

Report to the 2013 General Assembly from Socially Responsible Investing Committee

Thursday, June 20, 2013, Louisville, Kentucky

Rev. Glenn Coleman Farley

Chair, Socially Responsible Investing Committee

Minister, Sedona UU Fellowship

Last night on a Facebook post, our Moderator Gini posed a question: “*What would it be like to have thousands of people to talk with about what we might promise in the service of bringing a more just world into being?*”

I am here to find out what it would be like...I am here to talk to thousands of you about who we are as responsible investor, the promises we’ve fulfilled, and the promises for the future.

Who we are as a responsible investor

The UUA is an activist shareholder, witnessing for social and environmental justice through its ownership position in companies. Shareholder proposals can be very effective tool in changing corporate behavior. For the last several years, our engagement efforts have focused on three areas:

- 1) BGLT non-discrimination policies,
- 2) Disclosure of political and lobbying spending,
- 3) Taking action to address climate change.

Promises Kept

During the past year, the UUA engaged with nine companies.

Governance & Political Disclosure

We continue to engage with Chevron to separate their Board Chair and CEO position, [We refer to this internally as getting the CEO adult Supervision]; as their leadership has persisted in refusing to take responsibility for the destruction their operations wrought in indigenous communities in Central America.

One of our committee members, Simon Billenness, had to retain a lawyer this year, as he was subpoenaed by Chevron to reveal all his e-mail correspondence related to Chevron over the past three years for his near decade of work on this. This is an outrageously unprecedented, chilling, intimidation tactic, previously unheard of; a company subpoenaing its own shareholders.

We co-filed with the GEO Group, the private prison company, in order to force them to reveal their political spending and lobbying disclosure, to make plain the political collusion of the school-to-prison pipeline for youth of color in the New Jim Crow world we live in.

We further engaged on political/lobbying expenditures at VISA, Bristol Meyers Squibb, Aetna, and Dow.

BGLT non-discrimination

This past year, we continued our engagement with ExxonMobil and ConocoPhillips on sexual orientation/gender identity non-discrimination.

You need to know that Shareholder Engagement is a critically effective tool. For example, over the last four years, as a result of UUA shareholder advocacy, companies with 2.9 million employees have agreed to add gender identity and expression protection to their non-discrimination policies. (Most predominately, WalMart and Verizon).

In the world of shareholder engagement, the UUA has been and still is (to my knowledge) the only religious voice for Bisexual, Gay, Lesbian, and Transgender non-discrimination. Thus, this committee and the administration feel it was and is an absolute priority for us to focus here.

Climate Change

This year we filed one of the first two “carbon bubble” resolutions, challenging Alpha Natural Resources to justify the valuation of its reserves in light of the possibility that fossil fuels might lose value once the United States shifts definitively away from non-renewable energy sources.

The company challenged the resolution at the SEC, but regulators required them to keep it on the agenda of the annual meeting where it received extremely strong support for a first-year resolution.

Our allies in this, with whom we work closely are the Investor Network on Climate Risk and the Interfaith Center on Corporate Responsibility.

Shareholder Engagement is specialized knowledge, which is only done with allies and access to lawyers. Most shareholders don’t have this capability, so if your congregation does not, I strongly encourage you to consider moving your investments to the UUA Common Endowment Fund.

In our work of Shareholder Engagement, I often think of the words by the poet Jayne Cortez who instructs us to...

Find your own voice & use it

Use your own voice & find it

This is how we do our part in bending the arc of the universe towards justice. This is how we use our gifts to bless the world.

My first General Assembly, was seven years ago, in St. Louis. That General Assembly passed the Statement of Conscience on Global Warming/Climate Change. In it was the following:

“We call upon our denominational leaders to provide sustainable investing, by....using ownership rights of the denominations financial resources to positively address the global warming/climate change crisis.”

Being silent and leaving the table is to abdicate this commitment to the 2006 statement of conscience, it is to abdicate using our gifts to bless the world. The entire Socially Responsible Investing Committee and the Investment Committee view Engagement, not *dis*-engagement, as the most effective strategy for changing corporate behavior.

Promises to Fulfill

Looking forward to the next shareholder season, the UUA will continue it’s focused advocacy on climate change and increase it even more. Consulting with allies and leaders in the field of responsible investment, we studied the issues in depth. From that, we promise to fulfill these commitments:

- to tightening stock selection screens on carbon-intensive industries; happening now with our screening consultant SustainAnalytics.
- to re-invest our profits in solutions. Find investment vehicles that focus on climate-solutions, invest in companies building the foundation for alternative energy and a low-carbon economy; This will happen; we ordered our investment consultant, New England Pension Consultants, to present these options to us at our meeting this summer.
- Continue and increase shareholder engagement by pressuring companies to disclose lobbying expenditures and report with metrics on climate change realities and possibilities
- [For this we need your help] Making the investor case to policy makers that fossil fuel use is a demand problem, not a supply problem, that requires massive changes in public policy in our energy subsidies and incentives.

The eco-philosopher Joanna Macy tells us there are Three realities shaping our world today. It is our choice which to put in the foreground: 1) Business As Usual in the [unsustainable] industrial growth society? Or 2) The Great Unraveling, as ecosystems and cultures fall apart? Or 3) the Great

turning to a life-sustaining society? Each story is true and happening right now. The question for each of us is which do we choose to identify with and devote ourselves to.

What reality do you choose? What do you promise in the service of bringing a more just world into being?