

Committee on Mission Responsibility Through Investment (MRTI) of the Presbyterian Church U.S.A.
Guideline Metrics
Updated June 2021

Metrics	Priority weight (High = 5; Med = 3; Low = 1)
Environment	
1. Climate-related risks and opportunities identified over short (2025), medium (2026-2035) and long-term (2036-2050) (TCFD and CA 100+)	3
2. The impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning described (TCFD and CA 100+)	3
3. Business strategy in place and efforts made to limit temperature increase to 1.5 degrees Celsius (GA 2018 and CA 100+)	5
4. Scenario analysis and measurement, including risk assessment on demand and supply, within key business processes and investment decisions incorporated. (GA 2016 and CA 100+)	5
5. Puts an adequate internal price on carbon and uses this price to make decisions on long-term projects (GA 2018 Carbon and CA 100+)	5
6. Sets robust short (2025), medium (2026-2035) and long-term (2036-2050) goals for reducing greenhouse gas emissions (GA 2016 and CA 100+)	5
7. GHG reduction goals include evidence of more rapid integration of new technologies designed to reduce the company’s overall carbon footprint (GA 2016 and CA 100+)	5
8. Company is working to decarbonize capital expenditures. (CA 100+)	3
9. Organization discloses metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process, including methodology used to determine alignment of future capital expenditures (TCFD and CA 100+)	3
10. Discloses Scope 1, Scope 2 and if appropriate, Scope 3 GHG emissions, and related risks (TCFD and CA 100+)	5
11. Describes the targets used to manage climate-related risks and opportunities and performance against targets. (TCFD and CA 100+)	3
12. Issues annual reports on the company’s view of and response to material climate change risks and opportunities (GA 2016 and CA 100+)	5
13. Carbon intensity of operations is showing downward trend.	3

Created by the PCUSA Office of Faith-Based Investment and Corporate Engagement
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6/25/2021

<p>14. Water risk: 14a. Water is included in company's business strategy planning. 14b. Company identifies operations in water-stressed areas. 14c. Mitigation programs are in place for efficient water use. 14d. There is evidence of water-efficient technology for operations. (GA – Water)</p>	5
<p>15. Land and Biodiversity: 15a. Do operations adversely impact biodiversity? 15b. Is there a corporate policy and risk management process in place concerning energy, land and biodiversity? 15c. Do operations lead to deforestation?</p>	1
<p>16. Possible Supply Issues 16a. Company evaluates impact of its products on the environment (MRTI)</p>	1
<p>17. Waste management 17a. Company discloses management of hazardous materials/ waste. 17b. Solid waste reduction efforts are in place. 17.c. waste management includes wastewater treatment (MRTI)</p>	1
<p>18. Other comments</p>	
Social	
<p>1. Company has the following in place: a) Policy commitment to respect human rights b) A human rights due diligence process to identify, prevent, mitigate, and account for how they address their impacts on human rights c) Processes to enable the remediation of any adverse human rights impacts they cause or which they contribute (above from UN) d) Public commitment to prevent human trafficking and upholding human rights e) Evaluation of impact of its products on human rights (MRTI and GA 2014 – Human Rights)</p>	3
<p>2. Do operations distress neighboring communities and/or historically marginalized/ oppressed communities (often Black, Indigenous and communities of color)? If so, company takes steps to mitigate those impacts. (For example, does the company pay for and implement land restoration of affected areas?) (S&P and GA 2018 ER)</p>	5
<p>3. Risk management program includes environmental and social impacts on neighbors (e.g., emissions' impact on local air quality, lending impact on local communities). (S&P, GA 2016 and GA 2018 ER)</p>	5

4. Operations are considered from the perspective of their impact on employees, local communities, and society. (S&P, MRTI and GA 2012)	5
5. Company regularly engages with employees and customers to learn their needs and satisfaction. (S&P)	1
6. Do operations and/or products create reputational issues* for the company? If so, how are those issues managed and mitigated? (S&P, GA 2012 and GA 2008 God's Work) *Possible reputational issues might include events related to employee safety, diversity, benefits, sexual harassment, pay issues, etc	1
7. Company takes steps in terms of occupational health, safety, and wellbeing of employees (S&P and GA 2012)	1
8. Company takes steps in terms of occupational health, safety, and wellbeing of suppliers, including supplier codes of conduct and enforcement of human rights with suppliers. (S&P and GA 2016: Just Compensation)	1
9. Does company participate in the Voluntary Principles on Security and Human Rights?	For info only
10. Does company operate in conflict-affected and high-risk areas? (GA 2008) If "yes", see "HR Policy Implementation" endnote.	For info only
11. Corporate Human Rights Benchmark score	For info only
12. Additional human rights concerns?	For info only
13. Other comments	
Governance	
1. Employee compensation is fair and adequate. (GA 2012)	1
2. The company supports the right of workers to organize, bargain collectively and advocate for family sustaining wages and benefits. (GA 2012)	1
3. Clearly defines board and management governance processes that acknowledge the scientific evidence of climate change (GA 2016) and importance of other social issues, including non-discrimination, promotion of equal opportunities and diversity. (CA 100 + and GA 2016: Toward Inclusiveness)	5
4. Ensures adequate oversight of climate change risk (GA 2016) and human rights issues (CA 100+)	5
5. Outlines strategic implications of a transition to low carbon energy system (GA 2016)	3
6. Board member analysis (MRTI) (includes board diversity*) (CA100+) *(diversity refers to diversity of demographics, experience/expertise, and inclusion of domestic and international experience)	3

