

Minutes
President's Committee on Corporate Social Responsibility
Wednesday, February 27, 2013, Gentry Building Room 246
3:00 p.m. – 4:00 p.m.

Present: Gina DeVivo Brassaw, Phil Dwire, Celia Guillard, Shareen Hertel, Nina Hunter, Rich Miller, Kyle Muncy, Dennis Pierce, John Sears, William Simpson, Tim Tolokan

Guests: Kevin Edwards, Warde Manuel, Emily Udal

Absent: Robert Bird, Ann Crawford, Kimberly Fearney, Michael Kirk, Waldo Klein, Leslie Langworthy, Susan Randolph

Meeting called to order at 3:00 p.m. by Chair Hertel, who opened the meeting and welcomed all members. She introduced two guests: Warde Manuel, Director of the Division of Athletics who spoke on his recent trip with other athletic directors, touring NIKE factories in Asia; and Kevin Edwards, Vice President of Finance/Chief Investment Officer, UConn Foundation who responded to questions on fossil fuel holding and other energy holdings in the Foundation's portfolio. She also welcomed Emily Udal, an intern in the Office of Environmental Policy (UConn) who attended this PCCSR meeting as a guest of Rich Miller.

Warde Manuel, Director of the Division of Athletics (3:00 p.m. – 3:30 p.m.)

Mr. Manuel discussed five different Asian factories he visited which produce product for UConn. The factories are based in the following locations:

Ho Chi Minh City, Vietnam (pop. 7.3 million)
Guangzhou, China (pop. 12.7 million)
Kowloon, Hong Kong (pop. 7 million)
Shanghai, China (pop. 2.3 million)
Wangfujing, Beijing (pop. 19.6 million)

Mr. Manuel mentioned that there were five other Directors of Athletics from around the country who attended this year's trip (Mike Alden, U-Missouri; Greg Byrne, U-Arizona; Bubba Cunningham, North Carolina, Mike Thomas, U-Illinois; and Warde Manuel, U-Connecticut). He talked about his experiences and observations -- including data on production, sector (apparel, footwear, equipment) and how factories appear to be following NIKE and UConn code of conduct policies related to labor and environmental standards. He did not see any obvious issues related to safety, security. The percentage of female workers is higher than male in most factories. The Nike staff seemed genuinely invested in upholding the code.

Prior to his trip, Mr. Manuel had met with Shareen Hertel and Rachel Rubin (Chief of Staff for Pres. Herbst) for a briefing on labor standards and did background reading, including *Can We Put An End to Sweatshop* (co-authored by Archon Fung, Dara O'Rourke, and Charles Sable). Following the trip, he has been keen to meet with the PCCSR and to entertain questions, which he did. These covered issues related to pay, working conditions, and grievance procedures.

Kevin Edwards, Vice President of Finance/Chief Investment Officer, UConn Foundation
(3:30 p.m. – 4:00 p.m.)

Mr. Edwards gave the committee a quick overview of his role as Vice President for Finance/Chief Investment Officer at the University of Connecticut Foundation. He then offered background on his interaction with members of the UConn community who have advocated recently that the Foundation divest in fossil fuel holdings. Edwards explained that there have been only two communications on this score (one letter from Emeritus faculty member from the UConn Health Center to President Herbst; and another communication from a student sent to the Alumni Association). Edwards prepared a reply for use by President Herbst but not had further communications from either. His position is to engage in exploring multiple types of energy holdings, while maintaining an emphasis on growing the portfolio. As he explained, UConn's endowment is invested in multiple mutual funds with equities from many diverse companies, much like an individual's 401k. Hence UConn's endowment is not directly invested in any stocks (fossil fuel or otherwise). Any energy sector holdings in those funds are likely to include fossil fuel industry stocks, whether coal, oil or natural gas, like Exxon/Mobil, and they have been relatively profitable over the years.

In the past, there have been student efforts at encouraging targeted divestiture (specifically, from holdings with connections to Darfur, Sudan) and Edwards outlined the steps he had taken in that case to involve students in discussing such issues with the investment committee of the Foundation. Edwards noted that despite a national grassroots movement on divestiture in fossil fuels led by the NGO *350.org*, only a small number of primarily East-Coast-based private universities have taken action. For example, Brown University has voted to divest of any direct holdings in fossil fuel companies listed by *350.org*. and Harvard University has created an advisory staff position to explore diversifying the energy holdings in its portfolio. Edwards would be open to meeting with Rich Miller both to enhance our reporting on portfolio management as it relates to UConn's Sierra Club ranking, and to explore the means for dialogue around potential energy diversification options. He also pointed out early on that while the Foundation is a separate legal entity (501c3) from UConn, there are 10 UConn senior administrators on his Board of Directors.

Minutes: Chair Hertel asked for approval of the minutes. A motion was made by William Simpson to approve the January 30, 2013 minutes. The motion was seconded by Rich Miller and approved.

The next meeting is scheduled for Wednesday, March 27, 2013, at 3:00 p.m. in Gentry Building, Room 246.

Chairwoman Hertel concluded the meeting at 4:10 p.m.