

**GENERAL CONVENTION OF THE EPISCOPAL CHURCH 2018  
ARCHIVES' RESEARCH REPORT**

**RESOLUTION NO.:** 2018-D044  
**TITLE:** Tools for Effective Shareholder Engagement for Human Rights  
**PROPOSER:** The Rev. Winnie Varghese  
**TOPIC:** Socially Responsible Investment

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**Directly Related:** (Attached)

2015-D067 Divest from Private Corporations in the Prison Business  
2000-C039 Commend CPF on Union Dispute and Urge Socially Responsible Investments

**Indirectly Related:** (Available in the [Acts of Convention](#) database, searchable by resolution number)

2006-A109 Mandate Purpose of the Committee on Social Responsibility in Investments  
1994-D020 Advocate on Behalf of Human Rights in Burma  
1985-D073 Mandate Divestment in Companies Doing Business in South Africa and Namibia

**Supplementary Document:**

Executive Council Resolution EXC022013.21: [Implementation of General Convention 2012-B019](#) (see highlighted text)

*In preparing this report, the Archives researched the resolutions in the Acts of Convention database for the period 1976 through 2015, selecting “direct” resolutions that have a substantive bearing on the proposed legislation. The “direct” resolutions are attached and “indirect” resolutions are available in the Acts of Convention database. Committee members who require other research assistance should contact the Archives at 800-525-9329 before Convention or at Convention in the General Convention Secretariat.*

# D044 Tools for Effective Shareholder Engagement for Human Rights

<b>Proposer</b>	The Rev. Winnie Varghese
<b>Endorsed by</b>	O'Neal, Ms. Yvonne; Smith, The Rev. Nora
<b>Sponsored by</b>	
<b>Page numbers</b>	Blue Book: p. N/A; Constitution & Canons: p. N/A
<b>HiA / Leg. Cttee</b>	/
<b>Current Status</b>	Pre-Filed Resolution
<b>Version</b>	Original (as filed)
<b>Review Status</b>	Not yet reviewed

## RESOLUTION TEXT

1 *Resolved*, the House of \_\_\_\_\_ concurring, That the 79th General Convention of The Episcopal Church affirm the following criteria for evaluating the impact of our investments and the use of our money, to inform our shareholder engagement and, when warranted, the divestment of Episcopal Church resources from corporations that are complicit in state violence and violations of human rights, and that we commend this criteria to the Committee on Corporate Social Responsibility to implement with regard to The Episcopal Church's stated policy on corporations that are profiting from human rights abuses associated with the military industry, the prison industry (including for-profit prisons and immigration detention centers), border control, militarized local policing, and violations of international human rights law and agreements anywhere in the world, including the United States of America and the Occupied Territories of Palestine:

- Saliency, defined as the the severity of a violation. This term is taken from the UN Guiding Principles for Business and Human Rights Reporting Framework, measuring the severity of the negative impact of a company's activities and/or business relationships. Saliency measures the impact on people, not on the company's revenues.
- Significance, defined as the degree of the company's involvement in a violation. It is assessed on a case by case basis, and would include both the significance of the company's activities to a human rights violation and the significance of that relationship to the company itself. For example, unlike the supply of an off-the-shelf product, supplying specifically designed crucial equipment and services would constitute a significant involvement.
- Responsiveness, defined by the company's responsiveness to multi-stakeholder engagement, as well as the continuity of the said corporate activities. Responsiveness is assessed by monitoring the dialogue efforts with a company on the relevant issues as well as all changes in corporate policies or activities

## EXPLANATION

In 1971, The Most Reverend John Hines, speaking at a meeting of shareholders of General Motors, presented a resolution asking General Motors to divest from South Africa in protest of the legal racial separation and oppression called apartheid, spearheading the divestment movement that Archbishop Desmond Tutu credited with playing an important role in ending apartheid in South Africa.

As the movement for shareholder activist and responsible investing becomes more mainstream, The

Episcopal Church needs tools to move towards using the power of our wealth to work for the good. It is no longer enough to claim to make the “most money” possible, by any means necessary, to do the “most good.”

These tools offer a methodical approach to what are often fraught, emotional conversations about the critical human rights issues of our times and give us guidelines to use our money as a tool for the building of a just society.

Salience, Significance, and Responsiveness are identified by the American Friends Service Committee in its investor relations report on the U.S./Mexico Border, the Prison Industry and the Occupied Territories as tools to evaluate the effectiveness of investor engagement. See:

<http://investigate.afsc.org/screens/afscdivestment> for more information on the approach of AFSC.



**Resolution Number:** 2015-D067  
**Title:** Divest from Private Corporations in the Prison Business  
**Legislative Action Taken:** Concurred as Amended  
**Final Text:**

***Resolved, That the 78th General Convention directs The Episcopal Church to continue a no-buy policy with respect to corporations which own or operate for-profit prisons and hereby encourages the Church Pension Fund to institute a similar no-buy policy.***

**Citation:** General Convention, *Journal of the General Convention of...The Episcopal Church, Salt Lake City, 2015* (New York: General Convention, 2015), p. 424.



**Resolution Number:** 2000-C039  
**Title:** Commend CPF on Union Dispute and Urge Socially Responsible Investments  
**Legislative Action Taken:** Concurred as Amended  
**Final Text:**

*Resolved, That the 73rd General Convention commend the Church Pension Fund for its constructive participation in the solution in 1998 of a long-standing dispute involving low wage janitors in Washington, D.C. and their desire for a union; and be it further*  
*Resolved, That the 73rd General Convention strongly encourage the Church Pension Fund to continue and increase its involvement in stockholder actions and other means to encourage the companies in its portfolio toward more social responsibility, thus following the good example of the Committee on Social Responsibility in Investments of the Executive Council of the Episcopal Church; and be it further*  
*Resolved, That the 73rd General Convention urge all dioceses, congregations, and institutions of this Church to exercise similar social responsibility in their investments.*

**Citation:** General Convention, *Journal of the General Convention of...The Episcopal Church, Denver, 2000* (New York: General Convention, 2001), p. 356.