

**ITEM B.104
FOR ACTION**

<i>FOR PRESBYTERIAN MISSION AGENCY EXECUTIVE DIRECTOR'S OFFICE USE ONLY</i>			
	A. Finance	E. Corporate Property, Legal, Finance	J. Nominating Committee
X	B. Justice	F. PC(USA), A Corporation	K. Governance Committee
	C. Leadership	G. Audit	P. Plenary
	D. Worshipping Communities	H. Executive Committee	

Subject: Proxy Voting Recommendations

Recommendation:

That the Presbyterian Mission Agency Board:

- 1. Affirm the proxy voting recommendations of the Committee on Mission Responsibility Through Investment (MRTI) contained in the 2013 Shareholder Resolution Directory (Appendix 1).**
- 2. Request the Presbyterian Church (USA) Foundation/ New Covenant Trust Company and the Board of Pensions to vote proxies on the shareholder resolutions submitted to companies in which they own stock in accordance with the recommendations listed in the 2013 Shareholder Resolution Directory (Appendix1).**
- 3. Urge the middle governing bodies, related institutions, congregations and individual members of the Presbyterian Church (USA) to give serious consideration to the proxy voting recommendations when they vote on shareholder resolutions.**

Background:

Each year MRTI compiles a list of shareholder resolutions being filed with specific corporations on certain designated issues. For 2013, the issues addressed include environment, energy, equal employment opportunity, tobacco, corporate governance, international human rights, employee relations, employment and environmental standards, global finance and others.

MRTI during its meeting on February 8, 2013, examined each of these resolutions on the basis of General Assembly Investment Policy Guidelines for social concerns, and made a recommendation as to whether or not the resolution should be supported by the Presbyterian Church (USA), or whether a formal abstention should be recorded. These recommendations are transmitted to the Presbyterian Mission Agency Board for its affirmation. A summary of recommended proxy votes by company is contained in Appendix 1.

MISSION RESPONSIBILITY THROUGH INVESTMENT

**2013 SHAREHOLDER RESOLUTIONS DIRECTORY
WITH
PROXY VOTING RECOMMENDATIONS**

February 19, 2013

The Committee on Mission Responsibility Through Investment (MRTI) met on February 8, 2013, and reviewed shareholder resolutions being submitted to corporations for their 2013 Annual Meetings. These resolutions concern social and ethical issues related to the corporations' business operations and policies. MRTI adopted recommendations on voting of proxies in support or opposition to these resolutions, or whether a formal vote of abstention should be recorded.

The recommendations will be submitted for affirmation by the Presbyterian Mission Agency Board at its meeting on April 10-12, 2013. The recommendations will be communicated to middle governing bodies, related institutions, and congregations and individuals who have expressed interest in proxy voting as a part of socially responsible investing.

PROXY VOTING PROCESS

MRTI reviewed resolutions that were submitted to 129 corporations. Many of these resolutions will not appear on the proxy statement when it is mailed to shareholders. Often negotiations between the corporation and the shareholder filing the resolution result in an agreement about the subject matter, and the resolution is withdrawn. Some resolutions may not appear because the corporation challenged them before the Securities and Exchange Commission (SEC) contending that the resolutions failed to meet one or more of the SEC's rules and regulations. Sometimes these objections refer to the substance of the resolution; and sometimes they pertain to technical matters such as length of ownership of the stock. If the SEC finds merit in the corporation's arguments, the SEC will inform the corporation that it will take no action if the resolution is omitted from the proxy.

MRTI noted that some groups did not provide a copy of their resolutions. Thus, no formal recommendation was made. However, as some organizations previously have submitted resolutions with goals contrary to General Assembly policy, MRTI urges shareholders to read the resolutions and vote their consciences. Any questions about GA policy can be directed to the MRTI office.

PRESBYTERIAN CHURCH (USA) SHAREHOLDER ENGAGEMENT

For your information, five resolutions that were filed or co-filed by MRTI using stock held in the Board of Pensions General Assistance Fund. These include **ConocoPhillips** on setting a greenhouse gas emissions reduction goal, **Caterpillar and Hewlett-Packard** on strengthening their human rights policies, and **CF Industries and Roper Corporation** on reporting on sustainability efforts. A resolution on sustainability was filed with **Dominion Resources**. The company challenged the resolution claiming that the requested action had already been substantially implemented, and the SEC agreed with their position.

