

At its October 2019 meeting, Executive Council received this report and adopted resolutions supported by it. Council did not adopt this report. In the event of any conflict between a resolution adopted by Council and this report, the resolution controls.

**CCSR Report to Executive Council on  
Resolution B016 Human Rights Investment Screen  
June 2019**

*Aligning Our Investments with Our Values*

**The Task assigned to CCSR:**

In 2018, at Austin, Texas, the 79<sup>th</sup> General Convention adopted Resolution B016 Adopt ELCA Action on Israel/Palestine. B016 calls on the Committee on Corporate Social Responsibility (CCSR or the Committee) to prepare a human rights investment screen for Israel and Palestine to be applied in Episcopal Church investing. This report, directed to Executive Council, includes recommendations emerging from CCSR's work to date on B016, with an enabling resolution.

Resolution B016, in its first resolved, reads as follows:

*B016 Adopt ELCA Action on Israel/Palestine*

*Resolved, the House of Bishops concurring, That General Convention join with the Evangelical Lutheran Church of [sic] America's action, CA 16.06.31, "Justice for the Holy Land Through Responsible Investment," and direct our Executive Council's Committee on Corporate Social Responsibility to develop criteria for Israel and Palestine based on a human rights' investment screen and the actions of General Convention and Executive Council over the past seventy years. [Emphasis supplied]*

An *investment screen* is a policy statement adopted by an investor, whether an individual or an institution, to guide decisions regarding the investor's portfolio. Investment screens may be based on a variety of policy positions and may be affirmative or negative. In 2015 the 78<sup>th</sup> General Convention adopted resolution C045 incorporating both a negative and an affirmative screen: divest from fossil fuels (negative) and invest in alternative energy (affirmative).

When an investor develops a negative screen, the investor analyzes its current portfolio to assess which, if any, investments do not comply with the screen. If any do not, the investor divests from those investments. Also when an investor develops a negative screen, the investor establishes a "No Buy List" by applying the screen to the relevant universe of potential investments. If an investor has investment managers, once a screen is decided, from that point the investor's managers are directed to choose investments in line with the affirmative screen and to avoid those on the No Buy List, or, if already in the portfolio, to divest from those companies.

In the 1970s Executive Council, as the governing board of The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America (the national corporate entity of TEC, commonly referred to as DFMS), established CCSR, as a committee of Council, to guide DFMS's shareholder advocacy efforts. CCSR has nearly 50 years' experience in this role, applying the Church's ethical teachings in policy statements of General Convention and Executive Council, including through investment screens.

In 2018, calling on the Episcopal Church to "adopt ELCA action on Israel/Palestine," Convention assigned CCSR "*to develop criteria for Israel and Palestine based on a human rights' investment screen and the actions of General Convention and Executive Council over the past seventy years.*" As Convention knew, CCSR has decades of shareholder advocacy experience with companies involved in Israel/Palestine.

CCSR reviewed seventy years' of Convention and Council policy actions and found clear support for a human rights investment screen. CCSR also reviewed the human rights investment screen adopted by the ELCA Church Council and found the TEC policy statements and ELCA screen are broadly consistent. Accordingly, taking guidance from Convention's words in B016, CCSR recommends that Executive Council adopt the same investment screen as the ELCA, restated with minimal wording adjustments to make a new enabling resolution for TEC.

### **Recommendations:**

CCSR makes two broad recommendations. First CCSR recommends that Executive Council adopt the same investment screen as the ELCA Church Council adopted as a recommendation to ELCA institutional investors. Accordingly, CCSR recommends that Executive Council make a similar recommendation to Episcopal Church institutional investors: that the investors consider adopting the human rights screen set out in the enabling resolution proposed for Executive Council by CCSR. (That resolution restates the ELCA screen for the Episcopal Church and calls the recommended screen the "TEC Screen" to avoid confusion with the ELCA original.)

Second, CCSR recommends that Executive Council, as the DFMS governing board, adopt this human rights screen (the TEC Screen) for application by DFMS. CCSR does so because Executive Council has a dual role in TEC, as a denominational body with policy responsibilities and also as the governing board of an investor, DFMS. In the case of the ELCA, its Church Council has policy responsibilities but is not an investor governing board, so the Church Council could recommend the ELCA screen but could not itself adopt the screen. In the TEC case, it makes sense for Executive Council to adopt for itself the recommendation it makes to others.

The Evangelical Lutheran Church human rights screen adopted by its Church Council states:

*"The ELCA recommends not investing in corporations benefiting from the most egregious denial of the rights of humans as political and civic beings to have equal access and participation in legal and political decisions affecting them.*

*Definition of problem: Equal access and participation in legal and political decisions cannot happen when they occur in conflict-affected countries, especially disputed or occupied territories. Recognizing that various investors will implement this along a continuum, for the purpose of this screen investments might include screening companies supporting and benefiting from occupation. It could also include investments that promote positive economic development in such regions."*

CCSR believes this policy statement is consistent with seventy years of Episcopal Church policy actions by General Convention and Executive Council, is reasonably succinct, and may be applied without undue difficulty across the Episcopal Church, and, specifically, by CCSR.

The fact that B016 explicitly references following ELCA policy action indicates that General Convention would accept this recommendation to adopt the actual ELCA screen. The title of B016 is "*Adopt ELCA Action on Israel/Palestine*" [emphasis supplied]. In its text, B016 says the Episcopal Church is to "*join with*" ELCA action [emphasis supplied]. CCSR here recommends the very screen ELCA adopted, with wording changes to make a fresh enabling resolution for action by Council. If Council adopts the resolution set out below, Executive Council would affirm a policy that General Convention seems effectively to have approved in principle in B016.

In addition CCSR recommends that, if Executive Council adopts for DFMS the investment screen recommended in this report, Council need not wait to apply that screen to the current DFMS portfolio but can adopt CCSR's company by company recommendations based on CCSR's actual experience. CCSR also recommends that TEC devote additional resources to monitoring human rights and investment policy going forward.

