

UUA Investment and Socially Responsible Investment Committee – Minutes
Via Zoom
March 24, 2021

Joint Investment Committee and Socially Responsible Investment Committee:

Investment Committee members present: Kathleen Gaffney (Chair), Brian Lasher, John Minahan, Andrew McGeorge, Ken Redd, Lucia Santini-Field

SRIC members present: Kathy Mulvey, Chair, Vanessa Lowe, Andrew McGeorge, Pat Tomaino, Julie Skye, Lucia Santini-Field

Member absent: Vonda Brunsting

Guest: Asha Meta

Staff: Susan Helbert

1. Enbridge discussion – Mulvey, Gaffney

- Several UU social justice groups have reached out regarding our holding of Enbridge (bonds through our investment with Breckinridge and stock through our advocacy account) in the UUCEF portfolio.
- Enbridge is building the Line 3 pipeline through indigenous territories in Minnesota and was involved in building the Dakota Access pipeline.
- While this was brought to our attention in the context of the Fossil Fuel Business Resolution; it is more applicable to the criteria of implementing the Human Rights Business Resolution.
- This underlines the urgency for the screening subcommittee to work on the criteria for implementing the Human Rights Business Resolution.
- Will maintain the holding in the advocacy account until a determination is made that we will no longer be pursuing filings with them.
- Recognizing we do not have the same leverage with fixed income that we do with equities, the biggest impact may be with new bond issues instead of with our current holdings.
- The holding in Enbridge is small and de minimis in terms of return potential.
- With greater focus on capital and financing, bond market is now part of the equation.
- Will be a balancing act between restricting managers from their goal and how much impact we may have by screening out companies.
- Current guidelines/policies reference equities only, need one that distinguishes how we handle both.

Action item 1: Helbert to ask NEPC to include our holdings in the quarterly meeting materials.

Action item 2: McGeorge to write a blog detailing the exception process that was necessary to exclude Enbridge from the portfolio. Will distribute to the Investment Committee for review prior to publishing.

Action item 3: Helbert to work with Phil Murray to separate bond and equity holdings on the Holdings Report.

Action item 4: McGeorge to work with Tim Brennan to determine which holdings in the advocacy account should be sold and to set up a process of periodic review for companies we are no longer engaging with to be sold.

Action item 5: Helbert to ask NEPC for a current Carbon Underground 200 list and to screen our portfolio for those.

Action item 6: Minahan to incorporate the issues discussed today into the work of the investment policy subcommittee. To take the Enbridge example to NEPC for assistance in how to write guidelines that cover this situation, so it is no longer an exception.

Action item 7: Helbert to attempt to schedule quarterly investor calls at the same time the committee meetings are scheduled.

Motion 1: As recommended by the Socially Responsible Investment Committee, to make an exception to the existing guidelines to screen Enbridge securities out of separately managed accounts, to complete the development of criteria to implement the human rights business resolution, to update our policies/procedures regarding screening fixed income in separately managed accounts and, to ensure follow up communications with investment manager and investment community. Moved Santini-Field, seconded Lasher, all approved.

2. General Assembly Discussion –Mulvey, Gaffney

- Were approved to have a recorded only session at General Assembly.
- With an April 30th deadline for providing recorded session and the large volume of endowment work that needs to be completed, will pass on the workshop.
- Focus will be placed on the quarterly calls and how to make those better and how to reach a larger audience.

Next Meeting

May 21, 2021