

Meeting Summary

Advisory Committee on Investment Responsibility

Thursday, October 18

The Advisory Committee on Investment Responsibility (ACIR) met on Thursday, October 18, 2018 in the trustee boardroom of the Allen Building. The meeting began at 3:05 p.m. with Chair Lawrence Baxter presiding.

ACIR members attending, in addition to the chair, were Craig Burnside (*faculty*), Jennifer Dimitri (*DUMAC advisor*), Luke Farrell (*student rep*), Tracy Futhey (*CTO*), Bill Hawkins (*Trustee*, by phone), D. Sunshine Hillygus (*faculty*), Jeff Howard (*alumnus*), Tyler Johnson (*student rep.*), Ewan Kingston (*student rep.*), Chris Lott (*Legal ex-officio*), Tori Nevois (*Treasurer ex officio*), Richard Riddell (*Board of Trustees advisor*), Jia Jia Shen (*student rep.*), Martin Smith (*faculty*) and Lisa Theall (*DUMAC advisor*). Scott Gibson was unable to attend. Also attending was Michele Wittman, executive assistant to the vice president for public affairs and government relations.

Guests who attended as representatives of the Duke Climate Coalition (DCC) were Seaver Wang, Ethan Miller, Gabi Richichi and Sara Platek.

Chair Baxter welcomed and thanked all members for serving on the committee. He acknowledged new members and those with continuing service and asked attendees to briefly introduce themselves. Chair Baxter reviewed the agenda and goals for the meeting. He emphasized the importance of confidentiality with the information shared in the meeting, particularly financial information shared in closed session by DUMAC advisors, Ms. Dimitri and Ms. Theall. Guests from the Duke Climate Coalition joined the meeting, at the conclusion of the closed session, as a continuation from the April 2018 meeting.

1. Closed Session

Members of the ACIR each signed the annual confidentiality agreement and turned these in to Chris Lott for Legal. Ms. Dimitri and Ms. Theall provided an overview and update of DUMAC holdings since the last closed meeting held in May 2018. They provided further detailed explanation as to the structure of holdings as it pertains to the Carbon 200 Underground list and fossil fuel investments.

2. Duke Climate Coalition

Members of the Duke Climate Coalition (DCC), Mr. Miller, Mr. Wang, Ms. Richichi and Ms. Platek, joined the meeting to present a summary, offer additional information, and answer questions about their updated memo provided to the committee regarding the fossil fuel divestment movement, climate change science, and Duke University actions.

The DCC believes this to be a pivotal moment considering the present state of climate change and the impacts of global warming, referencing a [recent report](#) released by the Intergovernmental Panel on Climate Change (IPCC), and the growing interest in divestment from investments in fossil fuels, supported and summarized in a memo submitted to the committee. The DCC requested Duke University make a commitment to completely divest from direct funds and derivative investments in fossil fuels by January 1, 2024 in a formal resolution, and asked for a signature endorsement from the ACIR, that once signed, would be presented to President Price and the Duke Board of Trustees for a formal vote. The DCC acquired support for the resolution before presenting it to the ACIR from the Duke Student Government (DSG) and The Graduate & Professional Student Council (GPSC), as well as a formal endorsement by the Duke Investment Club and the Undergraduate Environmental Affairs Committee. Mr. Miller and Mr. Wang had also formally met with Neil Triplett, president of DUMAC, and Tallman Trask,

executive vice president, to discuss long term strategies and possible courses of action that Duke might be in a position to take that would have an impact on both climate change and divestment. A project team of graduate students from Duke Interdisciplinary Social Innovators (DISI), a group that offers pro-bono consulting services to local nonprofit and advocacy groups, agreed to work with DCC on researching and assembling two written analyses: 1) a memo focused on other universities divestment strategies and best practices for success following a commitment to transition away from fossil fuels; and 2) a report and presentation on energy markets, past performance, and projections for energy systems across the globe.

The DCC and the ACIR, after much discussion, mutually agreed that further debate, research, and information is needed before any formal requests are presented to the Board of Trustees. An informed discussion regarding the issue of divestment from fossil fuels and climate change science should take place at the institutional level involving representatives from the entire Duke community to consider the effect on the institution as a whole (e.g., financial aid, tuition, research funding). Importantly, broad university discourse also needs to include faculty before the Board of Trustees is likely to consider seriously any action. Involvement of faculty is critical in examining alternatives for action, symbolic versus real, and in analyzing hard evidence to reach any conclusions.

It was proposed the ACIR recommend President Price create a formal, well-defined Working Group, in conjunction with DUMAC, with a specific mission to research and consider viable options to divestment (considering Duke's complicated investment structure) with applicable measures to address fossil fuel/climate issues, and which would help Duke to keep the promise of being carbon neutral by 2024. Mr. Riddell reminded the group that the ACIR advises the President, who would have to direct DUMAC to work with the ACIR in a Working Group if he accepted such a proposal from the ACIR. The Working Group would seek to create a report that might provide solid support for concrete action beyond just the symbolic. Membership of the Working Group would ultimately be determined by the President but composition of the group might include four members of the ACIR and DUMAC, two faculty experts (if they can be identified and are available), and perhaps two external student representatives (including one from the DCC). As the ACIR and DCC were both in agreement, Chair Baxter offered to draft a proposal to President Price on the Working Group which would be distributed to ACIR members for their input and suggestions.

In conclusion, Chair Baxter announced details of the scheduled public forum: Tuesday, November 6, 5:00 p.m. to 6:30 p.m. in the Holsti-Anderson Room, Rubenstein Library. The point was brought up that November 6th is Election Day and there was concern it would affect attendance at the forum. An announcement about the public forum has already been posted on Duke Today and information appears on the ACIR website and the Duke Events Calendar. Early Voting has been advertised for some time now on campus and students should be encouraged to vote early if they want to attend the forum. So the concern was not considered sufficient to warrant changing the date of the forum. Chair Baxter asked that any committee members who are available attend the forum.

The meeting was adjourned at 5:10 p.m.

Submitted by Michele Wittman