

# **COMMITTEE ON MISSION RESPONSIBILITY THROUGH INVESTMENT**

## **COMMITTEE PROCEDURES**

Rev.3.23.17

### **I. INTRODUCTION**

The Presbyterian Church (USA) believes that “Church investment is an instrument of mission and includes theological, social and economic considerations.” (183<sup>rd</sup> General Assembly, UPCUSA, 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, PCUS, 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 (MRTI). In the New York stream, MRTI was structured as a sub-committee of the General Assembly Mission Council in the 1972 reorganization, and has been 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, MRTI 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 Atlanta stream, 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 an MRTI sub-committee composed of elected members from the church-at-large. Staff service was included in a portfolio of assignments carried by a member of the staff of the Division of Corporate and Social Mission. Since reunion in 1983, both MRTI

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 MRTI Committee structures. The New York MRTI 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 Atlanta MRTI composition allowed for recruitment of members from the church-at-large possessing particular skills and expertise, or representing important constituencies such as institutions or 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, 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 the MRTI Committee within the National Ministries Division according to the Shape and Form Process. The action of the GAC is described in Section III of these Committee Procedures.

### **III. GUIDELINES FOR MRTI COMMITTEE**

**A. PURPOSE:** The Mission Responsibility Through Investment Committee, 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 for the Investment Policy Guidelines for the General Assembly and for 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 in the USA.
  - b. Investment Policy and Guidelines, 116<sup>th</sup> General Assembly (1976), Presbyterian Church in the United States.

---

<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 USA.
  - 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 (USA).
  - f. The Divestment Strategy, Principles and Criteria, 196<sup>th</sup> General Assembly (1984), Presbyterian Church (USA).
  - 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.).
2. Recommend, as needed, revisions or additions to investment policy and guidelines designed to reach mission goals of the General Assembly to the Compassion, Peace and Justice ministry area for recommendation to the Presbyterian Mission Agency and the General Assembly.
  3. Recommend to the Presbyterian Mission Agency Board through the Compassion, Peace and Justice ministry area specific actions on 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 MRTI recommended shareholder resolutions on particular issues or concerns, 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 for joining 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 (USA) 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 ecumenical organizations through which the Presbyterian Church (USA) 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 will be appointed by the following entities who may be a member of the entity's board:
  - a. Two from the Presbyterian Mission Agency Board,
  - b. Two from the the Board of the Presbyterian Church (U.S.A.) Foundation Inc. or the Board of the New Covenant Trust Company
  - c. Two from the Board of Pensions
2. The following committees will appoint one representative each who may be a member of the committee:

Approved by MRTI on October 3, 2016

Section III Approved by the Presbyterian Mission Agency Board on March 23, 2017

- a. Advisory Committee on Social Witness Policy
  - b. Advocacy Committee on Racial Ethnic Concerns
  - c. Advocacy Committee for Women's Concerns
3. Three persons 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 for a term of four years. They will be eligible for reelection to a second four-year-term.

**D. ACCOUNTABILITY**

The Mission Responsibility Through Investment Committee is responsible to and will report regularly to the appropriate body of the Presbyterian Mission Agency Board. The MRTI Committee 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:** The Committee on MRTI (12 voting members) shall elect one chairperson and one vice chairperson at the annual meeting.

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 issue committees
- iv. Before MRTI votes on nominations submitted by the Nominating Committee an opportunity for nominations shall be given 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 the 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).

## V. MEETINGS

1. The Committee shall meet at least annually and ordinarily three times a year as established by the Committee. Additional meetings may be called by the Chair within budgeted funds.

The "Annual Meeting" at which the officers shall be elected shall be the meeting immediately following the General Assembly. Meetings other than the annual meeting may be held by means of conference call or mail ballot when previously authorized by the committee.

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

## **VI. MEMBERSHIP TERMS OF SERVICE**

1. Members-at-large are elected for four years on a rotating basis, and may be reelected once.
2. Members from electing bodies and entities will be placed in classes of service. The electing bodies and entities will be asked to elect new representatives in time for their attendance at the first MRTI meeting following the General Assembly at which the term of service for their representative expired. They will exercise their judgment in electing representatives with a goal of providing both continuity and rotation. Members will be able to serve up to eight years.
3. Officer Terms: The terms of MRTI Chair, Vice-Chair, and chairs of the standing Issue Committees shall be for two years. Terms may be renewed one time.
4. Non-current MRTI members invited to serve on Issue Committees will serve two-year terms that can be renewed one time.

