

# **COMMITTEE ON MISSION RESPONSIBILITY THROUGH INVESTMENT**

## **COMMITTEE PROCEDURES**

Rev. 2.15.2022

### **I. INTRODUCTION**

The Presbyterian Church (U.S.A.) believes that “Church investment is an instrument of mission and includes theological, social and economic considerations.” (183<sup>rd</sup> General Assembly, United Presbyterian Church U.S.A., 1971). This belief flows from our understanding of the stewardship of God’s resources entrusted to the church. Thus, “we confess that the Lord is really the acknowledged Master of our entire life – moral, physical and material.” (116<sup>th</sup> General Assembly, Presbyterian Church in the U.S., 1976). As the “Life and Mission Statement” (197<sup>th</sup> General Assembly, 1985) affirmed a call “to demonstrate the new creation” by doing justice and practicing stewardship, it specifically noted the “importance of the church’s stewardship of its resources, including the management of its investments in a manner consonant with its commitment to justice.”

### **II. HISTORICAL BACKGROUND**

In recognition of the church’s unique opportunity to advance its mission faithfully and creatively through the financial resources entrusted to it, both predecessor denominations established committees on corporate social responsibility. Both became known as Mission Responsibility Through Investment. In the United Presbyterian Church U.S.A. (headquartered in New York), Mission Responsibility Through Investment was structured as a sub-committee of the General Assembly Mission Council in the 1972 reorganization and was the church’s principal agent for carrying out the Investment Policy Guidelines adopted by the 183<sup>rd</sup> General Assembly in 1971. By General Assembly definition, Mission Responsibility Through Investment was composed of elected members of the investing and mission agencies of the General Assembly and served by a staff person and a staff team from the member agencies. In the Presbyterian Church in the U.S. (headquartered in Atlanta), the General Assembly Mission Board formulated Policy and Guidelines for its investments which were reviewed and approved by the 116<sup>th</sup> General Assembly in 1976. Implementation was assigned by the General Assembly Mission Board to the Division of Corporate and Social Mission, with certain actions such as filing shareholder resolutions lodged in the Mission Board on recommendation of the Division. The Division created a Mission Responsibility Through Investment sub-committee composed of elected members from the church-at-large. Staff service was included in a portfolio of assignments assigned to a member of the staff of the Division of Corporate and Social Mission. Since reunion in 1983, both Mission Responsibility Through Investment committees functioned as one

on the basis of an interim policy developed jointly and approved by the Mission Board and the General Assembly Council<sup>1</sup>.

The experience of working as one committee revealed the strengths of both Mission Responsibility Through Investment committee structures. The United Presbyterian Church U.S.A. Mission Responsibility Through Investment composition insured the involvement of elected representatives of the relevant investing agencies and the agencies and councils responsible for mission policy and program in the implementation of the General Assembly's policies and decisions. The Presbyterian Church in the U.S. Mission Responsibility Through Investment composition allowed for recruitment of members from the church-at-large possessing particular skills and expertise or representing important constituencies such as institutions of higher learning. The Structural Design for Mission approved by the 1986 General Assembly accommodated the strengths of both approaches in its description of the mission responsibility through investment function.

From 1986 to 1993, the Committee on Mission Responsibility Through Investment ("MRTI") functioned under the Social Justice and Peacemaking Unit as a fifteen-member committee. In October 1994, the General Assembly Council authorized the continued work of MRTI Committee the National Ministries Division according to the Shape and Form Process. The action of the General Assembly Council is described in Section III of these Committee Procedures.

### **III. COMPOSITION, DUTIES, AND RESPONSIBILITIES**

- A. PURPOSE:** MRTI, as a committee of the General Assembly, will be responsible for implementing General Assembly policy related to mission responsibility through investment in coordination with the ministries of the Presbyterian Mission Agency and other General Assembly-level entities.
- B. ASSIGNED TASKS:**
  - 1. Develop and implement a coordinated strategy to effectuate the Investment Policy Guidelines for the General Assembly and subsequent General Assembly action related to investment or divestment. These policies are:
    - a. Investment Policy Guidelines, 183<sup>rd</sup> General Assembly (1971), United Presbyterian Church U.S.A.
    - b. Investment Policy and Guidelines, 116<sup>th</sup> General Assembly (1976), Presbyterian Church in the U.S.

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<sup>1</sup> The General Assembly Mission Council became the Presbyterian Mission Agency Board by action of the 220<sup>th</sup> General Assembly in 2012.

