LETTER FROM THE CHAIR

Dear Stanford Community:

During the 2014-15 academic year, Stanford’s Advisory Panel on Investment Responsibility and Licensing (APIRL) considered issues ranging from climate change to human rights. These questions were raised by a cross-section of the Stanford community and evaluated by similar cross section of the Stanford community who sit on the APIRL panel. APIRL completed months of research and outreach in order to provide Stanford’s Board of Trustees with the important information and the diversity of perspectives necessary for a well-considered evaluation of these critical questions. While the issues set before APIRL are challenging, I know that every member of APIRL joins me in saying that it is a privilege to participate in this process.

I want to thank this year’s APIRL members for all of their hard work, and recognize the contributions from across Stanford to the important discussions that have taken place this year.

Best regards,

Susan Weinstein
Chair, Advisory Panel on Investment Responsibility and Licensing
Evaluation of Request to Divest Certain Companies Doing Business in Israel

In April 2014, APIRL received a Request for Review from Stanford Students for Justice in Palestine (SSJP) asking that the University endowment divest from certain companies accused of profiting from human rights abuses and violations of international law because they either “(i) facilitate acts of collective punishment, (ii) operate within illegal Israeli-only settlements, (iii) support the building and/or maintenance of the illegal separation wall, or (iv) engage in practices that institutionally discriminate against people of a particular race, ethnicity or religion.”

APIRL began its consideration of the SSJP request by forming the Human Rights Subcommittee (HR Subcommittee) to complete an in-depth evaluation. The HR Subcommittee met regularly throughout the year, identifying and researching key areas of inquiry and conducting outreach activities to assess campus attitudes about these issues. SSJP made a presentation about its recommendation at the October 2014 APIRL meeting, during which SSJP responded to questions from APIRL panel members. Upon completion of this background work, the HR Subcommittee had in-depth discussions about the issues, applied the principles contained in Stanford’s Statement on Investment Responsibility, and provided its assessment to APIRL. APIRL reviewed the HR Subcommittee evaluation, discussed the issues, and submitted its report to the Stanford Board of Trustees (Board) Special Committee on Investment Responsibility (SCIR).

In April 2015, Stanford announced the Board’s decision that, based on Stanford’s Statement on Investment Responsibility, it was declining to take action on the Request for Review. The Board concluded that the university’s mission and its responsibility to support and encourage diverse opinions would be compromised by endorsing an institutional position on either side of an issue as complex as the Israel-Palestine conflict.

Evaluation of Request to Divest Fossil Fuel Companies

In September 2014, APIRL received a Request for Review from Fossil Free Stanford (FFS) asking that the University endowment divest the 200 publicly-traded fossil fuel companies with the largest fossil fuel reserves if (i) the company was not already divested in accordance with the Board’s May 6, 2014 announcement that Stanford would divest holdings in publicly-traded companies whose principal business is the mining of coal for use in energy generation (Stanford’s May 6, 2014 announcement may be found at http://news.stanford.edu/news/2014/may/divest-coal-trustees-050714.html), and (ii) the company did not agree to certain conditions. These conditions included an agreement to (i) extract no more than 20% of the carbon in the company’s current proven reserves, (ii) seek no new reserves, and (iii) halt lobbying efforts against climate change legislation. In addition, FFS requested that Stanford create a timeline for full divestment from the fossil fuel industry. The complete FFS request may be
APIRL began its consideration of the new Request for Review by forming the Environmental Sustainability Subcommittee (“Environmental Subcommittee”) to complete an in-depth evaluation. The Environmental Subcommittee met regularly throughout the year, identifying and researching key areas of inquiry, engaging with Stanford community members and consulting with experts. FFS made a presentation about its recommendation at the November 2014 APIRL meeting. FFS provided additional information at an Environmental Subcommittee meeting in February 2015.

After working diligently throughout the year, because of the complexity of the issues, the Environmental Subcommittee did not complete its review during the 2014-15 academic year, and the request was held over for continued consideration in the 2015-16 academic year. At the end of the year, APIRL presented a report which summarized its research and interim conclusions to the Stanford Board of Trustees’ (Board) Special Committee on Investment Responsibility (SCIR).

**Town Hall**

The APIRL Town Hall was held on February 24, 2015. APIRL presented an overview of the APIRL process, reviewed its work for the 2014-15 academic year, and conducted a Q&A session with Town Hall attendees. The Town Hall was successful in providing an opportunity for an open dialogue about investment responsibility at Stanford.

**APIRL BACKGROUND**

In 1971, Stanford adopted the Statement on Investment Responsibility, which was most recently amended by the Board in 2015. With this statement, Stanford established APIRL, which advises and makes recommendations to the President and the Board on issues related to socially responsible investing, including recommendations on the disposition of requests from the Stanford community to take action as a shareholder which is consistent with Stanford’s Statement on Investment Responsibility. In addition, APIRL makes recommendations on issues related to workers’ rights in connection with Stanford’s trademark licensing program. APIRL is solely an advisory body.

APIRL has three subcommittees which research and evaluate issues brought before it: (i) Diversity, Non-Discrimination and Labor Equity; (ii) Environmental Sustainability; and (iii) Human Rights. Ad hoc subcommittees are formed to address other issues, as needed.

APIRL has 12 members selected from the Stanford community, including four students, four faculty members, two staff members, and two alumni. These members are selected by Stanford’s President from nominations made by the following groups: (i) the Faculty Senate Committee on Committees nominates faculty; (ii) the ASSU Nominations Committee nominates the undergraduate and graduate students; and (iii) the Alumni Association nominates alumni.
REQUESTS FOR REVIEW

The Stanford community may raise issues about investment responsibility for consideration by APIRL though the submission of a Request for Review, which may be found at https://irsr.stanford.edu/request-review. Requests for Review may also be submitted by email to irstakeholders@stanford.edu.

For more information, please visit the IRSR website at http://irsr.stanford.edu/.