNOWLEDGEMENTS

The authors of this guidebook would like to extend sincere thanks to all those who help make this effort possible:

Robin Kirk and Anne-Marie Angelo, Duke Human Rights Center, for guidance and space to create such an archive of institutional knowledge

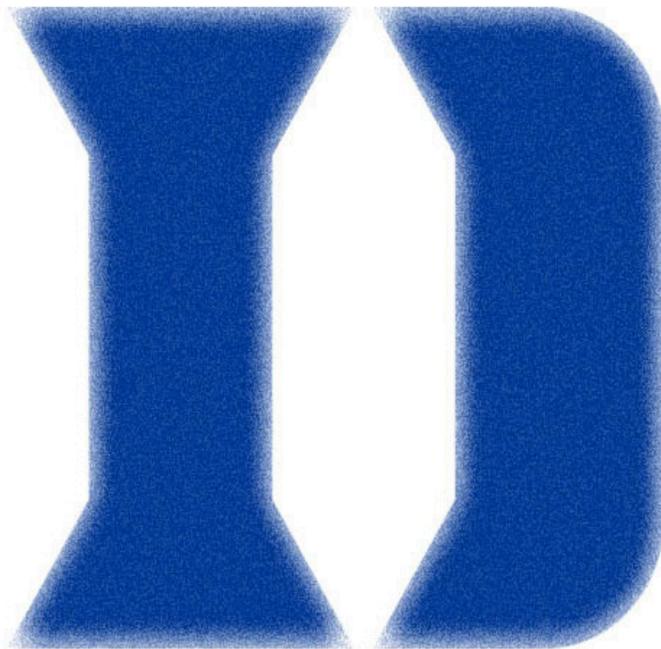
Linda Kimball, Stanford Advisory Panel for Investment Responsibility, for insight and advice into the nuances of advocacy and university policy

The Responsible Endowments Coalition, for teaching us the basics of investment responsibility, and providing us with a template for an accessible student advocacy handbook.

Tico Almeida, Duke '99 and United Students Against Sweatshops, for inspiration to know that Duke can and should always be a leader in advocacy for corporate social responsibility and protection of human rights

...and lastly...

To all students who laid the foundation of legacy of social activism at Duke, and to the future students who will pick up the torch and continue this important work in times to come!



APPENDIX

1. *“Guideline on Socially Responsible Investing.” Duke University. 2004.*
2. *“Creation of President’s Special Committee on Investment Responsibility and Advisory Committee on Investment Responsibility.” Duke University. 2004.*
3. *Board of Trustee Resolution certifying divestment of funds from companies operating in Sudan. Duke University. 2007.*
4. *Board of Trustee Resolution certifying proxy-voting guidelines on “conflict-minerals.” Duke University. 2012.*
5. *Student proposal submitted to the PSC requesting consideration of investment responsibility with regards to “conflict-minerals.” Duke University. 2011.*
6. *“A Resolution of the Duke Student Government: Encouraging the Passage of a ‘Conflict-Free’ Proxy-Voting Guideline.” Duke University. 2012.*
7. *Memorandum to ACIR from Provost Peter Lange, Chair of PSC, regarding recommendations on “conflict-minerals.”*

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Guideline on Socially Responsible Investing August 20, 2004

To fulfill its educational and humanitarian purposes, Duke University must manage its investment assets wisely. Thus the primary fiduciary responsibility of the Board of Trustees in overseeing the management of the University's investment assets must be to maximize the financial return on those resources, taking into account the amount of risk appropriate for the University.

At the same time, the University wishes to be a good corporate citizen and a responsible and ethical investor. The authority of its Board of Trustees to take ethical factors into account when setting investment policies and practices derives from the very stewardship responsibilities which attend the ownership of endowment securities. We recognize that sometimes a corporation's policies or practices can cause substantial social injury—that they may have a gravely injurious impact on employees, consumers, and/or other individuals or groups that results from specific actions by a company. For example, corporate actions may violate domestic or international laws intended to protect individuals and/or groups against deprivation of health, safety, or civil, political, and human rights.