## Process and Considerations:

- **ELCA policy** As indicated above, guided by B016, the Committee reviewed the human rights screen of the Evangelical Lutheran Church in America.
- **Ecumenical positions:** In addition to ELCA policy, CCSR reviewed actions taken by its other major denominational partners: the United Methodist Church, Presbyterian Church and United Church of Christ. See the Frequently Asked Questions (FAQ).
- **Episcopal Church in Jerusalem:** The Archbishop of Jerusalem attended General Convention and was invited but declined to give testimony on any of the resolutions under consideration related to Israel/Palestine, including B016. CCSR respects the Archbishop's decision to refrain from commenting. See FAQ.
- **Legislative history of B016** More than 50 witnesses testified at a large and well-publicized joint committee hearing on Israel and Palestine at General Convention. These included Muslim and Christian Palestinians and Palestinian Americans, Jewish citizens of Israel, Jewish Americans, and members of several Christian traditions including dozens of Episcopalians. B016 passed both houses and is an act of General Convention. CCSR has a specific assignment under B016: to assist in defining and applying a human rights screen for Israel/Palestine going forward.
- **TEC Policy on Israel/Palestine** CCSR reviewed with care an extremely helpful report from the Episcopal Archives on the history of Episcopal Church policy on Israel/Palestine. The recommended human rights screen developed originally by the Evangelical Lutheran Church is consistent with those policies. The Episcopal Church's policy actions repeatedly affirm the right of Israel to exist in peace with secure borders and the right of Palestinians to have their own sovereign state with Jerusalem to be the shared capital of both peoples. TEC also affirms that the Israeli settlements in the Occupied Palestinian Territories (OPT) are illegal under international law. Thus TEC policy is consistent with the ELCA human rights policy statement, which affirms that preventing people from acting "as political and civic beings to have equal access and participation in legal and political decisions affecting them" is a denial of their human rights and that such access and participation "cannot happen ... in conflict-affected countries, especially disputed or occupied territories." See Archives Report link in FAQ for summary up to but not including the 79<sup>th</sup> General Convention.
- **Other TEC Screens:** CCSR notes this is not the first time a screen has been applied so that the Episcopal Church has divested from certain companies in its portfolio. Nor is this the first time the Church has created a No Buy List. Past actions by the Church include divesting from oil companies doing business in the Sudan (in 2000) and companies involved in South African Apartheid (in 1985). The Episcopal Church also has negative screens (No Buy Lists) for tobacco, military contracting, and private prisons.
- **Human Rights Reports:** The Committee reviewed human rights reports of three non-government organizations: Human Rights Watch, Amnesty International and B'tselem, an Israeli non governmental organization (NGO) based in Jerusalem. The Committee carefully reviewed the policies of the Church with the various categories of violations reported by these organizations. Particularly noted were Church policies which spoke to the following areas of human rights concern: Freedom of Movement, Arbitrary Arrests and Detention, including children, Torture and other ill treatment, Unlawful Killings, Excessive Use of Force, Freedom of expression, associations and assembly, Impunity and collective punishment, Right to Housing – forced evictions and demolitions, Violence Against Women and Girls, and Refugees and Asylum Seekers. See specific TEC policy references in Amnesty International Report in FAQ.
- **Concerns expressed by organizations in the American Jewish community:** CCSR reviewed and considered stated positions of a number of organizations in the Jewish community, particularly positions on the OPT and on the Boycott, Divestment and Sanctions ("BDS") movement. The Committee reviewed policy positions of the American Jewish Committee, Jewish Voice for Peace, the Anti-Defamation League, Americans for Peace Now and J Street. It appears that the views of the Episcopal Church

are largely consistent with those of J Street and Americans for Peace Now, and CCSR believes the policy recommended in this report also is largely consistent with the positions of those organizations. See FAQ.

- **Scope of current work:** With respect to human rights issues regarding Israel/Palestine, Resolution B016 does not limit the Episcopal Church to focusing solely on the occupied territories. B016 calls for consideration of “human rights in Israel and the Occupied Territories.” But historically TEC’s primary focus has been on issues related to the occupation. See the Archives report. The ELCA policy also has a focus on the occupied territories. Thus this report has focused on human rights issues related to the OPT.
- **Boycott, Divestment and Sanctions Movement:** The global BDS movement has developed from 2005, beginning within Palestinian civil society. Critics of BDS say that BDS denies the right of Israel to exist. The Episcopal Church has opposed BDS (in 2013) and for many years has affirmed, and continues to affirm, the right of Israel to exist, and has called, and continues to call, for a two-state solution or, as of General Convention 2018, a one state solution with equal rights for all as an alternative. About boycotts/divestment J Street says: “We do not oppose boycott, divestment, or sanctions initiatives that explicitly support a two-state solution, recognize Israel’s right to exist, and focus only on occupied territory beyond the Green Line. ...It is critical to maintain the distinction between boycott and divestment efforts which work against the interests of Israel, and initiatives which are limited to opposing the occupation.” See FAQ.
- **First Amendment:** Proposals for legislation to punish BDS participation have been made at federal, state and local levels and have been widely recognized to pose serious questions under the First Amendment guarantee of freedom of speech. Not as widely noted, but as serious, would be questions the proposals would raise, with respect to religious bodies, under the First Amendment free exercise clause. Any such legislation likely would be challenged in the courts on constitutional grounds, and the resolution would require time. There is no need to forebear adopting the screen because a legislature may, at some time, adopt an anti-BDS statute. For half a century investors of faith have carried on shareholder advocacy in support of human rights. See FAQ.

**Company Recommendations:** With TEC policies and the ELCA screen in mind, CCSR looked at six DFMS portfolio companies it has engaged. (The American Friends Service Committee Investigate website assembles extensive information on companies doing business in the OPT, and CCSR is appreciative of this work.) Based on CCSR’s engagement with each and the company’s OPT activities, CCSR recommends creating a Human Rights No Buy List and placing the first three companies on this List, while continuing engagement with the other three:

**Caterpillar, Inc.** – multinational heavy engineering equipment manufacturer

**CCSR Engagement:** 15 years: letters, dialogue, shareholder resolutions, no progress

**Complicity in the Occupation** – equipment used for demolition of homes, separation barrier construction on confiscated land, settlement building, Israel Defense Force (IDF) work in the OPT. From Investigate: Caterpillar equipment customized for IDF use. [investigate.afsc.org](http://investigate.afsc.org)

**Recommendation** – Divest and Place on Human Rights No Buy List

**Motorola Solutions** – multinational data & telecommunications equipment manufacturer

**CCSR Engagement:** 25 years: letters, dialogue, shareholder resolutions unresponsive

**Complicity in the Occupation** – sale of tech products to IDF for occupation infrastructure including check points, curbing freedom of movement, and providing security to illegal settlements From Investigate: Motorola’s equipment is installed in settlements (illegal under international law) and the separation wall in the occupied West Bank, and used by the Israeli military, police, and prison service. [investigate.afsc.org](http://investigate.afsc.org)

**Recommendation:** Divest and Place on Human Rights No Buy List

**Israel Discount Bank** – one of Israel's largest banks

**CCSR Engagement** – two years of correspondence; CCSR requested dialogue and company appeared to agree, but, when CCSR requested date, bank was unresponsive

**Complicity in the Occupation** – IDB has financed construction of settlements and provides financial services in them. From Investigate: IDB financed construction of housing projects in multiple settlements in the OPT and has branches in the settlements. [investigate.afsc.org](http://investigate.afsc.org)