7. Company leadership analysis for diversity* (*diversity refers to diversity of demographics and experience as info is publicly available) (MRTI, REAC)	1
8. Company has measures in place to promote employee diversity (MRTI, REAC)	1
9. Engages constructively with public policymakers and other stakeholders [in support of cost-effective policy measures to mitigate climate change risks and support low-carbon investments] (GA 2016 and GA 2016 Election Protection)	3
10. Ensures there is broad oversight and transparency about the company's lobbying activity and political spending, including activity by trade associations to which the company belongs, on climate change and related energy and regulatory issues (GA 2016: Election Protection and CA 100+, and other human rights and social issues. (CA100+ and GA 2014 Human Rights)	5
11. Company discloses positions on public policy issues such as: carbon pricing, renewable energy targets, and international negotiations on climate change (GA 2016 and GA 2016: Election Protection).	3
12. Company discloses positions on internal policy issues such as: corporate leave policies and freedom of association (GA 2008 God's Work)	3
13. Company regularly engages with regulatory and other legal authorities to keep abreast of legal, regulatory and compliance developments. (S&P)	1
14. Company is transparent on which office to contact regarding environmental/ social concerns and includes contact information. (MRTI)	1
14. Other comments	

Score Range

Red: Overall, company has had poor record of shareholder engagement, poor record on ESG issues. Company may or may not acknowledge importance of ESG issues. Score range: 0-100

Orange: Company acknowledges importance of ESG issues, may or may not adopt policies to address the issues. Has conducted some shareholder engagement or is open to it. May not have displayed much progress in shareholder engagement. Score range: 100-135

Yellow: Company shows more progress on shareholder engagement; begins to implement policy with programs/plans, goals and targets; Develops metrics, starts measuring and disclosing information. Score range: 136-170

Blue: Good track record of shareholder engagement.

Company benchmarks its progress against others in industry/sector; conducts independent verification of its data and operations. Policies, programs, goals and targets in place for ESG issues and regularly discloses information. Score range: 171-205

Green: Company showing great efforts on shareholder engagement; is actively addressing ESG issues and there are few concerns. Company's strategic focus leads to demonstrable positive impact. Score range: 206-238
(Adopted from ICCR hierarchy of impact)

Sources and Notes:

2018 General Assembly of the PCUSA (GA 2018). The 223rd General Assembly (2018) received an MRTI Report that included pursuing engagement with companies on climate change issues. Excerpt from the General Assembly's response to the MRTI Report: "Direct MRTI to continue its engagement process with deliberate haste and continue to utilize its Guideline Metrics with corporations in the 2019 and 2020 proxy seasons and report back [three years of metrics] to the 224th General Assembly (2020) with divestment recommendations for the companies who are not moving towards compliance with the General Assembly's criteria established by the 222nd General Assembly (2016). Companies previously identified by MRTI for this focused engagement include, but are not limited to, Chevron, ExxonMobil, ConocoPhillips, Marathon Petroleum, Valero Energy, Philips 66, Duke Energy, Ford, General Motors."

2018 General Assembly of the PCUSA (GA 2018 Carbon). The 223rd General Assembly (2018) directed MRTI to continue engaging companies on climate change, "especially in support of carbon pricing." <https://www.pc-biz.org/#/search/3000325> World Bank, per TCFD, recommends carbon pricing ranging from \$40 to \$80/ ton by 2020, and increasing that to \$50 to \$100 by 2030. ([see here](#)) Powering America Forward to Clean Energy looks at a rate of at \$15/t and increasing each year. \$40 was cited as a more aggressive starting point. Adequate here should be around \$40.

2018 General Assembly of the PCUSA (GA 2018 ER). "On Responding to Environmental Racism and to Promote Environmental Justice." Excerpt from "On Responding to Environmental Racism and to Promote Environmental Justice". 2018. "3. Listen to the perspectives and voices of people most impacted by environmental racism with awareness to cultural diversity domestically and internationally. 4. In accordance with the Gospel, position the church's approach to environmental problems to include responses to the voices most directly impacted by environmental racism."

