



Statement on the decision regarding the 224th General Assembly

Statement by Joseph Kinard and Rev. Kerri Allen, Chair and Vice-Chair of the Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.

April 30, 2020

We want to express our gratitude and support for the difficult decision made by the Committee on the General Assembly (COGA) to hold a virtual General Assembly this year that will only consider critical business. While we are disappointed the work of the Committee on Mission Responsibility Through Investment (MRTI) will not be considered this year, we trust the guidance of the Holy Spirit and COGA during this global crisis. This pandemic is a traumatic and devastating time for the world and has unveiled preexisting unjust disparities - most especially in the communities whose voices MRTI has made the priority to engage over the past couple of years.

We are grateful to the 223rd General Assembly for establishing policy allowing MRTI to continue engaging with and rating oil and gas companies, and other heavy greenhouse gas emitters. We plan to continue engagement with the companies named by the 223rd General Assembly: Chevron, ConocoPhillips, Duke Energy, Ford, General Motors, and Phillips 66. In our report to the 224th General Assembly, we recommended three companies to be added to the General Assembly Divestment/ Proscription list: ExxonMobil, Marathon Petroleum, and Valero Energy. Without Assembly action, those companies cannot be added to the 2021 Divestment/ Proscription list and MRTI will continue to monitor them alongside the other companies named by the 223rd General Assembly (2018).

Additionally, MRTI will add three airline companies: American, Delta and United, as well as Occidental Petroleum, to our environmental focused engagement list. MRTI will continue to do an annual update of company scores utilizing the Guideline Metrics framework adopted by the 223rd General Assembly (<https://www.presbyterianmission.org/wp-content/uploads/Approved-January-2020-Aggregated-MRTI-Metrics.pdf>) and with COGA's guidance, will plan to submit recommendations to the 225th General Assembly for selective divestment in companies who are not moving towards compliance with General Assembly standards.

In January 2020, MRTI's historic move to recommend companies for divestment based solely on environmental policy concerns, rather than fiscal performance, received national attention. The recommendations were recently featured in an article from S&P Global,



which quotes Valero, “A Valero spokesperson pointed to a section of the company's 2020 proxy statement that outlined its shareholder engagement practices over the prior year. ‘Ongoing engagement with our stockholders is important to us,’ the document said. The proxy statement also noted that the company faces increasing investor pressure related to climate change and potential divestment. ‘If we are unable to meet the sustainability standards set by these investors, we may lose investors, our stock price may be negatively impacted and our reputation may be negatively affected,’ the company said in disclosing risk factors in the report.” We believe the standards set by the 223rd General Assembly are among the most robust in the socially responsible investing space, and we look forward to continuing to utilize them in our future engagements. The article is available here:

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/major-us-faith-based-organization-to-vote-on-divesting-from-3-oil-companies-57928378>

Additionally, Royal Dutch Shell recently announced goals to “become, by 2050 or sooner, a net-zero emissions energy business.” <https://www.shell.com/energy-and-innovation/the-energy-future/shells-ambition-to-be-a-net-zero-emissions-energy-business.html#vanity-aHR0cHM6Ly93d3cuc2h1bGwuY29tL25ldHplcm9hbWJpdGlvg>

The fact that Shell has become the first oil “super-major” to announce a transition to a low-carbon business model underscores the importance of continued investor pressure on companies to manage their operations towards compliance with the Paris Accords’ goal of limiting global warming to well-below 2 degrees Celsius. MRTI will continue this work and looks forward to sharing our efforts with the next in-person General Assembly in 2022.

In a new way, this pandemic exposes the pernicious disparities that exist throughout our communities. While they have always been present, the pandemic reveals them for a broader public sphere. MRTI will continue to prioritize engaging those impacted by the climate crisis and environmental racism as circumstances allow in the coming years.

The Committee on Mission Responsibility Through Investment (MRTI), was created in recognition of the church’s unique opportunity to advance its mission faithfully and creatively through the financial resources entrusted it. MRTI implements the General Assembly’s policies on socially responsible investing (also called faith-based investing) by engaging corporations in which the investing agencies of the church hold stock.