**Recommendation** – Divest and Place on Human Rights No Buy List

**Facebook** – multinational social media platform company

**CCSR Engagement** – For two years CCSR has monitored sister organizations' efforts at dialogue with Facebook over allegations it bends to pressure from the Israeli government and removes Palestinian posts on its platform. CCSR has had no direct engagement

**Complicity in the Occupation** – removing Palestinian posts critical of Israeli policy

**Recommendation** – List in Advocacy Account for continued engagement

**Trip Advisor** – multinational web based travel company

**CCSR Engagement** – two years correspondence (no response in year one) followed by shareholder resolution that generated TA willingness to dialogue, withdrawal of resolution and discussions between TA and shareholders about resolving issue of doing business in settlements

**Complicity in the Occupation** – offering accommodations in Israeli settlements in the OPT

**Recommendation** – List in Advocacy Account for continued engagement

**Booking.com** – multinational web based travel company

**CCSR Engagement:** Shareholder resolution filed in 2018, dialogue begun and ongoing

**Complicity in the Occupation** – offering accommodations in Israeli settlements in the OPT

**Recommendation** – List in Advocacy Account for continued engagement

Other companies not yet engaged but in the DFMS portfolio would be also evaluated for the corporate engagement list or placement on the Human Rights No Buy List. CCSR recommends that companies not in the portfolio but doing business in the Occupied Palestinian Territories also be evaluated for placement on the Human Rights No Buy List or shareholder engagement.

## **Additional Conclusions and Recommendations for Implementation of B016**

In working on B016, CCSR was aware that the principles developed from B016 and applied in reference to the Occupied Palestinian Territories are applicable to other areas of conflict and occupation. Human rights standards are universal, but circumstances vary. Therefore, CCSR believes it should seek to apply the screen recommended in this report to additional areas of conflict or occupation on which the Episcopal Church has or develops policy positions. See the eleven military occupations identified at <http://www.rulac.org/browse/conflicts>

To make it possible to carry through on B016, CCSR recommends Executive Council consider funding a consultancy to assist CCSR in the important work of monitoring human rights issues in DFMS's investments, by means of the mechanism approved in 2018 by General Convention resolution A296, Resources for Responsible Investing.

The work begun here also provides a stepping stone to developing a more comprehensive social investment policy as called for in 2018 GC D068 (Criteria and Procedures for Deciding to Engage with or Establish a No Buy List of Companies). CCSR believes this report and CCSR's work to prepare it will assist Executive Council and CCSR in their continuing efforts to align the Church's investments with its values across the board, including through implementing D068.

## **Addendum**

### **Supporting Material**

#### **Human Rights Reports as Reviewed by CCSR for B016**

**As the CCSR Report says, three non-government Human Rights organizations were studied by CCSR.**

**First is the legal framework offered by B'tselem, an Israeli human rights organization based in Jerusalem. For full report visit this link. [https://www.btselem.org/international\\_law](https://www.btselem.org/international_law)**

“International law establishes the normative framework binding on Israel in its conduct in the Occupied Territories. The relevant provisions are enshrined in two branches of law: international humanitarian law (IHL) and international human rights law. It was once the agreed convention that the two branches do not apply concurrently, namely that IHL applies during armed conflict and occupation, while human rights law applies during peacetime.

Over the years, however, legal conventions have undergone changes, and this distinction has been blurred. Current convention holds that human rights law continues to apply during armed conflict and occupation, concurrently with IHL. Since the protection IHL provides civilians and victims of war is more limited than the protection afforded under human rights law, this view significantly broadens protection afforded civilians during armed conflict. In the rare instances when IHL and human rights are not in agreement in a situation of armed conflict, the convention is for the provisions of IHL to take precedence....

Israel argues it is not bound by international human rights law in the Occupied Territories, as they are not officially sovereign Israeli territory. While it is true that Israel is not the sovereign in the Occupied Territories, this fact does nothing to detract from its duty to uphold the international provisions regarding human rights. International jurists disagree with Israel's position on the matter, and it has also been repeatedly rejected by the International Court of Justice (ICJ) and all UN committees overseeing the implementation of the various human rights conventions. These international bodies have asserted time and time again that states must uphold human rights provisions wherever they are in effective control.

When it comes to IHL, Israel has invoked various arguments over the years in a bid to avoid upholding its provisions. In the early years of the occupation, the state argued the territories were not at all occupied, as before Israel seized control of them, they had not been recognized as the sovereign territory of any other country. Therefore, goes Israel's argument, it is exempt from upholding the rules governing occupation. Israel declared that, nonetheless, though not required to do so by law, it would uphold the “humanitarian provisions” of the Fourth Geneva Convention which addresses the protection of civilians. Israel has never stated which provisions it considers humanitarian.

Regardless, this argument has no basis in IHL, the applicability of which is not predicated on previously recognized sovereignty. Who declared war, who won it or which party is in the right are also irrelevant for this branch of law. All it sets forth is that the country that wields effective control over the territory must afford protection to the individuals - defined as “protected persons” - who live in the area are not its nationals.

Over the years Israel has also argued that its actions in the Occupied Territories are, in any event, “lawful” and in compliance with the provisions of international law: The building of scores of settlements in the West Bank, and the theft of thousands of hectares of land are lawful because they are pursued under the narrow exception that allows the destruction of private property in case of a “military necessity”; the administrative detention of thousands of Palestinians is lawful because preventing future crimes and security reasons underpinned putting them behind bars; and more than anything – the killing of thousands of Palestinians during the recurrent spells of fighting in the Gaza Strip is lawful because they were always killed in keeping with the fundamental principles of IHL – the principle of distinction and the principle of proportionality. These arguments have nearly always been accepted by Israel’s High Court of Justice.

The provisions of international law are not mere legal theory. They were formulated in order to provide a modicum of protection even in a state of war or occupation to people who are otherwise defenseless. The various interpretations Israel gives these rules to justify the serious harm it causes the civilian population of the Occupied Territories are completely divorced from this objective, and instead serve the very opposite purpose: to provide a guise of legality for unjustifiable actions and to deny the minimal protection afforded to the defenseless. Given all this, Israel’s interpretation has been rejected by most international law jurists, both in Israel and abroad. While the rules of international law are open to interpretation, as are all legal rules, the reading given by Israel is unreasonable, legally wrong and renders the provisions hollow.

Instead of adopting international law – both IHL and human rights law – as its moral compass, Israel cynically uses it as a manual for the systematic abuse of human rights. The provisions of international law lie before Supreme Court justices, lawyers of the State Attorney’s Office and officers of the MAG (Military Advocate General) Corps. Yet they all manage to interpret them and work around them with one sole objective of lending a guise of legality to the violation of international law. Israel’s policies throughout the Occupied Territories over the past half a century have been veering farther and farther away from protecting the population to verging on actual neglect. This is not an abstract issue. It has tangible repercussions: dispossession, oppression, abuse and killings are the outcome of a formalistic interpretation of rules designed to prevent exactly that.”