2016 General Assembly of the PCUSA (GA 2016). "Action on Fossil Fuel Divestment by the 222nd General Assembly of The Presbyterian Church U.S.A." Excerpt from MRTI Report to the 222nd General Assembly's Committee on Environmental and Immigration Issues. 2016. "Directs 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.”

2016 General Assembly of the PCUSA (GA 2016: Just Compensation). “A Resolution to ensure Just Compensation Practices for those Employed via Third Part Contractors.” Available here: <https://www.pc-biz.org/#/search/3000080>

2016 General Assembly of the PCUSA (GA 2016: Toward Inclusiveness). “Toward Inclusiveness in Employment: The Presbyterian Church (U.S.A.) Churchwide Policy for Equal Employment Opportunity and Affirmative Action for General Assembly Agencies.” Available here: <https://www.presbyterianmission.org/resource/churchwide-equal-employment-opportunity-and-affirm/>

2016 General Assembly of the PCUSA (GA 2016: Election Protection). “Election Protection & Integrity in Campaign Finance.” Available here: <https://www.presbyterianmission.org/wp-content/uploads/Election-Protection-and-Integrity-in-Campaign-Finance-2016-ACSWP.pdf>

2014 General Assembly of the PCUSA (GA 2014 – Human Rights). “Mission Responsibility Through Investment: Engagement with Corporations on Israel – Palestine Issues from 2004-2013 – PMA.” Available here: <https://www.pc-biz.org/#/search/4715>

2012 General Assembly of the PCUSA (GA 2012). “A Resolution on Workers’ Rights and Income Inequality – From the Advocacy Committee for Racial Ethnic Concerns.” Available here: <https://www.pc-biz.org/#/search/4079>

2008 General Assembly of the PCUSA (GA 2008). The 218th General Assembly (2008) received an MRTI report that included continued engagement with companies on Israel/ Palestine. In response, the GA recommended the following: *“Call upon all corporations doing business in the region to confine their business activity solely to peaceful pursuits, and refrain from allowing their products or services to support or facilitate violent acts by Israelis or Palestinians against innocent civilians, construction and maintenance of settlements or Israeli-only roads in East Jerusalem and the West Bank, the Israeli military occupation of Palestinian territory, and construction of the Separation Barrier as it extends beyond the 1967 ‘Green Line’ into Palestinian territories.”* (Minutes, 2008, Part 1, p. 1223)

2008 General Assembly of the PCUSA (GA 2008 God’s Work). “God’s Work in Women’s Hands: Pay Equity and Just Compensation.” Available here: https://www.pcusa.org/site_media/media/uploads/_resolutions/pay_equity_and_just_compensation.pdf

2004 General Assembly of the PCUSA (GA Water). “Report and Recommendations on Limited Water Resources and Takings.” Available here: <https://www.presbyterianmission.org/wp-content/uploads/2-water-resources-2004.pdf>

CA 100+. Climate Action 100+. Available here: <http://www.climateaction100.org/>

HR Policy Implementation: In 2021, MRTI reviewed and revised the process for implementation the PCUSA Human Rights policies as related to investments and corporate engagement. This will be incorporated into the General Assembly Divestment/ Proscription list. [Insert Link to forthcoming 2022 Divestment/Proscription List].

ICCR. "Hierarchy of Impact." Available here: <http://www.iccr.org/our-approach/iccrs-hierarchy-impact>

S&P Global Ratings, RatingsDirect. "Proposal for Environmental, Social, And Governance (ESG) Assessments." 2016. Available here: <https://www.spglobal.com/our-insights/Proposal-For-Environmental-Social-And-Governance-ESG-Assessments.html>.

TCFD (Task Force on Climate-Related Financial Disclosures). "Recommendations of the Task Force on Climate-related Financial Disclosures." 2016. Available here: <https://www.fsb-tcf.org/publications/recommendations-report/>

United Nations Human Rights, Office of the High Commissioner. "Guiding Principles on Business and Human Rights." 2011. Available here: http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Source for sector-specific questions: "21st Century Engagement." BlackRock and Ceres. 2015. Available here: <https://www.blackrock.com/corporate/en-us/literature/publication/blk-ceres-engagementguide2015.pdf>

Ceres. "The 21st Century Corporation: The Ceres Roadmap For Sustainability." 2010. Available here: https://www.ceres.org/sites/default/files/2017-05/Ceres_Roadmap_for_Sustainability_2010.pdf

PCUSA's Committee on Mission Responsibility Through Investment (MRTI), internal communication between MRTI committee members and staff.