



May 9, 2013

Dear President Faust:

We write to you regarding Harvard's lackluster response to the serious allegations of wrongdoing by Agricola Brinzal, a 99.9% Harvard-owned forestry company in Chile. The details of the case and the position of the Responsible Investment at Harvard Coalition can be found in the April 30 op-ed in the Harvard Crimson entitled "Harvard's Exploitation in Chile."

We first brought this matter to your attention on April 26, when over 35 students and community members gathered outside your office to demonstrate support for the adoption of new policies that would set Harvard on a path toward responsible ownership. We asked for an investigation and response to the situation in Chile, preferably by May 8. Unfortunately, the only public statement Harvard has made on the issue was an online comment posted to the Crimson website by senior communications director Kevin Galvin. The private response sent today to Michael Danto and Stephanie Cappa did not address the concerns expressed by the Responsible Investment at Harvard Coalition. We would like Harvard to clarify its due diligence and oversight procedures for directly-owned companies.

Mr. Galvin implied in his comment that Agricola Brinzal would not be found guilty of any wrongdoing and that any past the wrongdoing occurred before Harvard took ownership of the land on which the company operates. This response is not sufficient for the following reasons:

Agricola Duramen Limitada, a similar Harvard-owned company in Chile, has already paid fines for its environmentally damaging practices. Without clear standards for responsible environmental, social, and governance practices in directly-held companies, how can we - and Harvard - be confident that similar abuses will not occur in the future?

Even if all legal violations occurred before Agricola Brinzal purchased the land, this still casts doubt on the judgment of Harvard's investment managers. If Harvard considers ESG criteria, as HMC has often claimed, why does Harvard's company intend to profit from recent environmental violations?

Finally, since Harvard owns a near-total stake in this company, what is its plan for improving the property's management and preventing such practices from occurring in the future?

We await a full explanation of this case and the investment policies that led to it.

Best wishes,

Responsible Investment at Harvard Coalition