**From Human Rights Watch 2017-18 report - <https://www.hrw.org/middle-east/n-africa/israel/palestine>**

*(A brief summary of an HRW report follows. CCSR notes its breadth of areas where human rights abuses occur by Israel, the occupying force. Also noted are the restrictions on human rights by The Palestinian Authority and Hamas. For the full report visit the link above.)*

“Israel maintains entrenched discriminatory systems that treat Palestinians unequally. Its 50-year occupation of the West Bank and Gaza involves systematic rights abuses, including collective punishment, routine use of excessive lethal force, and prolonged administrative detention without charge or trial for hundreds. It builds and supports illegal settlements in the occupied West Bank, expropriating Palestinian land and imposing burdens on Palestinians but not on settlers, restricting their access to basic services and making it nearly impossible for them to build in much of the West Bank without risking demolition. Israel’s decade-long closure of Gaza, supported by Egypt, severely restricts the movement of people and goods, with devastating humanitarian impact. The Palestinian Authority in the West Bank and Hamas in Gaza both sharply restrict dissent, arbitrarily arresting critics and abusing those in their custody.”



**Amnesty International** <https://www.amnesty.org/en/countries/middle-east-and-north-africa/israel-and-occupied-palestinian-territories/>

*(A substantial section of AI's report is included because of the relevant parts to Church policy which have been addressed over decades by General Convention and Executive Council. Each section in bold and in parentheses cite relevant Church policy. Full texts can be found at [episcopalarchives.org](http://episcopalarchives.org))*

**“ISRAEL AND OCCUPIED PALESTINIAN TERRITORIES 2017/2018**

**Freedom of movement – Gaza blockade and West Bank restrictions  
(2018 General Convention D027 Crisis in Gaza)  
(Ex Co February 2010 – reaffirmations and call for end of the blockade of Gaza)**

Israel's illegal air, land and sea blockade of the Gaza Strip entered its 11th year, continuing the long-standing restrictions on the movement of people and goods into and from the area, collectively punishing Gaza's entire population. Combined with Egypt's almost total closure of the Rafah border crossing, and the West Bank authorities' punitive measures, Israel's blockade triggered a humanitarian crisis with electricity cuts reducing access to electricity from an average of eight hours per day down to as little as two to four hours, affecting clean water and sanitation and diminishing health service access, and rendering Gaza increasingly “unlivable” according to the UN. Gaza's economy deteriorated further and post-conflict reconstruction of civilian infrastructure remained severely hindered; some 23,500 Palestinians remained displaced since the 2014 conflict. Many patients with life-threatening illnesses were unable to access treatment outside Gaza due to Israeli restrictions and delays by West Bank authorities in processing referrals. Israeli forces maintained a “buffer zone” inside Gaza's border with Israel and used live ammunition against Palestinians who entered or approached it, wounding farmers working in the area. Israeli forces also fired at Palestinian fishermen in or near the “exclusion zone” along Gaza's coastline, killing at least one and injuring others.

In the West Bank, Israel maintained an array of military checkpoints, bypass roads and military and firing zones, restricting Palestinian access and travel. Israel established new checkpoints and barriers, especially in East Jerusalem. In response to Palestinian attacks on Israelis, the military authorities imposed collective punishment; they revoked the work permits of attackers' family members and closed off villages and entire areas including Silwad, Deir Abu Mishal and Beit Surik.

In Hebron, long-standing prohibitions limiting Palestinian presence, tightened in October 2015, remained in force. In Hebron's Tel Rumeida neighbourhood, a “closed military zone”, Israeli forces subjected Palestinian residents to oppressive searches and prevented the entry of other Palestinians while allowing free movement for Israeli settlers. In May, Israel erected a new checkpoint and a new fence barrier within Hebron's H2 area, arbitrarily confining the Palestinian Gheith neighbourhood and segregating a street alongside the area.

**Arbitrary arrests and detentions  
(1994 General Convention D015 “this 71st General Convention encourage the President and the Secretary of State to take the initiative internationally in promoting the cause of**



**human rights and in restoring the primary focus of human rights effort[s] to the civil rights and political freedoms that are the building blocks of decent and humane societies”)**  
**(2018 General Convention on the Detention of Children)**

Israel detained or continued to imprison thousands of Palestinians from the OPT, mostly in prisons in Israel, in violation of international law. Many detainees’ families, particularly those in Gaza, were not permitted entry to Israel to visit their relatives.

The authorities continued to substitute administrative detention for criminal prosecution, holding hundreds of Palestinians, including children, civil society leaders and NGO workers, without charge or trial under renewable orders, based on information withheld from detainees and their lawyers. More than 6,100 Palestinians, including 441 administrative detainees, were held in Israeli prisons at the end of the year. Israeli authorities also placed six Palestinian citizens of Israel under administrative detention.

In April around 1,500 Palestinian prisoners and detainees launched a 41-day hunger-strike to demand better conditions, family visits, an end to solitary confinement and administrative detention, and access to education. The Israeli Prison Service punished hunger-striking detainees, using solitary confinement, fines, and denial of family visits.

#### **Torture and other ill-treatment**

**(2009 General Convention C020 Condemn Torture)**

**(2018 General Convention C038 Safeguarding the Rights of Palestinian Children)**

Israeli soldiers and police and Israel Security Agency officers subjected Palestinian detainees, including children, to torture and other ill-treatment with impunity, particularly during arrest and interrogation. Reported methods included beatings, slapping, painful shackling, sleep deprivation, use of stress positions and threats. No criminal investigations were opened into more than 1,000 complaints filed since 2001. Complaints of torture and other ill-treatment by the Israeli police against asylum-seekers and members of the Ethiopian community remained common.

#### **Unlawful killings**

**(2015 March Executive Council “the Executive Council condemn serious violations of international humanitarian law and gross human rights violations and abuses, including: attacks directly targeting civilians and civilian infrastructure, executions and other targeted killings of civilians, abductions, rape and other forms of sexual and gender-based violence perpetrated against women and children...” )**

Israeli soldiers, police and security guards killed at least 75 Palestinians from the OPT, including East Jerusalem, and five Palestinians with Israeli citizenship. Some of those killed were shot while attacking Israelis or suspected of intending an attack. Many, including children, were shot and unlawfully killed while posing no immediate threat to life. Some killings, such as that of Yacoub Abu al-Qi’an, shot in his car by police in Umm al-Hiran in January, appeared to have been extrajudicial executions.

