

UUA Socially Responsible Investment Committee – Minutes **DRAFT**

24 Farnsworth Street
Boston, MA 02210
Room 210
May 22, 2018

Members present: David Stewart, Co-Chair, Kathy Mulvey, Co-Chair, Tim Brennan, Vonda Brunsting (by phone), Kristin Faust (by phone), Lucia Santini, and Julie Skye

Members absent: None

Guests: Pat Tomaino, Ken Redd

1. Minutes from meeting on February 8, 2018 – Mulvey

Motion 1: To approve minutes from February 8, 2018 meeting without amendment. Moved, Stewart, seconded, Santini. All approved.

2. Shareholder Advocacy – Brennan, Brunsting, Mulvey

- Updates to UUA custom proxy voting policy
 - Provided Brunsting' comments to ISS and our policy has been updated to include her recommendations.
 - Additional questions/remarks from Mulvey were recently forwarded to ISS.
 - Will analyze traffic on the UUCEF proxy page, if little to no traffic, will remove live feed from the website and post proxy voting policy and annual voting record.
- Update on 2018 resolutions
 - Methane resolution at Range Resources received a majority vote of 50.25%. Filed a memo on Edgar supporting our proposal and arguing against the opposition statement. Feel this was a catalyst in garnering a majority vote.
 - Received good press through the AP, NPR-PA and the Pittsburgh Business Journal.
 - Co-file at Noble Energy received 45% approval.
 - Skye reported on Chesapeake Energy annual general meeting.
 - Ford Motor tried to exclude our proposal on lobbying as duplicative to the political spending proposal. SEC stated that it was not duplicative, and our proposal could move forward. It received a 16% vote however, when you remove the family vote it received a 39% vote.
 - Goldman Sachs tried to exclude our proposal based on materiality stating it wasn't a significant part of their business. We argued that it related to a significant part of the business not constituted a significant part. The SEC agreed, our proposal moved forward and garnered a 9% approval.
 - Had a good dialogue with Northern Trust and our proposal garnered a 31% approval vote.
 - Considering a different approach in 2019 by engaging fewer companies, engage earlier but much more deeply. Filing Edgar memos on each, do more direct outreach to proxy advisors and obtain multiple co-filers. Anticipate co-filings to remain the same or increase.

Action item 1: Helbert to distribute Advocacy spreadsheet to committee.

3. Screening – Stewart

- Revisit user privacy criteria
 - Discussed the possibility of moving from a blended score of environmental, social and governance to individual scores for each.
 - Discussed how and where privacy may fit into ESG.
 - Discussed possible screening on privacy in light of the Facebook scandal.
- Review of UUA criteria applied to Sustainalytics
 - Sub-committee met with Sustainalytics to review current criteria. After review, determination was made to maintain current course.
 - Added Pat Tomaino to sub-committee.
 - Sub-committee to meet again to discuss various permutations to existing criteria.
 - Meet with Sustainalytics again to discuss various permutations to existing rules to see how each would affect the portfolio.
 - Prepare recommendation for the Investment Committee on screening criteria.
 - Schedule an annual meeting with Sustainalytics to review criteria.

Action item 2: Mulvey to circulate link to Digital Advocacy Program rankings to the committee.

4. Community Investing – Brennan, Faust

- Investment in Partners for the Common Good
 - Financially strong with an excellent track record.
 - Proposing \$50k for 5 years at a 2.5% return paid annually.
 - Meets all investment criteria.
- Quarterly check-in on community investments
 - We have just over \$300k to invest in CDFI's.
- Timing of biennial due diligence evaluation
 - Due again in 2019.
- Metro IAF
 - Has exceptions to our policy, class A shares can be subordinated.
 - Investment represents 2½% of 1 percent of the portfolio.
 - Have long history with Metro IAF people; stood with them at the annual general meeting of Morgan Stanley, many UU ministers have been involved in this work.
 - Still recommending approval of the investment and will seek Investment Committee approval.

Motion 3:

VOTED: That the Unitarian Universalist Association, on behalf of and for the benefit of the Unitarian Universalist Common Endowment Fund, LLC, invest \$50,000.00 of the assets of the UUCEF, LLC into Partners for the Common Good on the terms set forth in the offering documentation therefore submitted by Partners for the Common Good to Timothy Brennan, treasurer of the Unitarian Universalist Association, subject to such changes and amendments therein as he may determine to be appropriate; and

VOTED: To authorize the Treasurer, Timothy Brennan, and the Chief Operating Officer, Carey McDonald, each individually, acting singly or together, to execute and deliver documents to effect the foregoing, all with such terms and conditions as are approved by the signatory, with such officer's signature being conclusive evidence of approval; and

VOTED: To ratify and approve all that the Treasurer, Timothy Brennan, has done or may do in connection with said investment.

Motion 4: To move an additional \$100,000.00 into Self Help Community Credit Union. Moved Mulvey, seconded Stewart, all approved.

5. Communications & Outreach – Brennan, Brunsting, Mulvey, Santini, Skye

- GA18, including report on fossil fuel divestment resolution
 - Treasurer required to report to GA for five years, this will be the fourth year. Report will be presented in a workshop.
 - Tomaino doing a workshop on Impact Investing and Racial Justice in partnership with Taquiena Boston, director of multicultural growth and witness.
- Feedback on Southwest UU Women presentation & SRI Spectrum of Involvement
 - The current Screening tool and Spectrum of Involvement has fallen out of date in terms of usefulness to congregations. Would like to focus people on engagement and how it impacts them and their communities and how they can get involved.
- FAQ to enhance understanding of SRI & promote UUCEF
 - Deferred to August meeting.
- Blogging, recent and proposed/projected
 - Brian Brumley will be writing a piece on our success at Range Resources; our Public Relations office will push it out.

Action item 3: Brennan to distribute fossil fuel divestment presentation to committee.

Action item 4: Brennan to email committee with date, time and location of fossil fuel divestment workshop.

Action item 5: Santini to provide email addresses of the committee members attending GA to Retirement Plan Committee in the event attendees are looking for the Socially Responsible Investing booth.

6. Agenda items for August 16, 2018 meeting

- Onboarding new SRIC and IC members
- Review of UUA screening criteria
- Prep for anti-racism training in November
- Adopt new Socially Responsible Investing Policy
- Update or affirm current screening mechanism.

7. Joint session with Investment Committee

- See Investment Committee minutes.

**Next Meeting:
August 16, 2018**