

SUMMARY OF UNITED METHODIST ENGAGEMENT WITH CORPORATIONS ON ISRAEL-PALESTINE ISSUES 2004 – 2011

(Note: EAG refers to the Ecumenical Action Group, a gathering of socially responsible investment managers from various denominations, which has been meeting since 2005 to discuss and engage companies involved in Israel's occupation. The UM General Board of Pension and Health Benefits, General Board of Global Ministries and General Board of Church and Society all have representatives who take part regularly in these meetings. In some cases, they have contacted these companies together. Material in red was considered in determining that corporate engagement will not succeed in changing the relationship of these companies with Israel's occupation. The EAG agreed in February, 2012.)

Caterpillar

- In 2005, Wespeth co-filed a resolution at Caterpillar requesting that the company prepare a sustainability report.
- In 2006, Wespeth and other proponents withdrew the resolution following Caterpillar's commitment to publish a report and to involve shareholders in the review process of the draft report.” [UMKR note: This report has been completed. It did not mention anything about the use of CAT products in the occupied territories.]
- April 12, 2006 - New England Conference letter sent to Mr. Owens. Received no reply.
- January 12, 2007 - New England Conference letter sent to Mr. Owens. Received no reply.
- “In 2008, Wespeth, working with the United Methodist General Board of Church and Society and other faith-based investors, contacted the company to discuss the use of its products in Middle East occupied territories. Two meetings were held during which investors shared their concerns about Caterpillar’s human rights policies.” GBPHB
- Fall of 2007 - The shareholder resolution co-filed by the General Board of Pension and Health Benefits and other religious shareholders was submitted for consideration at the 2008 annual meeting. It requested the Board of Directors to review the company’s human rights policies and amend them where applicable.
- 2008 - The shareholders agreed to withdraw the resolution from consideration at the 2008 annual meeting in exchange for an ecumenical dialogue with the company on human rights and the end use of Caterpillar products.
- 2008 - In exchange for the same chance at dialog, the UM General Board of Church and Society withdrew a resolution it had submitted to General Conference, asking for divestment from Caterpillar.
- July 18, 2008 - Dialogue with religious shareholders was held. Three United Methodist Boards took part in the meeting with Caterpillar – GBPHB, GBGM, and GBCS. All those present agreed that the meeting accomplished very little. The company said that while it

expects its customers to respect human rights, it has no mechanism for enforcing this. One United Methodist who was present said, “It was the unanimous perception of all shareholders that CAT was not going to change its practices.” There was a strong sense among all the denominations participating that they had given up their resolutions and gotten nothing of substance in return.

- July, 2008 - Church representatives requested information from Caterpillar on the customers of its Israeli dealer, particularly major construction companies that are involved in building the illegal settlements and roads which Palestinians are prohibited from using in the Occupied Territories, the construction of the separation barrier on Palestinian land and the demolition of Palestinian homes.” **That list was not provided.**
- September 10, 2009 - The United Methodist General Board of Pensions, General Board of Church & Society, and the General Board of Global Ministries took part in another dialog with Caterpillar. **Company officials made it clear that the company took no responsibility for the use of its products even by its dealers (the only party considered to be a customer), had no procedure in place for monitoring or ensuring compliance with Caterpillar’s stated expectations even in a situation with a documented historic pattern of the equipment being used in human rights violations, and no desire to develop such a policy.” Caterpillar did not provide information on whether its dealership was selling equipment to major construction companies building the illegal settlements, the separation barrier or the Israeli-only roads in the occupied territories as requested.**
- A resolution from Jewish Voice for Peace and members of the Ecumenical Action Group for the 2010 shareholders meeting called for the company to review and amend its human rights policy to bring it into greater conformity with human rights and international humanitarian law. **The company did not take advantage of this additional opportunity to discuss the resolution.**
- February 2010 – **Caterpillar declined to facilitate a requested meeting between church members of the Ecumenical Action Group and Caterpillar’s dealer in Israel.**
- March, 2010 – Caterpillar’s Chairman Jim Owens wrote a letter to all Caterpillar dealers asking them to avoid sales of equipment that might end up in Iran. Previously Owens had stated that it was impossible to control the final use or destination of CAT equipment.
- June 8, 2010 - The UM General Board of Global Ministries drafted a letter to Mr. Owens pointing out this contradiction and asking for a response. The letter asked the company to prohibit all Caterpillar subsidiaries from accepting any orders for Caterpillar equipment where the subsidiary knows that the products will be used in the construction of Israeli settlements, the construction of bypass roads, the construction of the security barrier, or the demolition of Palestinian homes or fields. It was signed by the United Methodist General Board of Church and Society and seven other religious organizations, but the **General Board of Pension and Health Benefits declined to sign it.**
- A member of The New England Conference Divestment Task Force also sent several emails to Caterpillar to clarify its relationship with InRob Tech. **The replies did not suggest a sincere effort to answer carefully researched questions.**

