

Committee on Socially Responsible Investing
Minutes
February 12, 2008
Schulz Room, 41 Mt. Vernon
Boston, MA

Present: Tim Brennan (UUA Treasurer), Glenn Farley, Jim Gunning, Dan Brody, David Sammons, Sydney Morris (Chair), Vanessa Lowe (Co-Chair), Rachel Daugherty (UUA Staff), Sheldon Bennett, Simon Billenness (on speaker phone)

Check-in: The meeting began with personal check-ins and introductions

Agenda Additions

Reparations

Tracey Robinson-Harris is the contact person for CSRI on this issue. Consideration of a joint report with the IC to do a joint report on a history of UUA financial responses to oppression, to be submitted to GA and to be included in UU World.

Action: Investigate this history, through a Task Force of Morris, Gunning, Sammons.

Actual Returns

Brennan: a report from UN Finance Initiative will review 57 different studies in the general area of environment, social & governmental issues.

Socially responsible mutual fund Walden has demonstrated is that they have out-performed the benchmark – as long as you look at the full cycle. The problem is that their investment strategy is out of sync with the S&P500 because their strategy is different.

WORKING GROUP REPORTS

Community Investments: Lowe and Brennan

Lowe summarized where we are compared to the action plan from 3 years ago.

- How should we institutionalize UUA due diligence on community investments?

Brennan reported that our total investments exceed \$1 million, and updated the following:

- Enterprise Community Fund – asking us to wait
- Root Capitol – should close soon
- Self-Help – getting data

Shareholder Activism: Gunning and Billenness

Gunning gave out a report on shareholder activism organized by issue (see attached report).

Sudan divestment project

We're signed on the Save Darfur Initiative. Expanded efforts this year have gone into the Executive Compensation realm:

- this year we have taken the primary role with Abbott, Clear Channel, Valero, Foundation Coal & Merrill Lynch.

GLBT equal opportunity:

- add to sexual orientation non-discriminating efforts the words “gender-identity”
- went back to Verizon and Wal-Mart to add Gender Identity to their policy.
- Have also added gender identity to GA mandate.
- Exxon Mobil still doesn’t have it in their policy. The UUA asked for two things: add sexual orientation to nondiscrimination to their policy and also gender identity.
- Family Dollar agreed to add gender identity and therefore the resolution was withdrawn.

Other issues that we’re doing continuing work on:

- Separation of the chair and CEO – independent of current employees. Have filed with Time Warner.
- Equal Opportunity – trying to get data from Home Depot, particularly on their promotion policy.

By Acclamation: MUCH APPRECIATION TO JIM GUNNING FOR ALL HIS EFFORTS!!

Education and Outreach: Brennan

Tim has arranged for David Cay Johnson to speak at GA. We will plan on a conference call to plan the workshop and a book signing. A book review in UU World before GA will be necessary.

Action: Dave Sammons will write a short review and will submit it to UU World.

Assist the UUA: Brody

- The Board passed the Investment Policy proposed by the joint efforts of the CSRI and IC, with Brody facilitating. Much gratitude was expressed at the UUA Board meeting.
- Working implementation is the next step. Dan will provide a copy of the document that describes the charge of the CSRI.(This was supplied later in the meeting by Tim.)

Letter from Schaffer / response from Brennan –

- Morris agrees with Brennan’s response. The letter raised a number of important issues, which increasing numbers of congregations will be tracking. MANY THANKS TO BRENNAN

Spirit in Action – lunch report from Vanessa

Governance

Morris reiterated her disclosure of her position on the Board of Calvert.

Structure between IC and CSRI

Initially CSRI was setup as a separate task force and then as a committee. Issues involved in one Committee versus two were discussed.

- Brody suggests a single IC with a variety of sub-committees. Drawbacks being it might be too large.
- Brennan says there was a clarity and purpose within each committee. Possible to have an ex-officio voting member on the IC
- Sammons –The strength of a separate committee is it’s unity. Two committees could dilute the focus CSRI currently maintains.
- Action: Agreement for continued conversation.

Assist UUA

SRI Guidelines : Morris

Added: for Environmental

- (7) “contribute to global warming” under section A – discussion of language
- Add positive wording first – favor / avoid – for both environmental and social.

Social:

* Gunning would like to add the GLBT concept.

* Farley – spell out sexual orientation and gender identity. Keep “same sex partner benefits”.

Governance:

Gunning- reorder the phrases to list the principles first.

Implementation:

* “...best practices within the most challenging industry sectors” instead of last sentence in 1st paragraph.

* Billenness – “in case of comingled funds, UUA shall seek comingled funds with appropriate prohibitions if they meet the relevant financial considerations.”

* “IC and CSRI will collaboratively work with consultants to rate companies and to develop standards of compliance with the aforementioned UU values.”

Composition of UUCEF:

25% Non-correlated	19% Core bonds	5% small cap
5% Relational	1% Community	→ 50% SOCIAL
20% International	5% high yield bonds	
15% large cap	5% global bond	

Stewardship of Finance Resources – Draft #2

Include UU principles in the 3rd paragraph.

SRI in the Rockies – Glenn Farley gave a thorough report. The was the largest one ever, with 690 participants.

Proxy voting guidelines

Brennan will communicate with ISS. Morris will convene working call.

Education & Outreach

Teleconference workshops will be: the 3 Saturdays of April 12th, 19th, 26th

Action: March phone call will have Powerpoint drafts ready

Monthly Committee Calls

3rd Wednesday of every month at 4:00 EST

- March 19th
- April 16th
- May 21st
- July 16th
- August 20th
- September 16th (in Boston)

Working Group Configurations (chairs in bold)

Community Investment – **Lowe** & Brennan & Farley

Shareholder Activism – **Gunning**, Billanese, Brennan, Lowe, Morris –

Education & Outreach – **Sammons** & Lowe & Susan Leslie/ proxies – Gunning will check online to see what they're doing about proxies.

Assist UUA– **Morris** & Farley

Meeting adjourned – while singing.