

Committee on Socially Responsible Investing
MINUTES
February 16, 2005 Meeting
Unitarian Universalist Association
Eliot and Pickett Lodging Houses, Boston MA

Present: Tim Blackwood, Joan Cudhea (chair), Jerry Gabert, Nancy Gladyszak, Jim Gunning, Stephanie Leighton, Susan Leslie (staff liaison), Eva Marx (board liaison), Sydney Morris (UUMA liaison), Jim Sherblom (Investment Committee liaison),

9:00 – 9:20

Welcome & Overview

Chalice Lighting and Reading

Welcome to new member Eva Marx

Minutes from October 4, 2004 meeting were approved

Packets reviewed

Catch-up Reports

9:20 – 10:20

I. Getting up to speed: informing each other and Bill Sinkford

Five-minute reports from three Working Group Conveners

Five-minute reports from two liaisons – Investment Committee, UUMA

Final 5 minutes: Reports from Chair Joan Cudhea, Board Liaison Eva Marx, Staff Liaison Susan Leslie, Treasurer Jerry Gabert, and CFO Larry Ladd

Clarifying Questions

10:15 - 10:30

II. Bill's perspective, priorities, requests

Q&A - interactive

President Bill Sinkford joined the committee and heard check-ins from the members and reports from the three working groups on shareholder advocacy, outreach to congregations, and advising the UUA Investment Committee and Board of Trustees and from the Ministers SRI Committee liaison and the Investment Committee liaison. Those reports are included below.

Enabling Congregations Working Group

UUA SRI Website – website offers robust source of SRI information, news, resources, UUA & congregational SRI & shareholder advocacy activities.

UUA list-serve SRI-news – going out at 6-7 times per year to 350+ UUs

Community Investments

UUA matching program up to \$10,000 – promotional campaign underway
Approximately 30 congregations involved currently.

General Assembly, UU congregation & regional SRI workshops

Curriculum of educational tools, talks, and resources has been developed.
First all-day SRI workshop in Concord MA (Oct 2004) was successful, drew members from 15+ congregations in New England area.
Presenting at this weekend's Large Church Conference in Boston
Other regional workshops

Liaison with MFEA -- Minister's Financial Education and Advocacy

SRI Advocates Program – goal is to develop informed UUs to help spread SRI

Attachments:

Home Page UUA Website – SRI
2004 GA SRI Workshops Summary
One Day Regional SRI Workshop Program Overview
Congregational SRI – Spectrum of Involvement

Shareholder Action Working Group

Summary of Recent Efforts

Selection of Issues

Issues for CSRI actions are based on official statements of the GA or other democratic bodies, using the same selection criteria used by the UUA Washington Office.

Principal issues currently being pursued include non-discrimination based on sexual orientation and gender identity; global warming / climate change; the HIV / AIDS pandemic; and child labor (the last two being carry-forward from the prior years).

Letter-writing Campaign

We undertook an ambitious project this year with respect to the issue of non-discrimination based on sexual orientation and gender identity. We wrote all companies in our portfolios, except for 11 companies which had satisfactory policies in these areas. All told, we wrote almost 250 companies.

In conjunction with a secular gay/lesbian organization, we forwarded to the companies a list of Equality Principles and asked them to let us know which of them had already been adopted, and whether the others were under consideration. These Principles constitute best practices in the area of sexual orientation, gender identity and non-discrimination in allocating employee benefits among employees.

Responses were received from 77 of them (about one-third) and follow-up letters were sent to the others. We are in the process of analyzing responses. The findings will help us decide whether to take further actions, including the filing of resolutions with some of the companies.

Coalition with Other Organizations

Our actions on selected issues with particular companies in our portfolios are mainly taken in conjunction with other faith-based institutional investors. Most are members of the Interfaith Center on Corporate Responsibility (“ICCR”) which also includes secular organizations, such as public employee pension funds, foundations, universities, and investment management firms specializing in social and environmental research, in addition to the standard financial research.

These actions take the form of dialogues with company managers, “sign-on” letters on timely issues, and filing resolutions to be included on annual meeting agendas of corporations.