GENERAL ASSEMBLY DIVESTMENT POLICY

It should also be noted that the General Assembly has a policy of not investing in certain corporations due

to their involvement in military-related production or tobacco. Some of these corporations received shareholder resolutions. Although the General Assembly urges that stock in these companies not be held, MRTI formulated recommendations on proxy voting anyway as some organizations, congregations or individuals may still own stock in these corporations for various reasons, and yet utilize these recommendations as they consider voting their proxies. Companies on the GA divestment list will be marked with an asterisk.

FURTHER INFORMATION

For further information, please contact Rev. William Somplatsky-Jarman, Associate for Mission Responsibility Through Investment, at (888) 728-7228, Ext. 5809 (toll-free) or by email at Bill.Somplatsky-Jarman@pcusa.org.

COMMITTEE ON MISSION RESPONSIBILITY THROUGH INVESTMENT
2013 INDEX OF SHAREHOLDER RESOLUTIONS
PROXY VOTING RECOMMENDATIONS

A vote in support of the following shareholder resolutions is recommended.

CORPORATION	SUBJECT
3M Company	Lobbying Expenditures Disclosure – WD Refrain from Using Corporate Funds to Influence an Election Separate Chair & CEO – WD
AGL Resources Inc.	Sexual Orientation Non Discrimination
AMEREN (Union Electric)	Set Goal to Reduce Water Use
AT&T Inc.	Health Hazards of Lead Batteries Lobbying Expenditures Disclosure – WD Political Contributions Wireless Network Neutrality – WD
Abbott Laboratories	Lobbying Expenditures Disclosure Remove or Identify & Label Genetically Modified Ingredients
Accenture	Lobbying Expenditures Disclosure
Aetna	Political Contributions
Allergan, Inc.	Lobbying Expenditures Disclosure
Alpha Natural Resources, Inc	Report on Climate Change Risk to Company & Society Water Impacts of Business Operations

PRESBYTERIAN MISSION AGENCY BOARD

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Compassion, Peace and Justice Ministry Area

Appendix 1

Altria Group, Inc.	Lobbying Expenditures Disclosure
Amazon.com, Inc	Electronics Recycling Health Hazards of Lead Batteries
American Electric Power Company	Lobbying Expenditures Disclosure
Amgen Inc.	Gender Identity/Expression Non-Discrimination Policy
Apple Computer, Inc.	Overseeing Privacy and Data Security Risks – WD
Avon Products, Inc.	Safer Chemicals in Health and Beauty Products
Bank of Montreal	Vertical Comparison of Executive Compensation
Bank of Nova Scotia	Vertical Comparison of Executive Compensation
Bristol-Myers Squibb Company	Lobbying Expenditures Disclosure
C. R. Bard, Inc.	Separate Chair & CEO Sustainability Reporting
CBS Corporation	R Rating for Movies/TV Depicting Smoking – WD
CF Industries Holdings, Inc.	Sustainability Reporting
CIBC	Compare Executive Compensation with lower paid workers
CVS Caremark Corporation	Lobbying Expenditures Disclosure
Caterpillar Inc.	Executive Compensation-Based on Sustainability Principles Review of Global Corporate Standards Human Rights Risk Report Human Rights Performance Report
CenturyLink, Inc.	Political Contributions
Chesapeake Energy Corporation	Prohibit Accelerated Vesting
Chevron Corp.	Climate Change Risk Report Country Selection Criteria - Burma Add Director With Environmental Expertise Lobbying Expenditures Disclosure Quantitative Risk Management Reporting for Shale Energy Operations Refrain from Using Corporate Funds to Influence an Election Review Attacks on Shareholders: Ecuador Pollution Separate Chair & CEO