### **Excessive use of force**

**(2010 February Executive Council “the Executive Council recognizes that the use of force, violence or arbitrary power by Israelis or Palestinians to determine the outcome of this conflict must be condemned absolutely...”)**

Israeli forces, including undercover units, used excessive and sometimes lethal force when they used rubber-coated metal bullets and live ammunition against Palestinian protesters in the OPT, killing at least 20, and injuring thousands. Many protesters threw rocks or other projectiles but were posing no threat to the lives of well-protected Israeli soldiers when they were shot. In July, in response to the tensions over Temple Mount/Haram al-Sharif, the authorities killed 10 Palestinians and injured more than 1,000 during the dispersal of demonstrations, and conducted at least two violent raids on al-Makassed hospital in East Jerusalem. In December, wheelchair user Ibrahim Abu Thuraya was shot in the head by an Israeli soldier as he was sitting with a group of protesters near the fence separating Gaza from Israel.

### **Freedoms of expression, association and assembly**

**(1994 General Convention D015 “That this 71st General Convention reaffirm its support for human rights throughout the world and states its conviction that civil rights and political freedom are the universal bedrock of any meaningful scheme of human rights”)**

The authorities used a range of measures, both in Israel and the OPT, to target human rights defenders who criticized Israel’s continuing occupation.

In March the Knesset (parliament) passed an amendment to the Entry into Israel Law banning entry into Israel or the OPT to anyone supporting or working for an organization that has issued or promoted a call to boycott Israel or Israeli entities, including settlements. The authorities continued to obstruct human rights workers’ attempts to document the situation by denying them entry into the OPT, including the UN Special Rapporteur on the human rights situation in the OPT. An Amnesty International staff member was denied entry after he was questioned about the organization’s work on settlements.

Using public order laws in East Jerusalem, and military orders in the rest of the West Bank, Israeli authorities prohibited and suppressed protests by Palestinians, and arrested and prosecuted protesters and human rights defenders. In July, the military trials of Palestinian human rights defenders Issa Amro and Farid al-Atrash began on charges related to their role in organizing peaceful protests against Israel’s settlement policies. Israeli authorities continued to harass other Hebron-based human rights activists, including Badi Dweik and Imad Abu Shamsiya, and failed to protect them from settler attacks.

Israeli authorities initiated tax investigations against Omar Barghouti, a prominent advocate of the boycott, divestment and sanctions campaign, in what appeared to be an effort to silence his work.

Several Israeli human rights organizations, including Breaking the Silence, Gisha, B’tselem and Amnesty International Israel were also targeted by government campaigns to undermine their work, and faced smears, stigmatization and threats.

**Right to Housing – forced evictions and demolitions**  
**(General Convention 2003 D008 “The 74<sup>th</sup> General Convention call upon the President and the U.S. Government to urge Israel to end its policy of the demolition of the Palestinian homes.”)**

In the West Bank, including East Jerusalem, the Israeli authorities carried out a large number of demolitions of Palestinian property, including 423 homes and structures built without Israeli permits that remained virtually impossible for Palestinians to obtain, forcibly evicting more than 660 people. Many of these demolitions were in Bedouin and herding communities that the Israeli authorities planned to forcibly transfer. The authorities also collectively punished the families of Palestinians who had carried out attacks on Israelis, by demolishing or making uninhabitable their family homes, forcibly evicting approximately 50 people.

**Impunity**  
**(2018 General Convention D027 on investigating use of lethal force)**

More than three years after the end of the 2014 Gaza-Israel conflict, in which some 1,460 Palestinian civilians were killed, many in evidently unlawful attacks including war crimes, the authorities had previously indicted only three soldiers for looting and obstructing an investigation.

**Violence against women and girls**  
**(Executive Council February 2011- The Episcopal Church abhors gender based violence against women and girls and has a longstanding commitment to the human rights of women and girls throughout the world)**

There were new reports of violence against women; Palestinian communities in Israel were particularly affected. In June, the Special Rapporteur on violence against women issued recommendations urging Israeli authorities to carry out law and policy reforms by integrating CEDAW standards; to combat and prevent violence against women in Israel and the OPT; and to investigate reported abuses.

**Refugees and asylum-seekers**  
**(2018 General Convention D009 Christian Principles for Responding to Human Migration “We insist that the United States of America and other powerful, wealthy nations, and all nations to the best of their ability, contribute to resettlement, establish and maintain safe and orderly humanitarian protection for refugees, internally displaced persons, and other migrants seeking long-term solutions and safety”)**

The authorities continued to deny asylum-seekers, more than 90% of whom were from Eritrea or Sudan, access to a fair or prompt refugee status determination process. More than 1,200 asylum-seekers were held at the Holot detention facility and at Saharonim Prison in the Negev/Naqab desert at the end of the year. According to activists, there were more than 35,000 asylum-seekers in Israel; 8,588 asylum claims remained pending. In December, the Knesset passed an amendment to the anti-infiltration law that would force asylum-seekers and refugees to accept relocation to countries in Africa or face imprisonment. Tens of thousands were at risk of deportation.”

*CCSR also calls attention to a significant report by Human Rights Watch called “[Occupation Inc.](#) How Settlement Businesses Contribute to Israel’s Violations of Palestinian Rights.” This substantial report from 2016 describes the infrastructure of the settlement enterprise, and describes, among many things, how Palestinian resources are extracted by international companies which pay taxes to the Israeli government and the settlements, while Palestinians wishing to establish such companies are denied permission by Israel. Palestinians receive no benefits from tax collections.*

*There is also a report from the United Nations Human Rights Office listing Israeli and international companies in a database which details the involvement of those companies in supporting the infrastructure of the occupation. However, that report has not been released due to political pressure from Israel and the United States which oppose its publication. CCSR awaits that eventual report which is expected to be helpful in evaluating some of the companies in its investment portfolio.*

## Frequently Asked Questions

### *1. What is the legislative history of the Episcopal Church on the Israeli/Palestinian conflict?*

The Archives report on Episcopal policies on Israel and Palestine Conflict can be found here:

[https://www.episcopalarchives.org/sites/default/files/gc\\_resolutions\\_2018/Israel-Palestine\\_AECResearchReport\\_09-05-2017.pdf](https://www.episcopalarchives.org/sites/default/files/gc_resolutions_2018/Israel-Palestine_AECResearchReport_09-05-2017.pdf)

### *2. What is the background on the Evangelical Lutheran Church in America human rights screen on Israel and Palestine? See also FAQ number 14*

See ELCA's [Human Rights social criteria investment screen](#)

### *3. What and when was the first CCSR shareholder resolution on Israel and Palestine?*

In 1994, breaking ground again as in 1971 when it called on General Motors to withdraw from apartheid South Africa, the Episcopal Church was the first religious institution to file a resolution on the Israeli/Palestinian conflict. The resolved clause follows here:

“Executive Council Minutes, Oct. 30-Nov. 3, 1994, New York, p. 27.