- c. Participation in Development Assistance, 191<sup>st</sup> General Assembly (1979), United Presbyterian Church in the U.S.A.
  - d. Military-Related Investment Guidelines, 203<sup>rd</sup> General Assembly (1981), Presbyterian Church (U.S.A.), revised in 1991 and 1996.
  - e. The Presbyterian Church and Transnational Corporations: A Report to the 195<sup>th</sup> General Assembly (1983), Presbyterian Church (U.S.A.).
  - f. The Divestment Strategy, Principles and Criteria, 196<sup>th</sup> General Assembly (1984), Presbyterian Church (U.S.A.).
  - g. Resolution on Tobacco-Related Investments, 202<sup>nd</sup> General Assembly (1990), Presbyterian Church (U.S.A.).
  - h. Tobacco Investment Guidelines, 204<sup>th</sup> General Assembly (1992), Presbyterian Church (U.S.A.).
  - i. Resolution on Human Rights, 220<sup>th</sup> General Assembly (2014), Presbyterian Church (U.S.A.).
  - j. Resolution on For-Profit Prison-related Investments, 220<sup>th</sup> General Assembly (2014), Presbyterian Church (U.S.A.).
  - k. Environmental policy established, 223<sup>rd</sup> General Assembly (2018), Presbyterian Church U.S.A.
2. Recommend to the Compassion, Peace and Justice ministry area, as needed, revisions or additions to investment policy and guidelines designed to reach mission goals of the General Assembly for recommendation to the Presbyterian Mission Agency Board and the General Assembly.
  3. Recommend to the Presbyterian Mission Agency Board through the Compassion, Peace and Justice ministry area specific actions related to the exercise of investor rights and responsibilities.

These investor rights and responsibilities are:

- a. The filing of shareholder resolutions. Following initial authorization by the Presbyterian Mission Agency Board of shareholder resolutions on particular issues or concerns recommended by MRTI, the resolution(s) may be refiled or filed with another company upon approval by MRTI. All shareholder resolutions filed or refiled shall be reported at the next

meeting of the appropriate body of the Presbyterian Mission Agency Board.

- b. The initiation of collaboration with other shareholders in litigation calling for regulatory oversight or other forms of redress.
4. Recommend to appropriate General Assembly-related agencies, mid-councils, institutions and communicant members of the Presbyterian Church (U.S.A.) ways and means to carry out General Assembly investment policies respecting social concerns, including the voting of proxies on shareholder resolutions.
5. Appoint representatives to organizations through which the Presbyterian Church (U.S.A.) seeks to advance its work in the area of mission responsibility through investments.
6. Assist the Compassion, Peace and Justice ministry area in coordinating corporate responsibility concerns with mission program and strategies on economic and social justice.
7. Work ecumenically both in the U.S. and around the world with churches and ecumenical agencies on coordinated strategies for mission responsibility through investment.
8. Report regularly to the Compassion, Peace and Justice ministry area and other bodies represented on MRTI on its work and the fulfillment of its assigned tasks.

### **C. COMMITTEE MEMBERSHIP**

1. The Committee will be composed of twelve (12) persons. Representatives, who may be members of the appointing entities' governing boards, will be appointed by the following entities:
  - a. Two from the Presbyterian Mission Agency,
  - b. Two from the Presbyterian Church (U.S.A.) Foundation Inc. and/or the New Covenant Trust Company
  - c. Two from the Board of Pensions

2. Each of the following committees will appoint one representative, who may be a member of the committee:
  - a. Advisory Committee on Social Witness Policy
  - b. Racial Equity Advocacy Committee
  - c. Advocacy Committee for Women’s Concerns
3. Three members will be members-at-large, chosen for particular expertise and/or institutional involvements, such as governing body representatives, etc. Members-at-Large will be nominated by the General Assembly Nominating Committee and elected by the General Assembly.

**D. ACCOUNTABILITY**

MRTI is responsible to and will report regularly to the appropriate body of the Presbyterian Mission Agency Board. MRTI will make any recommendations requiring Presbyterian Mission Agency Board and General Assembly action through the Compassion, Peace and Justice ministry area. Amendments to these guidelines will be recommended through the appropriate body of the Presbyterian Mission Agency Board to the Presbyterian Mission Agency Board for approval. Budget and staff services will be provided by the Compassion, Peace and Justice ministry area of the Presbyterian Mission Agency.

**IV. COMMITTEE ORGANIZATION**

**A. OFFICERS OF MRTI AND NOMINATIONS PROCESS:** MRTI, which will be composed of 12 voting members, shall elect one chairperson and one vice chairperson at the meeting immediately before the General Assembly meets. Their terms will begin immediately following the conclusion of General Assembly.

