

PRESBYTERIAN CHURCH (USA)
2019 General Assembly Divestment/ Proscription List

Effective January 1, 2019
 Committee on Mission Responsibility Through Investment (MRTI)
 Compassion, Peace and Justice Ministries
 Presbyterian Mission Agency
 Approved by MRTI on October 15, 2018

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	Aerojet Rocketdyne Holdings, Inc.	US0078001056	AJRD	MR
2	Altria Group, Inc.	US02209S1033	MO	TO
3	American Outdoor Brands Corporation	US02874P1030	AOBC	MR
4	Aryt Industries Ltd.	IL0005870147	ARYT	MR
5	Babcock International Group plc	GB0009697037	BAB	MR
6	BAE Systems plc	GB0002634946	BAESY	MR
7	Bharat Electronics Ltd.	INE263A01024	BEL	MR
8	Boeing	US0970231058	BA	MR
9	British American Tobacco plc	MYL416200003	BATS	TO
10	CACI International Inc	US1271903049	CACI	MR
11	Caterpillar	US1491231015	CAT	HR
12	Chemring Group plc	GB00B45C9X44	CHG	MR
13	Cobham plc	GB00B07KD360	COB	MR
14	Cohort plc	GB00B0YD2B94	CHRT	MR
15	Corecivic Plc	US21871N1019	CXW	FPP
16	Elbit Systems Ltd.	IL0010811243	ESLT	MR
17	Fortive Corporation	US34959J1088	FTV	MR
18	G4S Plc	GB00B01FLG62	GFSZY	FPP
19	General Dynamics Corporation	US3695501086	GD	MR
20	Gudang Garam TBK PT	ID1000068604	GGNPF	TO
21	Hanwha Corporation	KR7000880005	12450	MR
22	Harris Corporation	US4138751056	HRS	MR
23	Hewlett-Packard	US42824C1255	HPE	HR
24	Hewlett-Packard	US40434L1052	HPQ	HR
25	Huntington Ingalls Industries, Inc.	US4464131063	HII	MR
26	Imperial Brands plc	GB0004544929	IMB	TO
27	ITC LTD	INE154A01025	ITC	TO
28	Japan Tobacco Inc	JP3726800000	2914	TO

29	Korea Aerospace Industries Co. Ltd.	KR7047810007	33780	MR
30	KT&G Corp	KR7033780008	47810	TO
31	L3 Technologies Inc.	US5024131071	LLL	MR
32	Leidos Holdings, Inc.	US5253271028	LDOS	MR
33	Leonardo S.p.A.	IT0003856405	LDO	MR
34	Lockheed Martin Corporation	US5398301094	LMT	MR
35	ManTech International Corporation	US5645631046	MANT	MR
36	Motorola Solutions	US620076BL24	MSI	HR
37	Northrop Grumman Corporation	US6668071029	NOC	MR
38	Olin Corporation	US6806652052	OLN	MR
39	Philip Morris International Inc.	PK0018201019	PM	TO
40	Poongsan Corp.	KR7103140000	103140	MR
41	Qinetiq Group	GB00B0WMWD03	QQ	MR
42	Raytheon Company	US7551115071	RTN	MR
43	S&T Holdings Co.	KR7036530004	36530	MR
44	Saab Ab	SE0000112385	SAABB	MR
45	Science Applications International Corp	US8086251076	SAIC	MR
46	Serco Group plc	GB0007973794	SRP	MR
47	Singapore Technologies Engineering Ltd.	SG1F60858221	STE	MR
48	STURM, RUGER & COMPANY, INC.	US8641591081	RGR	MR
49	Swedish Match Ab	SE0000310336	SWMA	TO
50	Textron Financial Corp.	USU88321AC55	TXT	MR
51	Textron Inc.	US8832031012	TXT	MR
52	Thales	FR0000121329	HO	MR
53	The GEO Group, Inc.	US36159R1032	GEO	FPP
54	Ultra Electronics Holdings plc	GB0009123323	ULE	MR
55	United Technologies Corporation	US9130171096	UTX	MR
56	Universal Corporation	US9134561094	UVV	TO
57	Vista Outdoor Inc.	US9283771007	VSTO	MR

Note: Reynolds American Tobacco was acquired by British American Tobacco on 7/25/17.

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 has engaged Institutional Shareholder Services (ISS) to help monitor 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 Divestment List not be identified during the subsequent year's screening process, it will remain on the List for one year and may be removed the following year if it is not identified during that year's screening process. Due to the engagement of ISS and the resulting change in screening methodology, several new companies have been identified for additional research in 2019 and possible inclusion in 2020, others were identified for removal, but remain on the List in 2019.

In 2018, collaboration between MRTI and its data provider identified additional military-related companies, specifically in the controversial weapons and firearms categories. Several had historically been part of the Board of Pensions Prohibited Securities Lists, but not the General Assembly Divestment List. For 2019, twelve additional securities issuers have been included on the General Assembly Divestment List. The GA Divestment List is received and approved annually by the Board of Pensions Investment Committee for use as part of the Board of Pensions Prohibited Securities List. Once approved, this final list is then made available to the Presbyterian Foundation and made available to other Presbyterian-related entities.

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.