Resolved, That the Executive Council, meeting in New York City, November 1-3, 1994, adopt the be filed by the Treasurer on or before the appropriate filing date: Motorola ...

Resolved, That the shareholders request the Board of Directors to establish a policy to prohibit the sale of products or provision of services to any settlement, including persons residing in those settlements, located in the Occupied Territories.” Visit Episcopal Archives for full text.

No other denomination or religious order joined in this filing, and the resolution did not receive the required votes to refile in subsequent years. (Footnote: The author of the first shareholder resolution in 1971 to GM and the author of this resolution to Motorola was Attorney Paul Neuhauser, who has served on CCSR for all of its 48 years as a member or consultant.)

### *4. What was the 2005 Report by CCSR on the Israeli/Palestinian conflict about?*

In 2004 Executive Council directed CCSR (then called SRI) to undertake a review of companies in its portfolio that were contributing to the infrastructure of the ongoing occupation, then in its 37<sup>th</sup> year. That resulted in a one year study involving numerous interviews and travel to Jerusalem and the OPT. The outcome of that report was to continue the policy of corporate engagement based on existing Church policy. It recommended against divestment. See the report here.

[https://www.episcopalchurch.org/files/sri\\_report\\_october\\_3\\_20051.pdf](https://www.episcopalchurch.org/files/sri_report_october_3_20051.pdf)

### *5. What did the 2018 General Convention say about the Israeli/Palestinian conflict?*

The 2018 General Convention adopted six resolutions on Israel/Palestine, as follows (full texts at [generalconvention.org](http://generalconvention.org) on the virtual binder):

- B021 restoration of aid to Palestinian refugees, especially those living in Gaza

- C038 safeguarding the rights of Palestinian children being held and tried in Israeli military courts
- D027 pursuing peace in Gaza, including investigating Israeli and Palestinian use of lethal force against civilians
- D018 negotiate an end to the conflict through a one or two state solution based on one person one vote
- B003 affirmation of Jerusalem as the shared capital of Israel and Palestine with free and secure access to the holy sites for Muslims, Jews and Christians
- B016 prepare a human rights screen for the Church's financial investments

The latter resolution is the mandate for The Report.

*6. In what ways does TEC use economic leverage in the Israeli/Palestinian conflict?*

In addition to CCSR's work of corporate engagement (and the B016 call for a human rights screen), the Episcopal Church also supports positive investment through a loan of \$500,000 to the Bank of Palestine for microenterprise projects. The loan is managed through the Executive Council's Economic Justice Loan Committee. And many Episcopalians contribute generously to the American Friends of the Episcopal Diocese of Jerusalem in support of the diocese's 30+ institutions.

*7. Does criticism of the state of Israel and its government policies equate to anti-Semitism?*

CCSR notes the Church's long held position that affirms the right of Israel to exist in secure borders. In addition, General Convention said in 1991 "That the 70th General Convention of the Episcopal Church recognize that a distinction exists between the propriety of legitimate criticism of Israeli governmental policy and action and the impropriety of anti-Jewish prejudice." CCSR is guided by this distinction.

*8. Is Israel singled out and held to a higher standard than other nations?*

This is asked today and was an issue in 2005. In its 2005 report CCSR noted that it addresses human rights concerns in many places around the world. "The Church, on recommendation of the SRI (now CCSR) Committee, has filed and voted in favor of resolutions focusing on a variety of topics as diverse as human rights in Iran, China, Uganda, and Myanmar (Burma)." In doing its work, the SRI Committee applies the same standard to the Israeli/Palestinian conflict that it would to any other region or country." While this report is focused on the Israeli/Palestinian conflict as directed in B016, CCSR is concerned for its investments anywhere that human rights violations occur. Rather than arguing that Israel is being singled out, it should more accurately be said that Israel is not exempted from legitimate criticism, just as every nation is not exempted, including the United States of America.

*9. Should CCSR and Executive Council consult with the Episcopal Diocese of Jerusalem as it creates this investment screen?*

As stated in the report, the Archbishop of Jerusalem was in attendance at General Convention and was invited but declined to give testimony on any of the resolutions under consideration related to Israel/Palestine, including B016. CCSR members are respectful of the Bishop's choice to abstain from commenting on this resolution. CCSR believes Convention's concern was with whether investment funds of the Episcopal Church are complicit in supporting the infrastructure of the occupation and thus contribute to human rights violations. The money is a stewardship issue for the U.S. based Episcopal Church, and does not involve funds from the Diocese of Jerusalem.

*10. Economic pressure on Israel is a contentious issue. Were all voices heard in the process for deciding on this screen?*

In the year leading up to General Convention, a task force appointed by the presiding officers, and comprising a range of views, met and eventually made recommendations to the presiding officers about how to approach this topic at Convention. Following that recommendation, the presiding officers sent Israel/Palestine resolutions to two separate legislative committees to address. More than 50 witnesses testified at a large and well-publicized joint committee hearing on Israel and Palestine at General Convention, including Muslim and Christian Palestinians and Palestinian Americans, Jewish citizens of Israel, Jewish Americans, and members of several Christian traditions including dozens of Episcopalians. Both legislative committees responsible for Israel and Palestine resolutions were present at that hearing and heard all of the testimony from a wide range of perspectives. Following the public testimony, the committees discussed and amended their resolutions before moving adoption of a number of resolutions by the Convention.

Now that B016 has passed both Houses and been adopted as a resolution of General Convention, CCSR is tasked with its implementation, not with continuing debate on the resolution itself.

*11. Will anti-BDS legislation at federal, state and local levels in the US restrict the work of creating a human rights screen?*

This concern is addressed in the report. There is debate over whether these bills violate the First Amendment protection for freedom of speech. The American Civil Liberties Union and other civil rights groups have indicated their opposition to these bills on those grounds; these cases will certainly be challenged in the courts and that process could be protracted. Meanwhile, the work of CCSR is unaffected.

*12. Is B016 or the creation of this human rights screen an endorsement of BDS?*

This concern is also addressed in the report. The Episcopal Church in an Executive Council resolution opposed BDS in 2013 and is not part of the BDS international coalition. B016 is not an endorsement of BDS (defined by its threefold objectives and call for economic and cultural boycott of Israel as well as those doing business in the OPT). The Episcopal Church has long advocated for human rights with corporations in its investment portfolio, starting decades before the launch of BDS in 2005, including in the OPT as well as other parts of the world, and has applied economic pressure on corporations involved in the occupation. This human rights screen would focus on companies whose investment in activities and technologies related to the occupation is significant, salient, and persistent. As directed in B016, the Church would also continue its strategies of shareholder advocacy in cases where it hopes will lead to positive corporate action, and continue to encourage positive investment in Palestine by the Church's institutions at all levels.