## **VII. STANDING ISSUE COMMITTEES:**

1. As appropriate the Committee, may create standing issue committees comprised of current serving members of MRTI to focus on a certain issue or issues to build expertise among members and manage the work of the committee in a more focused manner.
  - i. **MEMBERSHIP:** Shall consist of no fewer than three members currently serving a term on MRTI. Up to three additional members may serve on the committee at the committee's invitation. Upon recommendation of the standing issue committee, MRTI may invite others to join the work of these issue committees, the 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).
  - ii. **CHAIR:** The chair shall be nominated by the Nominating Committee and elected by MRTI.
  - iii. **PURPOSE AND FUNCTIONS:** These issue committees shall be responsible for engaging with its assigned issue or issues and make programmatic recommendations to MRTI as to how best to advance its work on this issue (or issues).

**2. TASK FORCES ON PRIORITY ISSUES:** MRTI may constitute Task Forces to work on specific assignments. Each task force at its creation, should include a clear purpose and service term (normally between stated meetings of the committee on MRTI).

**3. STAFF SERVICES:**

1. The Coordinator for MRTI will maintain 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 Coordinator for MRTI shall be assigned to keep and publish the records of MRTI meetings.

**4. 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 Coordinator for MRTI is responsible for the administration of the MRTI budget approved by the ministry area.
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.

**5. MRTI PROCEDURES IN IMPLEMENTING GENERAL ASSEMBLY POLICIES**

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

1. MRTI will review issues raised by governing bodies, ecumenical 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 representatives will have the responsibility of reporting MRTI priority issues to their bodies and committees.

Approved by MRTI on October 3, 2016

**B. ECUMENICAL RELATIONS:**

1. MRTI will work ecumenically whenever possible, and will participate in ecumenical arenas or organizations to advance its work.
2. MRTI will appoint representatives to the ecumenical 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 bodies and committees informed about MRTI work.
2. MRTI will insure that member bodies 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 at invitation.

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

**E. 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 (USA) 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 PMAB authorization of the issue area, the committee on MRTI can direct MRTI staff to file the resolution. A previously authorized resolution may be refiled upon approval of MRTI.
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 (USA) 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, of course, be withdrawn. When the filing of a resolution has been approved by the Presbyterian Mission Agency Board, the Chairperson of MRTI is authorized to modify editorially the resolution when necessary, or to withdraw the resolution, with the concurrence of the full committee when feasible and 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 for joining with other shareholders in litigation calling for regulatory oversight or other forms of redress.

7. **COMMUNICATION:** Section G shall be the operative guidelines for communication.

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

G. **INTRA-CHURCH RELATIONSHIPS:**

1. **GENERAL INFORMATION:** The Coordinator for MRTI will make available on an annual basis an outline of the priority issues under consideration in the corporate responsibility area, particular corporations being researched or approached, and Presbyterian Church (USA) stock held in these companies.

2. **SPECIFIC COMMUNICATION:** When the Presbyterian Church (USA) is considering filing or co-filing a stockholder resolution or divesting or proscribing a company's securities which may have significant impact on a local or regional Presbyterian constituency, the following procedures shall apply:

a. MRTI meetings should be held, when feasible, approximately two months in advance of the Presbyterian Mission Agency meetings that will consider filing or co-filing stockholder resolutions or divestment action. The executive(s) of synods and presbyteries affected should be invited to a meeting of MRTI as special consultants prior to the filing.

b. Before a recommendation to file or co-file a resolution or divest or proscribe a company's securities is considered, the Committee on Mission Responsibility Through Investment 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 church communication with mid-council executives and such local Presbyterians and company officials as deemed useful and necessary in consultation with the mid-council officials.

- c. When MRTI has recommended filing of a resolution or divestment or proscription to the Presbyterian Mission Agency Board, MRTI shall:
  - (1) 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 style wherever possible, and
  - (2) Insure that formal negotiation with the company is initiated, in an ecumenical style wherever possible.
- d. MRTI will insure that full information on the 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.

## **H. AMENDMENTS**

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