

UUA Socially Responsible Investment Committee – Minutes

24 Farnsworth Street

Boston, MA 02210

Room 210

November 17, 2016

Members present: David Stewart, Co-Chair, Kathy Mulvey, Co-Chair, Tim Brennan, Vonda Brunsting, and Lucia Santini

Members absent: Kristin Faust, Marva Williams

Staff present: Susan Helbert

1. Minutes from meeting on August 11, 2016 – Mulvey

Motion 1: To approve minutes from August 11th meeting without amendment.
Moved, Brunsting; seconded, Stewart; all approved.

2. Re-visioning of role of SRIC and the Investment Committee –

- Update on process and 11/18 Investment Committee agenda
 - One consideration is to hold both committee meetings on the same day.
 - A portion of each committee's agenda would overlap bringing them together for, at a minimum, investment presentations from potential new managers and investment decisions and votes.
- SRIC and Investment Committee report to Board
 - Will present report at the April 2017 meeting.
 - Presentation will focus on the work and goals of the committees, potential challenges and opportunities, views on historical performance.
- Discussion of proposed investment in Actis Energy Fund 4
 - Exchanges between committee members brought up some questions that have been submitted to the investment consultant for response. Further discussions will follow once the response is received and reviewed.
- Background information identified at August meeting to inform/feed into ongoing discussions:
 - NEPC chart of SRI in the portfolio
 - Completed, will be distributed.
 - Contact to discuss pros/cons of mutual fund product
 - Discussion tabled.
 - Breakdown of bank and non-bank CDFI investments
 - Completed, will be distributed.
 - CDFI policy.
 - To be distributed.

Action item 1: Santini to address potential of a same day meeting with the Investment Committee.

Action item 2: Helbert to distribute breakdown of CDFI investments.

Action item 3: NEPC to address committee questions regarding Actis Energy Fund 4.

Action item 4: Brennan to distribute the NEPC chart of SRI in the portfolio and the CDFI Policy.

3. Screening –

- Sustainalytics semi-annual review revealed Hewlett Packard and ConocoPhillips as eligible to purchase.
- Hewlett Packard broke into two separate companies, HPQ and Hewlett Packard Enterprises (HPE), after research was completed on what each company does, it was determined that HPQ is not involved with enabling human rights abuses and has been added back into the approved to purchase list.
- ConocoPhillips has become an oil and gas industry leader on multiple ESG issues that have been subjects of shareholder advocacy and engagement. That it now passes our screening criteria is a testament that shareholder advocacy works. While we would like to be able to affirm the company's positive steps on ESG issues by purchasing additional shares, the GA15 Business Resolution regarding fossil fuel divestment prevents us from doing so.
- Committee has the responsibility to review changes suggested by the SRI consultant to include or exclude companies by the criteria we have previously provided.

Action item5: Stewart will write blog regarding the recent inclusion of Hewlett Packard to the approved companies list.

Action item 6: Brennan to research to determine if ConocoPhillips was removed from the portfolio based on our screens or due to the GA15 Business Resolution.

4. Shareholder activism -

- Update from fall SICS meeting
 - Good coordination on strategy
 - Looking into how we can be effective in helping shape engagement in the transition from fossil fuel to clean energy.
 - Getting various filers to line up behind one common resolution at ExxonMobil was successful.
- Resolution filing & co-filing
 - Have filed or entered into dialogue with 10 companies on various climate change issues, 8 companies on lobbying and/or political

spending, 1 company on sexual orientation/gender identity and, 1 company on executive compensation.

- Have redrafted our resolution to ConocoPhillips to ask for an annual report to shareowners on the extent to which their incentive compensation program for senior executives promotes resilience to low-carbon scenarios associated with efforts to limit global temperature rise to less than 2 degrees. We expect ISS to support the resolution this year.
 - Participated in a call with ConocoPhillips regarding public policy advocacy.
 - Planned discussion with the Investment Committee on the impact of the business resolution in the current political environment and what, if anything, needs to be addressed.
 - Have filed a proposal with Marathon Petroleum and will be participating in the engagement with Citibank on the Dakota Access Pipeline.
- Review and update proxy voting guidelines
 - Need to review the most recent proxy voting guidelines from ISS.
 - Upcoming priorities in light of the political environment
 - Keep the pedal down regarding climate change.
 - See what we can join in with surrounding immigration.
 - Check into what's happening in the private prison arena.
 - Look into work starting up on shareholder rights.

Action Item 7: Brennan to reach out to ICCR to see who may be working on the private prison issue.

Action item 8: Brunsting to look into immigration work we could join.

Action item 9: Mulvey to determine if there's been any reassessment of climate change strategy.

Action item 10: Brennan to distribute engagement spreadsheet to committee.

Action item 11: Brennan to get the immigration issue added to the February ICCR agenda.

Action item 12: Brunsting to reach out to ICCR and Ceres to offer our help in shaping the SICS meeting in May.

Action item 13: Brennan to distribute the proxy voting guidelines to the committee for comment.

5. Community Investing –

- Community investment discussion tabled until March 1st meeting.

6. **GA17 –**

- Update on program proposal
 - Have submitted proposal and received approval for program slot.
- Update on contacting potential panelists

Action item 14: Faust to contact Joan Cudhea and Hope FCU to discuss spots on the panel and to discuss a potential tour at Hope FCU.

Action item 15: Stewart to contact Liberty Bank to discuss a spot on the GA panel.

- Next steps regarding booth materials
 - Swag –
 1. Bookmarks on the 5 things you can do.
 2. Playing card size handout with web links and/or QR (Quick Response Code) to various SRI sites.
 - Identify and discuss hardcopy materials to have available at the booth and links to access those materials online.
 1. Have a handout listing our partner organization with a description of each and what we do with them.
 2. Partner organization materials.

Action item 16: Brunsting to identify videos for the loop and determine the 5 things you can do to be listed on the bookmark by yearend.

Action item 17: Helbert to look into the possibility of having a monitor with audio/visual capabilities to run looping videos on in the booth.

Action item 18: Williams to contact Black Lives UU group regarding help in raising visibility of UUA's investments in black-owned banks.

Action item 19: Brennan to provide contact for DRUUM for potential promotion of our investments in black-owned banks.

Action item 20: Brennan to prepare a handout listing our partner organizations with a description of each and what we do with them.

7. **Improved communications with constituents –**

- Updates on action items from August meeting
 - Still researching the possibility of adding appendices to statements.
 - Investigating if it would be beneficial to have Social Witness or Outreach attend the SRIC/IC joint meetings on an annual basis.
 - Talking with UU World about a piece on SRI leaders.

8. **Anti-racism/anti-oppression/multicultural training**

- Goal is to have all financial committees come together for a training session in late spring.

9. Agenda items for March 1, 2017 meeting

- A member will be rotating off the committee; need to begin the search for a replacement.
- Need to identify the skill set and number of members with identified skills needed on the committee.

Next Meeting Date
March 1, 2017