

PRESBYTERIAN CHURCH (USA)
2020 General Assembly Divestment/ Proscription List

Effective January 1, 2020
 Committee on Mission Responsibility Through Investment (MRTI)
 Compassion, Peace and Justice Ministries
 Presbyterian Mission Agency
 Approved by MRTI on October 15, 2019

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, organized by policy screen.

	Top 5 Military-Related	Ticker	ISIN	Industry
1	BAE Systems PLC	BA/LN	GB0002634946	MR
2	Boeing Company, The	BA	US0970231058	MR
3	Lockheed Martin Corporation	LMT	US5398301094	MR
4	Northrop Grumman Corporation	NOC	US6668071029	MR
5	Raytheon Company	RTN	US7551115071	MR

	Top 100 + 50 percent sales			
1	Bharat Electronics Ltd.	BEL.NS	INE263A01024	MR
2	Cobham PLC	COB	GB00B07KD360	MR
3	Elbit Systems LTD	ESLT	IL0010811243	MR
4	Korea Aerospace Industries	047810	KR7047810007	MR
5	ManTech International Corporation	MANT	US5645631046	MR
6	Saab Ab	SAABB	SE0000112385	MR

	Weapons whose use can lead to mass or indiscriminate injury (Nuclear/Chemical/Biological)			
1	Aerojet Rocketdyne Holdings, Inc.	AJRD	US0078001056	MR
2	Aryt Industries	ARYT	IL0005870147	MR
3	Babcock International Group PLC	BAB	GB0009697037	MR
4	CACI International Inc	CACI	US1271903049	MR
5	Chemring Group Plc	CHG	GB00B45C9X44	MR
6	Cohort plc	CHRT.L	GB00B0YD2B94	MR
7	Fortive Corporation	FTV	US34959J1088	MR
8	General Dynamics Corporation	GD	US3695501086	MR
9	Hanwha Techwin Co Ltd	012450	KR7012450003	MR
10	Huntington Ingalls Industries	HII	US4464131063	MR
11	L3 Harris Technologies Inc. (L-3 and Harris merged)	LHX	US5024131071	MR
12	Leidos Holdings	LDOS	US5253271028	MR

13	Leonardo SPA	LDO	IT0003856405	MR
14	Serco Group	SRP	GB0007973794	MR
15	Singapore Technologies Engineering Ltd	STE	SG1F60858221	MR
16	Textron Financial Corp.		USU88321AC55	MR
17	Textron Inc	TXT	US8832031012	MR
18	Ultra Electronics Holdings PLC	ULE	GB0009123323	MR
19	United Technologies Corporation	UTX	US9130171096	MR
20	Qinetiq Group PLC	QQ	GB00B0WMWD03	MR
21	Science Applications International Corp (SAIC)	SAIC	US8086251076	MR

Weapons whose use can lead to death of civilians

1	American Outdoor Brands Corporation	AOBC	US02874P1030	MR
2	Olin Corporation	OLN	US6806652052	MR
3	Poongsan Corporation	103140	KR7103140000	MR
4	S&T Holdings Co.	3928.HK	KR7036530004	MR
5	STURM, RUGER & COMPANY, INC.	RGR	US8641591081	MR
6	Thales	HO	FR0000121329	MR
7	Vista Outdoor Inc.	VSTO	US9283771007	MR

Top 10 Tobacco by Revenue

1	Philip Morris International	PM	US7181721090	TO
2	British American Tobacco	BATS	GB0002875804	TO
3	Altria Group Inc	MO	US02209S1033	TO
4	Japan Tobacco Inc	2914	JP3726800000	TO
5	Imperial Brands	IMB	GB0004544929	TO
6	ITC LTD	ITC.BO	INE154A01025	TO
7	Gudang Garam TBK PT	GGRM.JK	ID1000068604	TO
8	KT&G Corporation	033780	KR7033780008	TO
9	Swedish Match Ab	SWMA	SE0000310336	TO
10	Universal Corporation	UVV	US9134561094	TO

Human Rights Violation

1	Hewlett Packard Enterprise Co	HPE	US42824C1099	HR
2	HP Inc	HPQ	US40434L1052	HR
3	Caterpillar	CAT	US1491231015	HR
4	Motorola Solutions	MSI	US6200763075	HR

For Profit Prisons

1	GEO Group	GEO	US36162J1060	FPP
2	Corecivic Plc	CXW	US22025Y4070	FPP
3	G4S	G4S	BW0000000397	FPP

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. 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*

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.

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

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.

Note: As of December 31, 2016, due to corporate actions, there are now four companies including Hewlett Packard Enterprise and HP Inc.

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.

Environmental Policy

The 222nd General Assembly in 2016 directed MRTI to “pursue its focused engagement process on climate change issues with all corporations, particularly with those in the oil, gas, and coal sectors, and report back to the 223rd General Assembly (2018) with recommendations, including possible selective divestment if significant changes in governance, strategy, implementation, transparency and disclosure, and public policy are not instituted by the corporations during the engagements of MRTI and ecumenical partners.” MRTI continued engaging companies and developed the [Guideline Metrics](#) to measure progress on governance, strategy, implementation, transparency and disclosure. In 2018, the 223rd General Assembly affirmed MRTI’s Guideline Metrics and directed MRTI to continue its engagement process with a particular focus on the following companies: “Chevron, ExxonMobil, ConocoPhillips, Marathon Petroleum, Valero Energy, Phillips 66, Duke Energy, Ford, and General Motors.” No company has yet to be placed on the divestment/ proscription in accordance with GA policy.

Additional Information

In 2017, MRTI engaged Institutional Shareholder Services (ISS) to help research companies and their revenue sources. Following historical practice, when a company is first identified as meeting the General Assembly criteria for investment proscription (e.g. military-related revenues), it is placed on a watch list for potential inclusion the following year. Similarly, should a company which has been on the GA Divestment List not be identified during the subsequent year's screening process, it will remain on the GA divestment list for one year and may be removed the following year if it is not identified during that year's screening process.

In 2019, due to increased research costs for the military-related screen, MRTI opted to use the 2018 research with an additional review to update companies that had been merged, acquired, or delisted. The committee plans to engage an outside research provider for a full review of the military-related screen in 2020 in preparation for the 2021 list. In the interest of good stewardship of the church's resources, staff recommends that the committee move to a biennial full review of the military-related screen in General Assembly years and provide an update in non-General Assembly years.

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, Director of Faith-Based Investing and Corporate Engagement, at 888-728-7228, ext. 5035. E-mail is Rob.Fohr@pcusa.org.