

## Frequently Asked Questions About PC (USA) Divestment Actions

### What is Divestment?

The Presbyterian Board of Pensions and the Presbyterian Foundation together manage funds holding about 12 billion dollars. These funds include corporate stocks. PC(USA) General Assemblies have established criteria to direct fund managers on how to invest this money. Corporations that do not meet the criteria are put on a divestment list. When a new company is added to this list the church directs its fund managers to divest from their stock.

### Has PC(USA) divested from many companies?

Yes. PC(USA) has a longstanding policy that prohibits the Church from investing in any company that has products or services that contribute to “human harm.” The Church does not own stock in any company that is involved in military related products, human rights violations, tobacco, or alcohol. Accordingly, the Presbyterian Church (USA) has divested from more than six hundred companies over the past forty years, including those that were profiting from apartheid South Africa, human rights violations in Sudan, forced labor in Burma, and lack of mine safety in Kentucky.

### What are the divestment criteria for companies operating in Israel-Palestine?

Several General Assemblies since 2004 have given clear directives regarding corporations doing business in Israel. All corporations are urged to confine their business activities solely to peaceful pursuits. Non-peaceful pursuits were identified as activities that would support the Israeli occupation of the West Bank, Gaza, and East Jerusalem; the presence of Israeli settlements in the occupied territories; the construction of the separation barrier; or barriers to the development of a viable Palestinian economy necessary to enhance the possibility of a successful Palestinian state.

### From what companies did the 221<sup>st</sup> PC(USA) General Assembly Divest?

The 221<sup>st</sup> General Assembly of the Presbyterian Church (USA) voted to divest from three American companies—Hewlett Packard, Motorola Solutions, and Caterpillar—that are profiting from the Israeli occupation of the West Bank and East Jerusalem and the blockade of the Gaza Strip. The Board of Pensions and The Presbyterian Foundation will instruct their fund managers to sell all shares in these companies at a financially opportune time. The amounts held in each company varies month-to-month but they represent a small fraction of outstanding shares for each company. Divestment by the church will not have a noticeable effect on their revenue.

### Why is PC(USA) divesting from these three companies?

Caterpillar: Caterpillar sells heavy equipment used by the Israeli government in military and police actions to demolish Palestinian homes and agricultural lands. It also sells heavy equipment used in the Occupied Palestinian Territories for the construction of illegal Israeli settlements, roads solely used by illegal Israeli settlers, and the construction of the Separation Barrier extending across the 1967 “Green Line” into the East Jerusalem and the West Bank.

Hewlett-Packard (HP): HP sells hardware to the Israeli Navy, and as a contractor manages all Information Technology (IT) including its operational communications, logistics, and planning including the ongoing naval blockade of the Gaza Strip. This blockade has included interdicting humanitarian supplies by attacking or turning back international vessels carrying the supplies, and attacks on Palestinian fishermen.

Motorola Solutions: Motorola Solutions provided ruggedized cell phones to the IDF

utilized in the Occupied Palestinian Territories. The company also sold wide-area surveillance systems for installation in the illegal Israeli. The company also will not disclose information about workforce composition and hiring practices.

### **Who made the recommendation to divest from these three companies?**

Mission Responsibility Through Investment (MRTI) made the recommendation. MRTI is a committee of the Presbyterian General Assembly. MRTI implements the General Assembly's policies on socially responsible investing (also called faith-based investing) by engaging corporations in which the church owns stock. This is accomplished through correspondence, dialogues, voting shareholder proxies and recommending similar action to others, and occasionally filing shareholder resolutions.

### **How did PC(USA) decide to divest from these companies?**

Following a mandate from the 216<sup>th</sup> General Assembly, the Church's Mission Responsibility Through Investment (MRTI) committee embarked upon an extensive corporate engagement campaign with these three companies. MRTI met with representatives of the companies on numerous occasions to discuss the incongruities between the human rights abuses of their products and PC(USA)'s ethical investment policies. After it became clear that the companies were not going to change their practices in the occupied West Bank, Gaza Strip, and East Jerusalem, MRTI recommended in 2012 and again in 2014 that the Church divest its holdings. The 221<sup>st</sup> General Assembly then voted 310-303 to divest.

### **Is PC(USA) divesting from Israel?**

No. PC(USA) is divesting from three American companies that profit from the Israeli occupation and blockade of Palestinian territory. Church funds continue to be invested in hundreds of companies doing business in Israel. The 221<sup>st</sup> General Assembly reaffirmed

its support for a secure and sovereign state of Israel in order to highlight that its divestment action was narrowly targeted to just three companies profiting from the military occupation of Palestine and not at the state of Israel or companies doing business within Israel.

### **Is PC(USA) the first denomination to divest from companies profiting from the Israeli occupation?**

No. In early June 2014, the United Methodist Church divested its shares in G4S, a security company, over its involvement with the Israeli occupation of the Palestinian West Bank. The American Friends Service Committee divested from Hewlett Packard in 2008 over its involvement with the Israeli military.

### **Will the PC(USA)'s decision to divest hurt our interfaith with Jewish friends?**

Some interfaith relationships may be strained by the divestment action. But if the church clearly communicates that this selective divestment action is narrowly focused on three companies profiting from the military occupation of Palestinian territories and not directed at Israel or all companies doing business in or with the State of Israel, many of our Jewish friends will at least understand and many may support the GA action. Strong inter-faith relationships are built on mutual interest, honesty, and integrity. Inter-faith conversations encompass social justice issues such as hunger, homelessness, poverty, discrimination, human rights, war, and peace. Israel's policies in occupied Palestine are but one issue. The Jewish community itself is a divided on it. Presbyterians must have confidence that the inter-faith relationships we have built on many social justice issues over the years are strong enough to sustain a disagreement on the wisdom of Israel's continued occupation of the West Bank and Gaza.