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Appendix 1

	Shareowners Right to Call Special Meeting
Choice Hotels International, Inc.	Human Trafficking Policy – WD
Church & Dwight Co., Inc.	Animal Testing Implement Comprehensive Palm Oil Policy – WD
Citigroup	Report on the Strategic Alternatives to Company’s Structure
Cleco Corporation	Sustainability Reporting/Water Risk
Coherent, Inc.	Sustainability Reporting – WD
Comcast Corp.	R Rating for Movies/TV Depicting Smoking – WD
ConAgra, Inc.	Label Genetically Engineered Products
ConocoPhillips	Adopt Greenhouse Gas Reduction Goal and Report Gender Identity/Expression Non-Discrimination Policy Lobbying Expenditures Disclosure
CONSOL Energy Inc.	Operational Risks: Likely Restrictions on Carbon Emissions
Continental Resources	Natural Gas Flaring – WD
Corrections Corp. of America	Lobbying Expenditures Disclosure – WD
Danaher Corp.	Political Contributions Report on Use of Mercury Dental Amalgams
Dean Foods Company	Implement Comprehensive Palm Oil Policy – WD
Dentsply International Inc.	Political Contributions Report on Use of Mercury Dental Amalgams
Devon Energy	Lobbying Expenditures Disclosure Separate Chair & CEO
Disney (Walt) Company/ABC	R Rating for Movies/TV Depicting Smoking
Dominion Resources, Inc.	Increase Energy Efficiency/Renewable Energy – Omit
Dow Chemical Company	Report on Adverse Impacts of GMOs (Herbicides)
DuPont Company	Lobbying Expenditures Disclosure Report on Adverse Impacts of GMOs (Herbicides)
EQT Corporation	Refrain from Using Corporate Funds to Influence an Election

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East West Bancorp	Sexual Orientation Non Discrimination – WD
eBay Inc.	Lobbying Expenditures Disclosure Overseeing Privacy and Data Security Risks
Emerson	Sustainability Reporting – 38%
Endo Health Solutions	Lobbying Expenditures Disclosure
Entergy Corp.	Lobbying Expenditures Disclosure
Equinix	Board Diversity
Expedia, Inc.	Human Trafficking Policy – WD
Exxon Mobil Corporation	Adopt Greenhouse Gas Reduction Goals - Report Climate Risk Refrain from Using Corporate Funds to Influence an Election Separate Chair & CEO Sexual Orientation Non Discrimination
Fifth Third Bancorp	Direct Deposit Advances
FirstEnergy Corporation	Set Goals to Reduce Water Risk
GEO Group Inc.	Develop Indicators for Human Rights Policy Lobbying Expenditures Disclosure
General Dynamics Corporation	Human Rights – Amend & Monitor Policy Lobbying Expenditures Disclosure
General Electric Company	Separate Chair & CEO
Gentex Corp.	Separate Chair & CEO Sustainability Reporting
Goldman Sachs Group Inc.	Lobbying Expenditures Disclosure
Hartford Financial Services Group	Board Diversity
Hess Corporation	Political Contributions
Hewlett-Packard Company	Human Rights – Amend & Monitor Policy Appoint Human Rights Oversight Committee
Home Depot, Inc.	Equal Employment Opportunity (EEO)

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International Business Machines Corp. (IBM)	Health Hazards of Lead Batteries – WD Lobbying Expenditures Disclosure Separate Chair & CEO – WD
J2 Global Communications	Gender Identity/Expression Non-Discrimination Policy – WD
J.P. Morgan Chase & Co. Portfolio	Assess/Report GHG Emissions Resulting from Lending Lobbying Expenditures Disclosures Political Contributions
Kraft Foods Inc.	Label Genetically Engineered Products
Kroger	Assess Human Trafficking/Forced Labor in Supply Chain Implement Comprehensive Palm Oil Policy Producer Responsibility for Packaging
Lazard Ltd.	Separate Chair & CEO
Lockheed Martin Corporation	Lobbying Expenditures Disclosure Separate Chair & CEO
Lorillard, Inc.	Lobbying Expenditures Disclosure
Lowe's	Board Diversity
Men's Warehouse	Sustainability Reporting
MetroPCS Communications, Inc.	Board Diversity
Molycorp, Inc.	Sustainability Reporting/Water Risk
Mondelez International, Inc.	Producer Responsibility for Packaging Sustainability Report on Gender Inequality
Monsanto	Genetically Modified Organisms: Report on Risk – 7.62% Sustainability Reporting/Water Risk-- WD
Mylan Laboratories, Inc.	Political Contributions – WD
News Corp.	R Rating for Movies/TV Depicting Smoking
Northrop Grumman Corporation	Human Rights – Amend & Monitor Policy Lobbying Expenditures Disclosure
Nucor Corporation	Lobbying Expenditures Disclosure
ONEOK Inc.	Fugitive Methane Emissions Report
Oracle Systems Corp.	Sustainability Reporting – WD