*13. Has there been any change to the political context in Israel and Palestine since General Convention?*

Unfortunately, the prospects for a two-state solution have receded since the General Convention. CCSR notes with alarm the recent actions taken by the U.S. and Israeli governments, including the Trump administration's move to recognize Jerusalem as the undivided capital of Israel; U.S. official recognition of Israel's sovereignty over the contested Golan Heights; the Nation-State bill passed by Israel in July 2018, which is widely seen as enshrining the rights of Jewish citizens and immigrants above all others within Israel; and very recent statements by members of the governing coalition, including the prime minister himself, openly committing to "legal" annexation of settlement areas in the West Bank and Jerusalem that have been understood to be land for a future Palestinian state.



*14. What do American Jewish voices say about boycott, divestment and sanctions and the movement to outlaw them in Congress and other legislative bodies?*

Jewish voices vary among Jewish organizations. Here are statements from five groups that offer a wide spectrum of opinion on BDS as well as other calls for economic pressure. The position of Americans for Peace Now and J Street most closely resembles the approach of the Episcopal Church—to support economic pressure on companies doing business in the Occupied Palestinian Territories, but not the broader BDS campaign.

**a. Jewish Voice for Peace:**

“Jewish Voice for Peace endorses the call from Palestinian civil society for Boycott, Divestment, and Sanctions (BDS) as part of our work for freedom, justice and equality for all people. We believe that the time-honored, non-violent tools proposed by the BDS call provide powerful opportunities to make that vision real.

We join with communities of conscience around the world in supporting Palestinians, who call for BDS until the Israeli government:

Ends its occupation and colonization of all Arab lands occupied in June 1967 and dismantles the Wall; recognizes the fundamental rights of the Arab-Palestinian citizens of Israel to full equality; and respects, protects and promotes the rights of Palestinian refugees to return to their homes and properties as stipulated in UN Resolution 194.”

Visit <https://jewishvoiceforpeace.org/>

**b. Americans for Peace Now**

“Some BDS supporters are certainly motivated by anti-Semitic or anti-Israel agendas. Many more are motivated by legitimate frustration over Israeli policies and actions. Legislative initiatives that treat all BDS supporters as members of the first category are just as misguided and counterproductive as BDS efforts that target all Israelis for the pro-settlement policies of their government. At the same time, efforts to outlaw BDS, even if well-intentioned, represent an unacceptable effort to limit free speech and peaceful political protest—violating our own Constitution as well as the spirit of the American ideal of the free exchange of ideas.

.... There is a smarter approach to the challenge of BDS against Israel. This is one that does not conflict with constitutionally-protected rights, will not fuel a pro-BDS narrative, has a real chance of convincing a lot of people—those who are frustrated with Israeli policies but are neither anti-Israel nor anti-Semitic—to adopt a better kind of activism. APN supports such an approach, which includes:

- Recognizing and rejecting pro-settlement, anti-peace policies that feed the growing support for BDS today, and working publicly and concretely to oppose and change them.
- Rejecting efforts to conflate Israel and the settlements and instead recognizing the legitimacy and potential value of activism and boycotts that squarely target settlements and the occupation.
- Ceasing efforts to limit free speech. BDS supporters, regardless of their motivations, are entitled to their views and to their legal, non-violent forms of protest, just as opponents of BDS are entitled to challenge and criticize them in ways that do not trample on the First Amendment rights of any party.
- Engaging the public and challenging BDS on its merits—through statements and other public messaging—in order to demonstrate why BDS against Israel is a misguided,

counterproductive tactic in the fight to end the occupation, and to illustrate how activism focused on settlements and the occupied territories is a better way to achieve that goal.”

Visit <https://peacenow.org/>

**c. American Jewish Committee**

“AJC exposes the sinister reality of the BDS movement. We spearhead anti-BDS legislation at all levels of government and rally elected officials to reject the boycott movement. And through AJC Project Interchange, we foster truth and counter anti-Israel rhetoric by giving influential figures the opportunity to experience the reality of Israel firsthand.

AJC combats the efforts of BDS extremists by engaging thought leaders in every segment of society that BDS targets. Aware that BDS activists may someday seek to promote legislation at the state level to facilitate a boycott, we convinced the governors of all 50 states to declare their opposition to BDS. We were also a driving force behind anti-BDS legislation in California and Illinois.

As the BDS movement has surged on campus, we have brought dozens of university presidents to Israel and trained hundreds of students as advocates for Israel. And with BDS proponents pushing for Christian denominations to join a boycott of Israel, we have marshalled our allies in the Christian world to oppose such efforts.

AJC advocacy has cut off BDS at every turn, ensuring that the anti-Israel forces behind the movement will never achieve their goals.”

Visit <https://ajc.org>

**d. Anti-Defamation League**

Anti-Defamation League former head Abraham Foxman has said the following:

“Legislation that bars BDS activity by private groups, whether corporations or universities, strikes at the heart of First Amendment-protected free speech, will be challenged in the courts and is likely to be struck down. A decision by a private body to boycott Israel, as despicable as it may be, is protected by our Constitution.” (2015)

Visit <https://www.adl.org/>

**e. J Street**

**“1) We do not advocate for or support any boycott, divestment or sanctions initiative whatsoever**

**2) J Street has always been and remains opposed to the Global BDS Movement**

J Street advocates for a two-state solution and a secure, Jewish and democratic future for Israel. The Global BDS Movement does not support the two-state solution, recognize the right of the Jewish people to a state or distinguish between opposition to the existence of Israel itself and opposition to the occupation of the territory beyond the Green Line. Further, some of the Movement’s supporters and leaders have trafficked in unacceptable anti-Semitic rhetoric. The

Movement is not a friend to Israel, nor does its agenda, in our opinion, advance the long-term interests of either the Israeli or Palestinian people.

**3) We do not oppose boycott, divestment, or sanctions initiatives that explicitly support a two-state solution, recognize Israel's right to exist, and focus only on occupied territory beyond the Green Line**

These kinds of initiatives are different than those advocated and initiated by the Global BDS Movement.

It is critical to maintain the distinction between boycott and divestment efforts which work against the interests of Israel, and initiatives which are limited to opposing the occupation.

While we do not oppose these initiatives, we do not support them either."

Visit <https://jstreet.org/policy/boycott-divestment-and-sanctions-bds/#.XNCC-JNKjUI>

*15. What is the current position of our ecumenical mainline denominational partners on economic pressure?*

CCSR works in coalition with many ecumenical partners through the Interfaith Center on Corporate Responsibility. We highlight four of our mainline denominational partners.

**a. Evangelical Lutheran Church in America (ELCA)**

Note: Portico is the entity that manages the investment assets of ELCA.