Thus for investments not governed by the Employee Retirement Income Security Act (ERISA), when the Board of Trustees judges that corporate policies or practices cause substantial social injury, it will give weight to this factor in investment practices related to corporate securities.

Actions the University takes may or may not materially affect an offending corporation, but such actions may have significant symbolic value. When the University community has engaged in substantive discourse on an issue and expressed broad concern that substantial social injury is being caused by such policies or practices, the president may make a recommendation to the Board of Trustees.

Where the Board of Trustees finds that a company's activities or policies cause substantial social injury, and that a desired change in the company's activities would have a direct and material effect in alleviating such injury, it may instruct the Duke University Management Company (DUMAC) to take appropriate action, including the exercise of the University's practicable shareholder rights to seek modification of the company's activities to eliminate or reduce the injury, using such means as

- a) direct correspondence with management
- b) proxy votes
- c) sponsoring shareholder resolutions.

If the Board of Trustees further concludes that the company has been afforded reasonable opportunity to alter its activities, and that divestment will not impair the capacity of the University to carry out its educational mission (for example, by causing significant adverse action on the part of governmental agencies), then it may instruct DUMAC and its managers to divest the securities in question within a reasonable period of time.

THE DUKE PARTNERSHIP FOR SERVICE

11/5/2004

Creation of President's Special Committee on Investment Responsibility and Advisory Committee on Investment Responsibility

Preamble

The Board of Trustees recognizes that Duke University's ability to meet its educational mission and financial goals requires enhancing the value of the endowment over the long term by investing in companies that achieve real growth. It also recognizes the importance of ethical practices. A mechanism is necessary to assist the President in making recommendations to the Board of Trustees in keeping with the Board's Guideline on Socially Responsible Investing, which is attached. The committees noted below provide such a mechanism.

(1) President's Special Committee on Investment Responsibility (PSC)

The President's Special Committee shall consider proposals from the University community regarding specific investment responsibility concerns, first determining whether there is a credible allegation of social injury on the scale envisioned in the guidelines.

If the PSC finds that an issue merits further investigation, it will refer it to the Advisory Committee on Investment Responsibility (ACIR).

PSC Membership

The President's Special Committee on Investment Responsibility shall be composed of the Provost and the Executive Vice President (or their delegates); the Dean of one of the professional schools; the chair of ECAC or faculty member designated by ECAC; and a young trustee designated by the Board.

The PSC chair shall be appointed by the President.

PSC Operations

The PSC shall examine issues of investment responsibility involving the University's endowment securities. If it finds that a company's activities or policies plausibly cause substantial social injury, and that a desired change in the company's activities could have a direct and material effect in alleviating such injury, the PSC will forward to the President a recommendation that the ACIR examine the issue in greater depth. The PSC will determine, on a case-by-case basis, the threshold of evidence necessary to forward a recommendation for further examination to the President.

The Chair is responsible for setting agendas. The Chair accepts written proposals from any member or group of the Duke community for possible inclusion on the agenda.

THE DUKE PARTNERSHIP FOR SERVICE

11/5/2004

- (2) Advisory Committee on Investment Responsibility (ACIR)
The Advisory Committee on Investment Responsibility is a University body advisory to the President with the following functions:
- a. Receive issues referred to it by the PSC;
 - b. Monitor trends and activities in investment responsibility that have an impact on educational institutional investors;
 - c. Conduct research, update Duke's files on companies, and provide analyses when requested by the PSC;
 - d. Make recommendations to the President on how to vote proxies when the committee believes proxies should be voted outside the standard protocol of "economic interest;" whether to sponsor shareholder resolutions; whether to correspond with the management of corporations in which the University holds an identifiable equity position; when to divest; and on any new issues, which may warrant attention.

ACIR Membership

The Advisory Committee on Investment Responsibility shall include ten voting members: one undergraduate and one graduate or professional student nominated respectively by the Duke Student Government and Graduate and Professional Student Council, one alumnus nominated by the Duke University Alumni Association, three faculty members nominated by the Academic Council, the University Counsel or his or her delegate, the Deputy Treasurer or his or her delegate, and two administrative appointees chosen by the President. Each representative body will be asked to nominate two individuals for each position and the President will select who will be invited to serve.

