



The United Methodist Foundation of New England

Change in Social Screening Policy for Sudan

The United Methodist Foundation of New England has recently expanded our screening of companies doing business in Sudan. Initially, we decided to screen out companies that were ranked by the Sudan Divestment Task Force (the coordinating entity for the Sudan divestment movement, and a project of the Genocide Intervention Network, <http://www.sudandivestment.org/home.asp>) to be among the “highest offenders” which are the ones that “have the most problematic operations in Sudan”. We decided not to exclude from our portfolios the companies that fell in the “ongoing engagement” category since it was less clear from the research that these companies were supporting the genocide that has plagued the region. However, over time, we have found that companies’ status changed fairly frequently from the “highest offender” category to the lesser category and back again. This indicates that while there is a distinction made by the Task Force, it is relatively subtle and not sustained for very long. Further, the reclassification of companies with a high frequency could create unnecessary trading and complexity for implementing our screen. Therefore, going forward, we will exclude all companies doing business in Sudan, regardless of the classification between “highest offender” and “ongoing engagement” made by the Sudan Divestment Task Force. This change should have a relatively modest impact on the portfolio and cause sales equal to about 0.44% of the total.

Respectfully submitted

The Investment Committee
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