

PRESBYTERIAN CHURCH (USA)
2017 General Assembly Divestment List

Adopted October 3, 2016

Effective January 1, 2017

Committee on Mission Responsibility Through Investment (MRTI)

Compassion, Peace and Justice Ministries

Presbyterian Mission Agency

The General Assembly of the Presbyterian Church (USA) urges divestment and/or proscription of some corporations due to their involvement in military-related production (MR), tobacco (TO), human rights violations (HR), and operating for-profit prisons (FPP). The following is a comprehensive list of corporations or securities affected by those General Assembly policies:

1	Alliance One International - AOI	(TO)
2	Altria Group (Philip Morris) - MO	(TO)
3	Aryt Industries - ARYT (TLV)	(MR)
4	BAE Systems PLC - BAESY (ADR)	(MR)
5	Babcock International Group- BAB (London)	(MR)
6	Boeing Company – BA	(MR)
7	British American Tobacco Industries - BTI (ADR)	(TO)
8	CACI International- CAI	(MR)
9	Caterpillar - CAT	(HR)
10	Chemring Group, PLC - CHG (London)	(MR)
11	Cobham - COB (London)	(MR)
12	Corrections Corporation of America - CCA	(FPP)
13	Cubic Corporation - CUB	(MR)
14	Elbit Systems - ESLT	(MR)
15	Leonardo-Finmeccanica SPA - FNC (BIT)	(MR)
16	General Dynamics – GD	(MR)
17	GEO Group – GEO	(FPP)
18	G4S PLC - GFS	(FPP)
19	Hanwah Techwin Company - Korea:00880	(MR)
20	Harris Corp (acquired ITT Exelis Corp)	(MR)
21	Hewlett Packard - HPQ	(HR)
22	Huntington Ingalls Industries - HII	(MR)
23	Imperial Brands PLC -ITY (NYSE ADR)	(TO)
24	Japan Tobacco - Tokyo Exchange	(TO)
25	Korean Aerospace Industries - Korea: 047810	(MR)
26	K.T.& G. Corporation - “033780”	(TO)
27	L-3 Communications - LLL	(MR)
28	Leidos (formerly SAIC) - LDOS	(MR)
29	Lockheed Martin - LMT	(MR)
30	Man Tech International - MANT	(MR)

31	Motorola Solutions - MSI	(HR)
32	Norinco International Corporation- 000065Shenzhen	(MR)
33	Northrop Grumman - NOC	(MR)
34	Orbital ATK - OA	(MR)
35	Philip Morris International Group - PMI	(TO)
36	Poongsan - Korea:103140	(MR)
37	Qinetiq Group PLC - LSE:QQ	(MR)
38	Raytheon - RTN	(MR)
39	Reynolds American Inc. - RAI	(TO)
40	Rockwell Collins - COL	(MR)
41	Saab - Saab B (OMX)	(MR)
42	SAIC - SAIC	(MR)
43	Serco Group - SRP	(FPP)
44	Singapore Technologies Engineering - SGX:S63	(MR)
45	Swedish Match - SWMA (STO)	(TO)
46	Textron - TXT	(MR)
47	Thales - HO Paris	(MR)
48	Ultra Electronics Holding - ULE (London)	(MR)
49	Universal Corp. - UVV	(TO)
50	Vishay Technology - VSH	(MR)

Military-Related Investment Policy

The General Assembly military-related divestment policy was first adopted in 1982, and has been revised three times since then. The most recent revision was made by the 1998 General Assembly. This policy is an outgrowth of the General Assembly's adoption of *Peacemaking: A Believer's Calling* which asked the entire church to review its witness and seek additional ways to promote peacemaking. MRTI conducted a review of its engagements with military-related companies, and developed guidelines consistent with the historic concerns of the General Assembly. These included concern about the overall spending on the military, over-dependence on military contracts by a company, and weapons that do not distinguish between combatants and non-combatants. Later amendments stemmed from General Assembly actions on foreign military sales and land mines. The General Assembly's guidelines which identify affected companies are:

- 1) Corporations that are among the five leading military contractors (measured as dollar volume of military contracts in the most recent year) until such time as the United States is no longer among the top ten nations ranked according to per capita military expenditures.
- 2) Corporations that are among the 100 leading military contractors and in addition are dependent on military contracts (domestic and/or foreign) for more than 50 percent of their sales (measured as the average ratio of military contracts to sales in the most recent three-year period). Insofar as sales to the military can be shown by the corporation to be merely general supplies readily available to civilians, rather than weapons production, such general supplies sales shall be excluded from the percentage of sales to the military for purposes of these criteria.