Members shall be appointed for at least two years and may be reappointed, serving until their successors take office.

The ACIR Chair shall be appointed by the President from among the voting members.

ACIR Organization

The ACIR shall meet on call of the Chair.

The ACIR may ask individuals, from within the University or outside of it, to attend its meetings as consultants or otherwise provide advice and information.

To assist in its review of social responsibility proxy issues, the ACIR will have access to data compiled by or on behalf of the University on companies the securities of which are held directly by the University. It is understood that certain pooled or commingled investment vehicles may not permit the degree of disclosure possible for direct holdings.

THE DUKE PARTNERSHIP FOR SERVICE

11/5/2004

ACIR Operations

The ACIR shall examine issues of investment responsibility involving the University's endowment securities and propose to the President recommendations for action by the Trustees. Such recommendations shall take into consideration the following factors: (1) the facts and information the ACIR has gathered in its study of the issues; (2) whether the offending firm's culpability is substantial and proven; (3) the opinions expressed within the Duke community regarding the issues, including the degree of consensus; and (4) the legal and financial impact of the recommended action on the companies in question.

The Chair is responsible for setting agendas. The Chair shall take as an agenda item only matters referred by the President or the PSC.

The ACIR may, at its discretion, sponsor or encourage the convening of occasional public meetings or forums of the Duke community to assess the views of members of the community.

In considering an allegation of substantial social injury, the ACIR shall investigate and analyze the allegation in whatever manner it deems appropriate and may then make a recommendation to the President, provided that the recommendation is first approved by the majority of the ACIR's members. Recommendations may call for voting Duke's shares in shareholder resolutions, making representations to management, divestment of securities, or other action as the ACIR deems appropriate.

The ACIR shall make its recommendation in writing to the President. The recommendation shall be accompanied by factual findings and an analysis of the question involved. Voting members of the ACIR who hold dissenting or divergent views may submit them in writing with the ACIR's recommendation.

Where the ACIR indicates a desire to deliberate on a proxy or divestment issue, the President will, where practicable, await a timely recommendation from the ACIR before taking action.

The President will make decisions on all recommendations for action under this policy.

Role of the President

The President will review the analysis and recommendation of the ACIR and, if he or she concurs, will forward a recommendation to the Board of Trustees.

If the President chooses not to forward the ACIR's recommendation to the Board of Trustees, he or she will explain his or her decision in writing to the ACIR.

An annual report published by the President's office will inform the University community of the issues examined by the PSC, recommendations made by the ACIR, and the disposition by the President's office and the Board of Trustees.

THE DUKE PARTNERSHIP FOR SERVICE

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RESOLUTION RELATING TO THE RECOMMENDATION OF THE PRESIDENT'S ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY

WHEREAS, the President's Advisory Committee on Investment Responsibility (ACIR) has carried out extensive deliberations regarding the issue of Sudan/Darfur and Duke's investment policy; and

WHEREAS, the ACIR in its deliberations adhered as closely as possible to the protocols set forth in 2004 by the Board of Trustees to handle issues related to socially responsible investment, and in particular, the ACIR considered only the issue put to it by the President's Special Committee on Investment Responsibility: that is, divestment from Sudan; and

WHEREAS, the ACIR has recommended that the University adopt a policy related to investments and Sudan/Darfur and that policy has been duly considered and adopted by this Board of Trustees by the resolutions herein.