**1. NOMINATING COMMITTEE:**

- i. **MEMBERSHIP:** The Nominating Committee will consist of no fewer than three members and shall be appointed to a two-year term by MRTI.
- ii. **CHAIR:** The chair shall be elected by the Nominating Committee members.
- iii. **PURPOSE AND FUNCTIONS:** The Nominating Committee shall make nominations to MRTI of persons to serve as:
  - a) Chair and Vice-Chair of MRTI
  - b) Chair of the standing sub-committees

- iv. Before MRTI votes on nominations submitted by the Nominating Committee, it will offer an opportunity for nominations from the floor.
- v. REPRESENTATION: All councils higher than the session shall have a process for nominating persons to serve in positions requiring election by that council. The process shall ensure that nominations are made by an entity broadly representative of the constituency of the council, and in conformity with the Church's commitment to unity in diversity (F-1.0403).

**B. MEETINGS**

- 1. MRTI shall meet at least annually and ordinarily three times a year on dates and at locations it determines included electronically. Additional meetings may be called by the Chair within budgeted funds.

The “Annual Meeting” at which the officers are elected shall be the meeting immediately preceding the next General Assembly. Meetings other than the annual meeting may be held electronically when previously authorized by MRTI.

- 2. All 12 voting members of MRTI shall be entitled to voice and vote. No person is allowed to serve as proxy for voting members of MRTI.
- 3. Seven (7) voting members present shall constitute a quorum.
- 4. A simple majority of members present shall be required for any action.
- 5. Staff resource persons are entitled to voice but no vote.
- 6. Meetings of MRTI are open to visitors and observers. They participate upon invitation by MRTI and attend at their own expense. Meetings may also occur by video or teleconference. Voting may occur electronically.
- 7. MRTI may meet in executive session by its own decision and in accordance with the Open Meeting Policy of General Assembly entities. Only voting members are entitled to participate in executive session, although others may be invited to attend.

**C. MEMBERSHIP TERMS OF SERVICE**

- 1. Members-at-large are elected for four years on a rotating basis and may be reelected once.

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Section VI E added and approved by MRTI February 28, 2022

2. Members from appointing entities and committees will be placed in classes of service. The appointing entities and committees will be asked to appoint new representatives in time for their attendance at the first MRTI meeting following the conclusion of the General Assembly at which the term of service for their current representative(s) expires. They will exercise their judgment in appointing representatives with a goal of providing both continuity and rotation. Members will be eligible to serve up to eight consecutive years.
3. Officer Terms: The terms of MRTI Chair, Vice-Chair, and chairs of the standing sub-committees shall be for two years. Terms may be renewed one time. Terms will commence at the first MRTI meeting after conclusion of the General Assembly.
4. Non-current MRTI members invited to serve on standing sub-committees may serve two-year terms that can be renewed one time.

**V. OPERATIONS:**

**A. STANDING SUB-COMMITTEES:** As appropriate, the Committee, may create standing sub-committees comprised of current serving members of MRTI to focus on a certain issue or issues to build expertise among members and manage MRTI's work in a more focused manner.

1. MEMBERSHIP: Shall consist of no fewer than three members currently serving a term on MRTI. Up to three additional members may serve on the sub-committee at its invitation. Upon recommendation of the standing sub-committee, MRTI may invite others to join the work of these sub-committees. The sub-committee shall make every effort to ensure invited members have the appropriate expertise on the issue (or issues) and represent diversity in perspective and in conformity with the Church's commitment to unity in diversity (F-1.0403).
2. CHAIR: The chair of each sub-committee shall be nominated by the Nominating Committee and elected by MRTI.
3. PURPOSE AND FUNCTIONS: These standing sub-committees shall be responsible for engaging with their assigned issue or issues and making programmatic recommendations to MRTI as to how best to advance its work on the issue (or issues).

**B. TASK FORCES ON PRIORITY ASSIGNMENTS:** MRTI may appoint Task Forces to work on specific assignments. Each task force at its creation,

should include a clear purpose and service term (normally between stated MRTI meetings), and choose a convener.

**C. STAFF SERVICES:**

1. The lead staff person for MRTI will be the primary liaison with staff of the Board of Pensions, the Presbyterian Church (U.S.A.) Foundation Inc., and other member bodies designated to assist in providing staff services to MRTI, and with other staff as necessary to implement MRTI programs.
2. The lead staff person for MRTI shall be assigned to maintain and publish the records of MRTI meetings.