Public Witness

These actions in coalition with others sometimes result in press releases, participation in press conferences, presentations at corporate annual meetings, and publication of joint letters to corporations.

For example, a very large pension fund (New York City Employee Retirement System – NYCERS) has a large portfolio but does not have a budget to support travel costs to annual meetings. The CSRI recruits presenters from our local congregations, thereby permitting NYCERS to file more resolutions. This season, we will have local UU ministers or activists speak at as many as 20 to 30 meetings on a variety of social issues.

ICCR members conduct campaigns on specific issues to encourage other stockholders to vote for resolutions at the annual meetings. For example, both the UUA and UUSC, as ICCR members, filed resolutions as co-sponsors with several companies about the global HIV/AIDS pandemic. Our representative was quoted in several press releases and participated in a press conference.

Need Tim Blackwood’s Report on Advise UUA Working Group for Minutes

Staff Liaison Report: Susan Leslie, staff liaison, reported on creation of internal UUA Shareholder Advocacy Log, Results of Equality Principle Letter Writing Campaign to date, and Community Investing Proposal to UU Congregations in Minneapolis.

Ministers Liaison Report: The ministers’ liaison reports that the group has changed its name to the UUMA Committee on Financial Education and Advocacy. The ministers are planning to draft a GA resolution that will address all the issues of SRI rather than the

piecemeal resolutions that have been passed so far and leave out important values and screens on corporate governance and other issues.

The ministers committee is also bringing a resolution to ministers at their GA meeting asking that pensions be added to ?? (Sydney I can't read my own notes here. Also, please send other pieces of your report).

The ministers committee recommends that the SRI Committee develop a conflict of interest policy for members.

Investment Committee Liaison Report: The Investment Committee liaison, Jim Sherblom, reported that the GIF is performing \$3 or \$4 million above benchmarks.

The question before it now, with the adoption of the new guidelines, is what tools to use. Weighing financial risk and reward with social reward. Consultants get quotes from investment managers. 100 Basis points (\$1 m) SRI Managers are primarily blended funds for SRI individuals. (Jim please help with my notes here!)

Sherblom recommends that the UUA purchase the IW Financial Software that can be used to implement positive screens. They are offering to the UUA at a 75% discount for \$2,500 year.

Additionally a No Buy List needs to be developed.

Eventually, what the Investment Committee would like to do is to develop a UUA Index Fund that could be posted on the website.

Summary of Discussion with President Sinkford:

President Sinkford congratulated the committee on its work. He told the committee that he could be most helpful with communications and getting the word out. He noted the small size of the SRI News list and asked how many hits the SRI website is getting. President Sinkford also noted that if the SRI movement could be successful spread to congregations, the size of those endowments collectively would dwarf the General Investment Fund. The Committee asked President Sinkford for greater funding for the work and higher visibility on the website. Sinkford explained that the 06 budget has been approved by the Board and now is the time to develop proposals for the 07 budget. He acknowledged the UUA website needs to be redesigned and that some new internal architecture is being developed.

Action: Need to develop conflict of interest policy. Susan will research current UUA policy.

Action: Susan will get latest report from the Office of Electronic Communications.

10:30 Break and Photo

10:45 – 11:00

III. Discuss and Reach Consensus on Remaining Agenda Time

The Committee agreed to do some strategic planning, e.g. what will the CSRI be doing for the next three years and to develop action plans for the working groups from there.

IV. 12:00-1:00 Lunch

Over lunch the committee reviewed the IW Financial categories and developed questions that would pertain to UUA screens to be used with the software.

Action: *Joan* will send these to IW Financial.

1:00 – 2:30 Strategic Plan: what is CSRI doing 3 years from now?

Brainstorm in context of review of Charge to the Committee, which was begun at fall CSRI Retreat.