NOW, THEREFORE, BE IT RESOLVED, that DUMAC, LLC, be prohibited from making direct investments in companies identified as heavily engaged in business with the government of Sudan, and that DUMAC, LLC, is to identify those companies by utilizing the list from the international group Sudan Divestment Task Force, or a more authoritative list if DUMAC has access to one; and

BE IT FURTHER RESOLVED, that this policy shall remain in effect until the United States government lifts sanctions defined in Executive Order 13067 (1997, Clinton) and Executive Order 13412 (2006, Bush); and

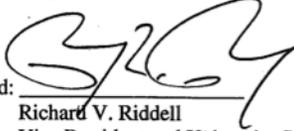
FURTHER RESOLVED, that the appropriate officers of the University are hereby authorized and directed to take such further actions as they shall deem necessary and appropriate, and as may be required to fully implement these resolutions; and

FURTHER RESOLVED, that any action which has heretofore been taken by any of the officers of the University in connection with the foregoing resolutions or the matters contemplated thereby is hereby ratified, approved and confirmed.

Submitted to the Board of Trustees on February 29, 2008.

Approved by the Board of Trustees on February 29, 2008.

Signed:



Richard V. Riddell
Vice President and University Secretary

THE DUKE PARTNERSHIP FOR SERVICE

RESOLUTION RELATING TO THE RECOMMENDATION OF THE PRESIDENT'S ADVISORY COMMITTEE ON INVESTMENT RESPONSIBILITY

WHEREAS, the President's Advisory Committee on Investment Responsibility (ACIR) has carried out extensive deliberations regarding the issue of "conflict minerals" and Duke University's investment policy; and

WHEREAS, in section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the U.S. Congress defined the term "conflict minerals" from the Democratic Republic of the Congo (DRC) and adjoining countries as: (A) columbite-tantalite, also known as coltan (the metal ore from which tantalum is extracted); cassiterite (the metal ore from which tin is extracted); gold; wolframite (the metal ore from which tungsten is extracted); or their derivatives; or (B) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the DRC countries; and

WHEREAS, the ACIR in its deliberations adhered as closely as possible to the protocols set forth in 2004 by the Board of Trustees to handle issues related to socially responsible investment, and in particular, the ACIR considered only the issue put to it by the President's Special Committee on Investment Responsibility (PSC); and

WHEREAS, the ACIR has found that investment policies in this area need to be carefully formulated and evaluated because the problem of conflict minerals is complicated and response options may have complex consequences; and

WHEREAS, the ACIR has recommended that the University adopt a policy related to proxy voting guidelines on shareholder resolutions related to conflict minerals on investments in which Duke has direct ownership and that policy has been duly considered and adopted by the Executive Committee of the Board of Trustees by the resolutions herein;

NOW, THEREFORE, BE IT RESOLVED, that DUMAC, INC. direct fund managers to vote in favor of well written and reasonable shareholder resolutions that ask companies for reports on their policies and efforts regarding their avoidance of conflict minerals and conflict mineral derivatives; and

BE IT FURTHER RESOLVED, that this policy shall be reviewed by the PSC five years from the date of this resolution to revisit the policy as its full consequences and evolving circumstances are better understood; and

THE DUKE PARTNERSHIP FOR SERVICE

TO: Members of the President's Special Commission on Investment Responsibility
FROM: Stefani Jones, Sanjay Kishore, and the Coalition for a Conflict-Free Duke
RE: Responsible investments in corporations using "conflict-minerals"

As outlined by the guidelines for the President's Special Committee on Investment Responsibility (PSC), the PSC shall examine issues of investment responsibility involving the University's endowment securities, ultimately deciding whether or not to make a recommendation to the Advisory Committee on Investment Responsibility (ACIR) to examine said issues in greater depth. In doing so, the guidelines direct the PSC to take two factors into consideration:

- a) **That a company's activities or policies plausibly cause substantial social injury**
- b) **That a desired change in the company's activities could have a direct and material effect in alleviating such injury.**

Believing that both criteria, detailed below, have been met and that the issue has been seriously discussed throughout the University community, we propose the following action by the Duke University Board of Trustees:

- a) **Proxy Voting Guideline** – The University will vote in favor of well-written and reasonable shareholder resolutions that:
1. Ask companies for reports on their policies and efforts regarding their avoidance of conflict minerals and conflict mineral derivatives
 2. Ask companies to comply with the requirements of due diligence described in Section 13(p) of the Securities and Exchange Act of 1934, which was amended as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
- b) **Future Investment Guideline** – The University precludes any new, future investments in companies required to disclose information about conflict-minerals that have: filed an "unreliable determination", reported false information, or failed to file a report—all as required by Section 13 of the Securities and Exchange Act of 1934.