**D. BUDGET:**

1. The Compassion, Peace and Justice ministry area is responsible for approving the MRTI budget taking into consideration actions of the General Assembly and the work of MRTI currently under way.
2. The lead staff person for MRTI is responsible for the administration of the approved MRTI budget.
3. Staff resource persons will cover their own travel expenses to MRTI meetings. All other expenses at the MRTI meeting shall be covered by the MRTI budget.

**VI. IMPLEMENTATION OF GENERAL ASSEMBLY POLICY**

**A. ADOPTION OF PRIORITY ISSUES FOR MRTI WORK:**

1. MRTI will review issues raised by governing bodies, organizational partners, individuals and referrals from the General Assembly.
2. MRTI may select issues and engage in further analysis and study.
3. MRTI will report its priority issues annually to the appropriate body of the Presbyterian Mission Agency Board. MRTI members will have the responsibility of reporting MRTI priority issues to their appointing entities and committees.

**B. ECUMENICAL & INTERRELIGIOUS RELATIONS:**

1. MRTI will work ecumenically and interreligious whenever possible and will participate in ecumenical and interreligious arenas or organizations to advance its work.

MRTI will appoint representatives to faith-based and values-based organizations through which the Presbyterian Church (USA) seeks to advance mission responsibility through investment work.

**C. PASTORAL AND PROPHETIC COMMUNICATION:**

1. MRTI will make regular reports to the appropriate body of the Presbyterian Mission Agency Board. MRTI representatives will have the responsibility of keeping their entities and committees informed about MRTI work.
2. MRTI will ensure that member entities and committees will be able to participate in the policy development process.
3. MRTI will make periodic news releases through appropriate channels.
4. MRTI will seek to educate the constituency of the church on corporate social responsibility and ethical investment issues.
5. MRTI will seek to develop and nurture helpful relationships with individuals, groups and agencies within the church.
6. MRTI may publish periodic newsletters to the church at large.
7. MRTI members and staff will be available for presentations and discussions at congregations, presbyteries or special meetings when invited.

**D. INTERACTION WITH CORPORATIONS:** MRTI may initiate or respond to correspondence and/or attend meetings with corporations.

**E. SIGN-ON LETTERS:**

1. MRTI will accept an invitation to sign a letter after considering the following: i) that the recipient of the letter is either a publicly-traded company or relevant entity or governmental organization relevant to MRTI's scope of work; ii) if the letter addresses a company, shares of that company are currently held by the Board of Pensions and/or the Presbyterian Church (U.S.A.) Foundation Inc.; iii) that there is adequate time, normally at least ten business days, to review and respond to the request; iv) that there is existing General Assembly policy concerning the topic of the letter; and v) the appropriate MRTI sub-committee agrees with the request.

2. Signing on to requests not meeting the above criteria will be at the discretion of the MRTI Chair and Vice-Chair, upon recommendation by the staff.
3. The lead staff person to MRTI will normally complete the sign-on process. The signatory organization will be “The Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.” The reported assets under management will be the combined value of the portfolios of the Board of Pensions of the PCUSA and the Presbyterian Church U.S.A. Foundation, based on the latest available information.

**F. SHAREHOLDER RESOLUTIONS:**

1. **PROXY VOTING:** MRTI will recommend whether a shareholder resolution should be supported or opposed, or whether a formal abstention should be recorded. MRTI’s action will be communicated to the Board of Pensions and the Presbyterian Church (U.S.A.) Foundation Inc., with the urging that the recommendations be followed. MRTI’s action will be communicated to the church at large, urging that proxies be voted in accordance with the recommendations.

MRTI recommendations will be reported to the appropriate body of the Presbyterian Mission Agency for its review and affirmation.

2. **FILING OR CO-FILING SHAREHOLDER RESOLUTIONS:** MRTI will recommend to the Presbyterian Mission Agency Board whether a resolution should be filed or co-filed. Following Presbyterian Mission Agency Board authorization of a resolution addressing a particular issue, MRTI can direct MRTI staff to file the resolution. A previously authorized resolution may be refiled upon approval of MRTI and additional resolutions addressing the same issue may also be filed upon MRTI approval.
3. **MAINTENANCE OF OWNERSHIP:** Upon decision to initiate shareholder action with a corporation, whether through dialogue or filing of a resolution, MRTI will communicate with the Board of Pensions and the Presbyterian Church (U.S.A.) Foundation Inc. requesting that they maintain the legally required ownership position to permit shareholder resolutions. The investing agencies will establish procedures to guarantee that the ownership position will be maintained throughout the process, including the period after the shareholders meeting, should MRTI decide to refile. The investing agencies may request that MRTI rescind its action on maintenance of an ownership position.
4. **WITHDRAWAL OR AMENDMENT OF RESOLUTION:** If agreement is reached with the company prior to the meeting of the Presbyterian Mission Agency Board, the recommendation to file a stockholder resolution will be withdrawn. When the filing of a resolution addressing a new issue

has been approved by the Presbyterian Mission Agency Board, the Chairperson of MRTI or appropriate sub-committee chair is authorized to modify editorially the resolution when necessary, or to withdraw the resolution, with the concurrence of the full committee when feasible on the basis of substantial compliance with the objectives of the resolution.