The Committee did some strategic planning regarding what CSRI needs to be doing in the next three years. Susan Leslie shared a process developed for the UUA Public Witness Team that identifies issues across a continuum ranging from irrelevant to energizing UUs to affecting public policy and achieving social justice. (Attached). Proposals were then weighed on the continuum and given a rating from 1-6 on magnitude and likelihood of being realized (1 being low and 6 being high). Once all the proposals were rated, they were then grouped. The result was that the committee will continue to have three working groups with new names to encompass some of the new directions that were identified.

The names of each group and portfolios, priorities, and plans are listed below:

Education and Communications Working Group

Convenor: Stephanie Leighton; Members: Tim Blackwood, Joan Cudhea, Susan Leslie, Sydney Morris

| <u>Issues</u> | <u>Magnitude</u> | <u>Likelihood</u> |
|--|------------------|-------------------|
| • Broaden UUA Coalitions around SRI – Meet with UUJEC, Journey Toward Wholeness Transformation Committee (JTWTC), UU United Nations Office, Lifespan Faith Development Staff Group, District Presidents, Others? | 6 | 6 |
| • Develop new framing and message for SRI initiative--- Financial Education, Faith-based investing, Standards Not screens – Develop 3 messages – living your life with Integrity | 6 | 6 |
| • Other Communications Objectives: | 6 | 6 |
| ○ Analysis of Communications Flow | | |
| ○ FAQ on Lay Leadership Website | | |
| ○ Follow-up to Concord attendees | | |
| ○ Upgrade website | | |
| ○ Articles on other \$ Lists | | |
| • Replicate SRI One Day Training for Districts | 6 | 3 |
| • Sponsor GA Workshops | 5 | 6 |
| • Continue & grow SRI News& publicize website | 5 | 6 |
| • Publicize & promote Community Investing Matching Program | 6 | 5 |
| • Do education to get congregations voting their proxies | 6 | 4 |
| • Proxy alerts for congregations through SRI News | 6 | 4 |
| • Produce SRI 20 min. video | 5 | 3 |
| • Develop Consulting Module & Pulpit Program | 4 | 5 |
| • Compile database of congregational holdings | 2 | 2 |

Actions:

- Apply to UUFP for bringing model to districts – *Joan*
- Find out when possible meetings could be done with various Committees, affiliates, and staff groups – *Susan*

Shareholder Advocacy Working Group

Convenor: Jim Gunning; Members: Jerry Gabert, Stephanie Leighton, Susan Leslie

| <u>Issues</u> | <u>Magnitude</u> | <u>Likelihood</u> |
|---|------------------|-------------------|
| • Continue filing shareholder resolutions and engaging In shareholder activism (letters, dialogue etc.) | 6 | 6 |
| • Institutionalize presence at Interfaith Center for Corporate Responsibility (?) | 6 | 5 |
| • Expand UU presentations at corporate meetings | 6 | 4 |
| • Hold fundraising party for ICCR | 4 | 3 |

Actions:

- Use new Shareholder Advocacy Log to track actions
- Get news and stories from presenters to SRI News, Public Witness team

Monitor, Advise & Implement UUA Investing Guidelines Working Group

Convenor: Tim Blackwood; Members: Joan Cudhea, Sydney Morris, Jim Sherblom

| <u>Issues</u> | <u>Magnitude</u> | <u>Likelihood</u> |
|--|------------------|-------------------|
| • CSRI is charged to: <ol style="list-style-type: none">1. Assist Board of Trustees with policies& practices, implementation & design2. Assist Investment Committee with SRI3. Ongoing Evaluation of SRI | | |
| • Embedded regular review of SRI practices internally and in the field | 6 | 6 |
| • Social Audit | 6 | 6 |
| • Proxy voting | 6 | 5 |
| • Implement Community Investing Policy | 6 | 4 |

2:30-3:00 Action Plan for rest of this fiscal year and FY 06

What task, Who accountable, By when, Helpers, What needed and what obstacles
Conveners set next Working Group meetings.

Next Telephone meeting whole CSRI : Tuesday morning, April 5 OK [8am EDT]

Issues for follow-up:

- Budget
- GA Workshop and Plenary Time
- Anti-Racism Training

3:00 Adjourn

Respectfully submitted,

Susan Leslie
CSRI Staff Liaison