I. Industry use of "conflict-minerals" contributes to substantial social injury

Unprecedented violence in DRC fueled by minerals

- With over 5 million individuals killed in the last decade, ethnic violence perpetrated by multiple armed militias in the Democratic Republic of Congo (DRC) has been declared the deadliest conflict since World War II.¹
- Sexual violence used as a weapon of war. UN administrators have deemed DRC the "rape capital of the world", with an estimated 48 rapes occurring every hour^{2,3}

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- Warring parties, including rebel militias and Congolese national army, depend on mineral trade to subsidize atrocities⁴
 - DRC possesses vast reserves of minerals vital for consumer electronics (tin, tantalum, tungsten, and gold).³
 - Over 50% of mines in Eastern DRC are controlled by armed militias; an estimated 80% of mineral wealth is smuggled out of the nation³
 - Forced labor, extortion, and excessive “taxation” are among many methods utilized by armed groups to fund conflict.⁴

Electronics corporations can leverage influence to ensure ethical supply chains

- Independent experts have ranked oversight measures of 21 major producers; to date, none have acted to guarantee “conflict-free” products⁵
 - Ex: Apple + HP have implemented minerals-tracing policies; Sharp has not reached out to suppliers
- The US government has recognized the connection between business practices and social injury:
 - In a 2009 visit to the DRC, Secretary of State Hillary Clinton called for action to “prevent the mineral wealth from the DRC from ending up in the hands of those who fund the violence.”⁶
 - Congress passed a “conflict-minerals” provision (Sec. 1502) in the 2010 Dodd-Frank Act calling on corporations to “exercise due diligence” in establishing “conflict-free” supply chains⁷
 - In 2011, the State Department launched a Public-Private Alliance for Responsible Mineral Trade to support pilot “conflict-free” initiatives.⁸

II. Industry action can have a direct and material effect in alleviating social injury

- Since the passing of the 2010 Dodd-Frank Act and its provision on conflict minerals, electronics companies have accelerated their efforts to reform supply chains.
 - Some companies are beginning to audit the procurement procedures of tantalum smelters through a conflict-free smelter program with the Electronics Industry Citizenship Coalition (EICC).⁹
 - The EICC is planning to expand its processes to include tin, tungsten, and gold, but the timelines for this and how many smelters will be included are still unclear.⁹
- In October 2011, the UN Group of experts on Congo stated that the Dodd-Frank provision was working, and that private sector purchasing power and due diligence has reduced conflict financing and is promoting good governance in the region.¹⁰
- Without consumer demand and strong industry action, the potential for greater change in the Congo will be lost. Industry action is not a panacea for all of the

THE DUKE PARTNERSHIP FOR SERVICE

problems in the Congo, but it is a necessary step that has already had tangible impacts.

III. Duke community has engaged in a “substantive discourse” on this issue

- Creation of the Coalition for a Conflict-Free Duke, which over fifteen different student groups have signed on to.¹¹
 - More than 300 students have signed a petition calling for Duke to enact a “proxy-voting” resolution addressing companies utilizing “conflict-minerals”¹²
 - Duke Financial Procurement issued a statement of support for “conflict-free” electronics¹³
 - More than 120 students attended the “Eureka Symposium”, featuring independent experts from the **Enough Project** (affiliated with Center for American Progress) who provided background and context for university action on the issue of conflict-minerals¹⁴
 - Over 800 individuals recommended our October editorial introducing “conflict-minerals” on Facebook.¹⁵
 - Eight subsequent Chronicle columns have since cited the issue of “conflict-minerals.”
 - Duke Student Government passed a unanimous resolution calling for a broader university policy addressing conflict-minerals¹⁶
-