5. **SOLICITATION OF PROXIES:** MRTI may solicit proxies in accordance with the Rules and Regulations of the Securities and Exchange Commission.
6. **SHAREHOLDER LITIGATION:** MRTI will recommend to the Presbyterian Mission Agency Board the initiation of collaboration with other shareholders in litigation calling for regulatory oversight or other forms of redress.
7. **COMMUNICATION:** MRTI shall communicate about shareholder resolutions as set out in Section VI.C. above.

**G. PROSCRIPTION AND/OR DIVESTMENT:**

1. MRTI will recommend to the General Assembly through the appropriate body of the Presbyterian Mission Agency Board policies or policy implementation actions, which advocate the use of proscription and/or divestment to achieve mission responsibility through investment.
2. In the case of a divestment recommendation, MRTI will recommend adding a company or companies to the Divestment/ Proscription list in its report to the General Assembly. This recommendation will be presented to the General Assembly for approval. If the General Assembly approves that recommendation and adopts MRTI's report, MRTI will add the company or companies to the Divestment/ Proscription list for the following year. That new list will be provided to the Boards of the Foundation and the Board of Pensions for approval, which can adopt the list in full or in part.

Once a company has been added to the Divestment/ Proscription list, MRTI will monitor that company directly and through its partners and networks. If MRTI learns of possible changes in the operations and/or policies of the company, it will research the company more extensively and will consider recommending that the company be removed from the Divestment/ Proscription list. In order to remove a company from the Divestment/Proscription list, MRTI's recommendation must be approved by the General Assembly or the Presbyterian Mission Agency Board in years when the General Assembly does not meet.

**H. INTRA-CHURCH RELATIONSHIPS:**

1. **GENERAL INFORMATION:** The lead staff person for MRTI will make available on an annual basis an outline of the priority issues under consideration in the corporate responsibility area and corporations being researched or approached.
2. **SPECIFIC COMMUNICATION:** When the Presbyterian Church (U.S.A.) is considering filing or co-filing a stockholder resolution or divesting or proscribing a company's securities and its action may have significant impact on a local or regional Presbyterian constituency, the following procedures shall apply:
  - a. MRTI meetings should be held, when feasible, in areas where corporations are headquartered while MRTI is actively engaged with those corporations and mid-council executives should be invited to the meetings. The executive(s) of synods and presbyteries impacted by any MRTI recommendations should be invited to a meeting of MRTI prior to making any recommendation.
  - b. Before a recommendation to file or co-file a resolution or divest or proscribe a company's securities is considered, MRTI shall be informed of the preliminary investigation that has been done both on the particular issue and the local church situation. The investigation should include communication with mid-council executives and such local Presbyterians and company officials as deemed useful and necessary.
  - c. When MRTI has recommended filing a resolution or divestment or proscription to the Presbyterian Mission Agency Board, MRTI shall:
    - i. Maintain communication with the appropriate synod and presbytery staff (preferably in person), seeking to facilitate the participation of the mid-council in the process in an ecumenical and interreligious style wherever possible, and
    - ii. Ensure that formal negotiation with the company is initiated with faith-based and values-based partners wherever possible.
  - d. MRTI will ensure that full information on General Assembly actions and subsequent negotiation or events is communicated to the church constituencies involved.
  - e. All consultation teams or negotiating teams should include representation of women and minorities.

## I. AMENDMENTS

Approved by MRTI on October 14, 2020

Section III Approved by the Presbyterian Mission Agency Board on April 23, 2021

Section VI E added and approved by MRTI February 28, 2022

1. Section III may be amended by the Presbyterian Mission Agency Board upon recommendation of MRTI.
2. Sections I, II, and IV, V, and VI may be amended by MRTI, which shall report all changes to the Compassion, Peace and Justice ministry area.

Approved by MRTI on October 14, 2020

Section III Approved by the Presbyterian Mission Agency Board on April 23, 2021

Section VI E added and approved by MRTI February 28, 2022