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Appendix 1

PNC Financial Services Group, Inc. Portfolio	Assess/Report GHG Emissions Resulting from Lending
Peabody Energy Corp.	Separate Chair & CEO
PepsiCo, Inc.	Label Genetically Engineered Products – WD Lobbying Expenditures Disclosure Separate CEO & Chair
Pfizer, Inc.	Lobbying Expenditures Disclosure Separate CEO & Chair – WD
Philip Morris International	Tobacco Marketing in Economically Developing Countries
Pitney Bowes Inc.	Prohibit Accelerated Vesting
Ralcorp. Holdings Inc.	Water Risk in the Supply Chain - Being Bought By Conagra
Range Resources Corporation	Fugitive Methane Emissions Report
Regions Financial Corporation	Direct Deposit Advances Report
Republic Services, Inc.	Board Diversity
Reynolds American Inc.	Lobbying Expenditures Disclosure
Roper Industries, Inc.	Sustainability Reporting
Royal Bank of Canada	Compare Executive Compensation with Low-Paid Workers
SLM Corporation (Sallie Mae)	Lobbying Expenditures Disclosure
Sealed Air Corporation	Sexual Orientation Non Discrimination -- WD
Simpson Manufacturing Co., Inc.	Sustainability Reporting
Spectra Energy Corp.	Fugitive Methane Emissions Report Political Contributions
Sprint Nextel Corp.	Wireless Network Neutrality
Starbucks Corp.	Implement Comprehensive Palm Oil Policy
Starwood Hotel & Resorts Worldwide, Inc.	Sustainability Reporting – WD
Stryker Corporation	Adopt Greenhouse Gas Reduction Goals - Report – WD

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Appendix 1

Superior Energy Services Inc.	Board Diversity
TD Bank	Compare Executive Compensation With Low-Paid Workers
Target Corp.	Electronics Recycling
Time Warner Cable Inc.	Lobbying Expenditures Disclosure
Time Warner Inc.	R Rating for Movies/TV Depicting Smoking – WD
U.S. Bancorp	Direct Deposit Advances Report
Union Pacific Corporation	Lobbying Expenditures Disclosure
United Parcel Service of America, Inc.	Lobbying Expenditures Disclosure
UnitedHealth Group Inc.	Lobbying Expenditures Disclosure
Urban Outfitters, Inc.	Board Diversity – WD
Valero Energy Corporation	Political Contributions and Lobbying Disclosure Report
Ventas, Inc.	Prohibit Accelerated Vesting
Verizon Communications Inc.	Health Hazards of Lead Batteries Lobbying Expenditures Disclosure Wireless Network Neutrality
Visa Inc.	Lobbying Expenditures Disclosure – 37%
Wabtec	Sustainability Reporting
Walgreen Company	Create Independent Ethics Committee on Cigarette Sales – WD
Walmart Stores, Inc.	Electronics Recycling
Wells Fargo & Company	Direct Deposit Advances – Omit Lobbying Expenditures Disclosure
Whole Foods Market, Inc.	Producer Responsibility for Packaging
Xcel Energy, Inc.	Lobbying Expenditures Disclosure – WD
Yum! Brands, Inc.	Food Packaging Recycling Implement Comprehensive Palm Oil Policy
Zimmer Holdings	Board Diversity

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Appendix 1

Key to Symbols: (to be added as year progresses)

- WD:** The resolution has been withdrawn.
- Omit:** The SEC upheld the company's challenge to the resolution.
- Won:** The SEC denied the company's challenge to the resolution.

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