IV. Proxy-voting resolution is a meaningful yet feasible action Duke should enact

- Powerful statement indicating Duke’s priorities and commitment to this cause – leverages our shares for socially-responsible practices instead of divesting from given corporations
- Stanford is the only university in the nation to have shifted investment policy (via a proxy-voting resolution); Duke would become the second institution to do so.¹⁷
 - Stanford’s resolution pledged support to shareholder resolutions requesting information on a given company’s avoidance of “conflict-minerals.”
 - Pending Dodd-Frank SEC regulations to be released in December, Duke could follow similar action or pledge support to resolutions advocating for tracing/auditing measures of minerals.
- Presents no cost to Duke’s endowment in uncertain times, but potentially high benefits to our reputation by taking such a socially responsible measure.

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A RESOLUTION OF THE DUKE STUDENT GOVERNMENT

Encouraging the Passage of a 'Conflict-Free' Proxy Voting Guideline

Policy Statement

DSG urges the Advisory Committee on Investment Responsibility (ACIR) and the Duke Board of Trustees to approve the proposed proxy voting guideline that instructs the University to vote for conflict-mineral conscious shareholder resolutions within companies in which it invests.

Rationale

Whereas Duke's mantra is "knowledge in the service of society," and its mission statement calls for the university "to help those who suffer" and for students to lead "lives of skilled and ethical service," it is imperative to raise awareness and act against the current atrocities in the Democratic Republic of the Congo. The war in the Congo has taken close to six million lives since 1996 and has a current rate of 45,000 fatalities per month; it is now called the deadliest conflict since World War II. The conflict is funded by the illegal mineral mining industry, whose economic incentives provide the fuel for the war. These 'conflict minerals' end up in cell phones, laptops, and virtually all consumer electronics products here in the United States.

As one of the leading institutions for higher education in the country, Duke can use the power of its investments to create real change in the Congo. In June 2010, Stanford University's Board of Trustees passed a proxy voting guideline that instructs the University to vote for conflict-mineral conscious shareholder resolutions within companies in which it invests. The process to pass the same proxy voting guideline began this year at Duke, and the President's Special Committee on Investment Responsibility already unanimously approved the proposal. It is currently being considered by the ACIR, and pending their approval, will be voted upon by the Board of Trustees. The proxy voting resolution is a way of showing Duke's leadership and commitment to the issue of conflict minerals and more largely on human rights and maintaining positive global presence.

Sources:

<http://www.nytimes.com/2010/06/13/us/13bcminerals.html>

<http://dukechronicle.com/article/student-petition-advocates-conflict-free-duke>

THE DUKE PARTNERSHIP FOR SERVICE

From: Peter Lange
Sent: Friday, January 20, 2012 4:14 PM
To: Jonathan B. Wiener, J.D.
Cc: Tallman Trask; Susan Lozier; David F. Levi; James S. Roberts, Ph.D.; grwagonejr@gmail.com; Richard Brodhead, Ph.D.; Richard Riddell, Ph.D.; Neal Triplett, M.B.A.; Adrienne Clough (acc37)
Subject: Decision by President's Special Committee on Investment Responsibilities

MEMORANDUM

To: Jonathan Weiner, Chair, Advisory Committee on Investment Responsibility (ACIR)

From: Peter Lange, Provost and Chair President's Special Committee on Investment Responsibility (PSC)

C: Richard Brodhead, Rick Wagoner, Neil Triplet, Richard Riddell

This is to inform you that the PSC met on Friday, January 13, 2012 to consider a request from students that the University establish conditions governing the exercise of its proxy voting rights in companies in which it may have investments with regard to the use by those companies of "conflict minerals" (see attached documents from students for description of conflict minerals and other documents supporting their request). During its hearing, the committee (all members present with the exception of Vice Provost James Siedow) heard from the students, examined their supporting materials and questioned the petitioners on certain matters.