"In April of 2018, the ELCA Church Council approved a [Human Rights social criteria investment screen](#).

Wording of screen: The ELCA recommends not investing in corporations benefiting from the most egregious denial of the rights of humans as political and civic beings to have equal access and participation in legal and political decisions affecting them.

Definition of problem: Equal access and participation in legal and political decisions cannot happen when they occur in conflict-affected countries, especially disputed or occupied territories. Recognizing that various investors will implement this along a continuum, for the purpose of this screen investments might include screening companies supporting and benefiting from occupation. It could also include investments that promote positive economic development in such regions."

**"Portico Implements New ELCA Human Rights Screen**

April 14, 2019

This month, the ELCA's largest institutional investor, Portico Benefit Services, announced two recent actions supporting the 2016 Churchwide Assembly resolution, Justice for the Holy Land Through Responsible Investment.

**First, on April 1, Portico implemented within the ELCA social purpose funds the ELCA's new Political and Civil Human Rights social criteria investment screen approved last year by the ELCA Church Council.** This screen provides guidance to Portico and other ELCA investors wanting to take investment action relative to the ELCA's human rights position.

Since approval of the screen, Portico has established a comprehensive process for identifying and screening companies from the ELCA social purpose funds, and began applying it April 1. Now, companies will be screened out if they're identified as involved with a controversy in an occupied or disputed territory where the denial of legal and political human rights measures "severe" or "very severe."

For 2019, the screen added one company to the list of those excluded from ELCA social purpose funds. While Portico can report the number of companies identified by a specific screen, it isn't able to name specific companies by screen as this information is considered proprietary research by Portico's screening consultant.

"Because the risk of doing business in occupied and disputed territories can be significant," says Erin Ripperger, Portico's senior socially responsible investment analyst, "we didn't expect many companies to meet the requirements. Screening may identify additional companies as we refine our process over time. We also expect to create significant impact through our advocacy work as shareholders and by making investments that promote positive economic development in select occupied and disputed territories."

<https://www.porticobenefits.org/Overview/ReponsibleInvesting/InvestingForSocialImpact/PorticoImplementsHumanRightsScreen>

## **b. Presbyterian Church, USA**

Note: a proscription list is the same as a No Buy List.

"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. on the proscription list."

<https://www.presbyterianmission.org/wp-content/uploads/APPROVED-MRTI-2019-GA-Divestment-Proscription-List.pdf>

## **c. United Methodist Church**

The UMC pension board (Wespath), with a value of \$20 billion, divested of 5 Israeli banks and 2 other corporations in 2016.

"Wespath's Human Rights guideline reflects The United Methodist Church's call for all general boards and agencies to "...make a conscious effort to invest in institutions, companies, corporations, or funds whose practices are consistent with the goals outlined in the Social Principles." (§ 717) We are a global investor, and we actively influence the promotion and protection of human rights through constructive engagement by using our voice as shareholders to change company practices. We believe that

engagement is the most effective strategy for us, and like-minded investors, to effect corporate change and improve human rights protections.

There are specific times, however, when we must recognize that a company is very unlikely—or unable—to discontinue activities in certain parts of the world that we have classified as **“high-risk.”** When activities in high-risk countries or areas represent a significant or integral part of a company’s business, we will avoid investing until the company changes its business practices or until there is a change in its operating environment. Avoiding such investments supports our commitment to sustainable investing, which we believe ultimately improves the performance of our investment funds.

We implement our Human Rights guideline by:

**1. Identifying “high-risk” countries and areas where there is a prolonged and systematic pattern of human rights abuses, where conflict exists and where human rights abuses have been widely documented and/or significant breaches of international law occur**

High-risk countries and areas are identified based on an assessment of:

— [Freedom House](#)’s annual “worst of the worst” list of countries with the lowest-possible ratings for both political rights and civil liberties. We selected Freedom House—an organization focused on expanding freedom and democracy through analysis, advocacy and action—after conducting a thorough due diligence process evaluating reputable organizations that provide thoughtful, objective analysis on countries’ human rights performance. [Here is the full list of countries.](#)

— Conflict-affected areas where significant human rights violations are widely documented. These include countries and/or regions where a specific economic sector is recognized as prolonging conflict and areas where a United Nations Security Council resolution or an advisory opinion by the International Court of Justice has identified significant breaches of international law. [Areas currently identified as “conflict-affected” are listed here.](#)

These definitions of international justice align with the United Methodist Church’s Social Principles, which state “...we endorse the United Nations, its related bodies, the International Court of Justice and the International Criminal Court as the best instruments now in existence to achieve a world of justice and law.” (§ 165.D)

**2. Relying on an objective and respected external environmental, social and governance (ESG) research provider to help us identify companies at risk**

In 2015, Wespeth Investment Management, Wespeth’s investments division, contracted [Sustainalytics](#) (a global ESG research provider) to identify and assess the management policies and practices of companies with significant exposure to the countries and areas identified as high-risk.

We chose Sustainalytics after conducting a search for an ESG research provider that could help us implement our Human Rights and Climate Change guidelines. The firm works with more than 300 clients worldwide, including pension funds, mutual funds and asset managers.

**3. Evaluating companies in our investment funds that pose excessive human rights risks**

We have identified companies with significant operations in “high-risk” countries and the three specific “conflict-affected” areas. These companies are ineligible for investment under the Human Rights guideline.

Factors we considered include:

- percentage of revenue linked to the high-risk area
- nature of the company’s relationship to the conflict/region
- mitigating factors relating to the company’s management of human rights risk found in publicly available documents

We will continue to regularly monitor and update the list of high-risk countries and areas, as well as companies affected by the guideline, as warranted.”

<https://www.wespath.org/investments/human-rights-guideline-implementation/>

#### **d. United Church of Christ**

“Part of United Church Funds’ SRI work involves promoting peace in the Middle East through every outlet available. Most recently, staff joined in a delegation to the region along with national leaders of the United Church of Christ. More information on that trip, including a **blog post** written by the UCF’s director of Social Responsibility, can be found [here](#). In 2005, the General Synod of the United Church of Christ called on its members and ministries to use economic leverage to promote peace in the Middle East. Since that Synod, **United Church Funds has worked actively** within the UCC and with an ecumenical task force — comprising at least 20 different denominations, communions and Roman Catholic orders — to achieve the goals reflected in the Synod resolution.”

<https://ucfunds.org/social-responsibility/corporate-engagement/economic-leverage/promoting-peace/>

United Church Funds notes that the UCC strives to “restrict companies [from its investment portfolio] whose involvement in international conflict zones, including the Occupied Palestinian Territories, leads to direct violations of human rights.” UCC has excluded 5 international companies from its portfolio based on this position.