- 3) Corporations that are among the top five firms engaged in foreign military sales during the most recent fiscal year for which statistics are available.
- 4) Corporations that produce weapons whose use can lead to mass or indiscriminate injury and/or death to civilians. Such products would include the key components of nuclear warheads, chemical and biological weapons, anti-personnel weapons such as landmines, and “assault-type” automatic and semi-automatic weapons, rifles, shotguns, handguns and ammunition sold to the civilian market for purposes counter to General Assembly policy.
- a) *key components of nuclear warheads*
 - b) *chemical and biological weapons*
 - c) *anti-personnel weapons such as landmines and cluster munitions* (New policy states that “companies which manufacture components used in landmines will be affected by the criteria unless they have adopted a policy prohibiting such work and are making an active effort to knowingly sell any of their products that are intended for use in anti-personnel landmines.”)
 - d) *“assault-type” automatic and semi-automatic weapons*

Note: The current “assault weapons” ban has been lifted by Congress. MRTI is now researching any publicly-traded companies affected by the criteria.

Tobacco Policy

The General Assembly’s policy on tobacco-related investments recommends divestment and/or proscription of the top ten tobacco companies according to revenues averaged over two years.

The Board of Pensions and the Presbyterian Church (U.S.A.) Foundation/New Covenant Funds proscribe investments in all tobacco companies.

Reynolds American is the holding company for R.J. Reynolds Tobacco following its merger with the U.S. operations of British American Tobacco (known as Brown & Williamson Tobacco).

In February 2016 Imperial Tobacco changed its name to Imperial Brands.

Imperial Tobacco acquired Altadis in early 2008.

In March 2008 Altria completed a spinoff of its non-U.S. operations into Philip Morris International. In January 2009 Altria acquired UST Inc. The revenues for Altria exclude those for wine.

In May 2005 DIMON Inc. and Standard Commercial Corp. merged to form Alliance One International.

Alcohol and Gambling

The General Assembly has never adopted a formal policy regarding investments in companies producing alcoholic beverages or engaged in gambling. However, the Board of Pensions and the Presbyterian Church (U.S.A.) Foundation/New Covenant Funds have comprehensive policies proscribing investments in all such companies. These policies apply to both domestic and international companies.

Human Rights

As human rights issues arise, as in the case of apartheid in South Africa, the military violence against civilians in Sudan, or human rights violations that obstruct a just peace in Israel-Palestine, the General Assembly may place a company on the divestment and/or proscription list. Currently, three companies are on the list as a result of General Assembly action.

The 2014 General Assembly added Caterpillar, Hewlett Packard and Motorola Solutions to its divestment and/or proscription list due to concerns about continuing involvement in human rights violations in the Occupied Palestinian Territories such as the illegal military occupation including checkpoints, the illegal Israeli settlements and restricted roads being built in the West Bank and East Jerusalem, destruction of Palestinian homes and agricultural lands, and construction of the separation barrier in so far as it extends beyond the 1967 “Green Line” boundary. The General Assembly has identified such activities as non-peaceful roadblocks to a just peace based on a two-state solution, and called upon all corporations to confine their business operations solely to peaceful pursuits.

MRTI continues to engage corporations on human rights issues, both on the policy and the operational levels. This includes companies involved in Western Sahara.

Publicly-Traded For-Profit Prison Companies

As the 2003 General Assembly adopted a policy calling for the abolition of for-profit prisons, jails and detention centers, the 2014 General Assembly approved a recommendation that publicly-traded companies operating such institutions would be added to the divestment and/or proscription list. Currently, Corrections Corporation of America, G4S, GEO Group, and Serco Group are added to the list according to this policy.

Additional Information

COMPREHENSIVE SCREENING: The Board of Pensions and the Presbyterian Foundation/New Covenant Funds screen a total of 361 companies that include all tobacco companies as well as those engaged in the production of alcohol and gambling.

For more information about these policies, and other MRTI activities including, proxy voting recommendations, dialogues with corporations and sample socially responsible investment policies for congregations and other PCUSA entities, please contact Rob Fohr, Coordinator for Mission Responsibility Through Investment, at 888-728-7228, ext. 5035. E-mail is Rob.Fohr@pcusa.org.