Upon completion of this hearing, the committee met in closed session and voted unanimously to request that the ACIR examine the request, as stipulated in the University's Board of Trustees Guidelines on Socially Responsible Investing and the subsequent guidelines establishing the PSC and ACIR. In forwarding this matter to the ACIR, the PSC concluded that the issue of conflict minerals and their use in commerce plausibly does cause substantial social injury and that changes in the activities of companies with respect to the usage of conflict minerals could have a direct and material effect in alleviating such injury. In addition, the petitioners demonstrated that there had been sufficient interest and concern among members of the Duke community with regard to the matter of conflict minerals to warrant consideration of this matter by ACIR.

In forwarding this matter to ACIR, the PSC wishes to note that it is supportive of consideration of actions stipulated under section a) 1 of the petitioners' request (see attached) regarding the exercise of proxy votes and that it assumes that if the soon to be forthcoming regulations under Dodd-Frank require actions by companies in which Duke has investments with regard to conflict minerals, that the companies will comply with those regulations. The petitioners did not request any action with regard to divestiture nor is the PSC prepared to ask the ACIR to consider such actions. Additionally, the PSC suggests that the student petitioners and the ACIR draw upon campus faculty expertise on Africa in further exploring the issue of "conflict minerals" and the social injury and political role they appear to play.

I am happy to discuss this matter further with the ACIR should it be requested.

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FURTHER READING

Outside Sources

Simon, J. (1972). *“The Ethical Investor: Universities and Corporate Responsibility.”* Yale University Press.

“Everything You Need to Know to Bring Responsible Investment to Your College or University.” The Responsible Endowments Coalition. (2007). Find online at www.endowmentethics.org

ACIR Documents

ACIR Full Report on Conflict-Minerals, May 2012 (18 page-report, 137 pages with appendix)
Document containing ACIR’s full recommendation to the President and Board of Trustees after weeks of deliberation. Contains research derived from interviews with the Duke Managing Company, representatives of major corporations, and relevant faculty and experts on corporate law at Duke. Though a longer read, will provide the most insight as to how the actual process for investment responsibility has been set-up to operate at Duke. Can find the document online at: <http://spotlight.duke.edu/acirforum/documents>

Chronicle Articles on Investment Responsibility

“Board to consider ending divestment.” Duke Chronicle. January 27, 1994
Article summarizing Duke’s efforts divesting from companies operating in South Africa in early nineties.

“Considering divestment at last”. Duke Chronicle, October 15, 2007.
Article highlighting Duke’s consideration of divestment from Sudan.

“DukeDivest meets with Keohane.” Duke Chronicle, February 18, 2003.
Article written by student participating in a campaign to lobby Duke to divest from Israel, which did not eventually succeed. Provides insight into communication with university leaders on investment practices, however.

“Student petition advocates for a “Conflict-Free Duke.” Duke Chronicle, January 24, 2012.
Article recapping movement for Duke to pass a proxy-voting resolution addressing “conflict-minerals” in investment policy.

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ABOUT dPS

The Duke Partnership for Service (dPS) is the umbrella organization for over 60 student groups focused on public service and social justice at Duke University. Founded in 2009, dPS aims to provide access to service opportunities to the Duke community, support student organizations in their efforts to create social impact, and inspire all students to think critically about and work towards systemic change. This guidebook is part of an ongoing series of efforts to sustain a culture of student engagement by highlighting methods to get involved!



ABOUT THE AUTHOR

Sanjay Kishore is a senior at Duke University who became interested in issues of investment responsibility after helping lead the 2011-2012 effort to pass a “proxy-voting” resolution addressing ‘conflict-minerals’ through the Duke Board of Trustees. After becoming president of the Duke Partnership for Service during the same year, he was inspired by learning of our university’s long and storied tradition of student activism and progressive leadership. Realizing a gap in the communication of institutional memory and knowledge regarding the history of these movements, he used protected time during an independent study with the Duke Human Rights Center to create a resource that could provide guidance for future students interested in lobbying Duke to take a stand for corporate social responsibility. He’s currently pursuing a Program II major focusing on the intersection of medicine, public policy, and social justice. In his free time, you can find him camping in line outside of Cameron or aimlessly riding the Robertson heckling UNC fans.