- December, 2010 The West Ohio Conference sent letter to Caterpillar Chairman Douglas Oberhelman. **Did not receive a reply.**
- July 26, 2011 - The General Board of Church & Society again sent a letter with a request similar to the one above, this time to the new Chairman of Caterpillar, Douglas Oberhelman. Again, the **General Board of Pension and Health Benefits declined to sign it.** **Caterpillar has not replied.**
- In a September 2011 report, the Presbyterian Mission Responsibility Through Investment (MRTI) Committee, which has worked closely on many of these initiatives with the Board of Pensions and the Ecumenical Action Group, concluded that **“Caterpillar has become even more intransigent. It has cut off all communication with the religious shareholders. Caterpillar continues to accept no responsibility for the end use of their products. Over many years, the company has not indicated a willingness to review its policies for distribution or sales in conflicted areas like Israel/Palestine, and does not acknowledge a responsibility for its dealers’ adherence to human rights law in these areas. Caterpillar’s stated commitment to global citizenship is being undermined by its unwillingness to critically self-assess its own conduct in Israel/Palestine. It is the conclusion of MRTI that further efforts to engage Caterpillar through ordinary means (including shareholder resolutions, and written and oral communications) will not be successful.”**
- 2012 - **“Wespath has continued to write and express our belief that the company’s policies expose Caterpillar – and by extension, its shareholders – to reputational and financial risk.”** – This statement is on the Board of Pensions web site in February 2012.

Hewlett Packard

- 2008 – “The General Board contacted Hewlett-Packard in 2008 concerning the company’s human rights policies and practices in Israel and the Middle East. The company agreed to meet via conference call in March 2009, but later canceled the meeting and committed to responding to investor questions in writing.” – GBPHB web site
- March 5, 2009 - The New England Conference sent a letter to Mr. Mark Hurd, Chairman of the Board, CEO and President of Hewlett Packard. Reply received from Jim Burns, VP Investor Relations for Hewlett Packard.
- June 10, 2009 - The NE Conference thanked Mr. Burns for his reply in a follow-up letter, and stated: “When a checkpoint is on an internationally recognized border, there is no cause for concern. However, when checkpoints are constructed in the West Bank, they violate international law.”
- March 31, 2009 - The General Board of Pensions also took part in contacts with Hewlett Packard through the Ecumenical Action Group (EAG). EAG Telephone Conference with HP executives – **company then cancelled the call saying it would respond in writing, and only**

then consider a meeting. The shareholders reviewed the company's written answers, and noted that they were vague or incomplete.

- October 28, 2009 - Several religious participants met with company officials by conference call.
- March 2010 - EAG members (Ecumenical Action Group) did had a call with HP executives.
- Date ? - General Board of Pensions and Health Benefits of the United Methodist Church contacted the company to renew the request for a dialogue. Hewlett-Packard again declined, saying they would only respond in writing. Two rounds of letters produced only vague answers to the shareholders' questions."
- 2010 - A meeting was later held in 2010, where the company reported that it was conducting a global human rights impact assessment of its operations. The General Board is seeking a follow up meeting to learn the results of the assessment." GBPHB web site. Note: That assessment has been completed and is online at <http://www.hp.com/hpinfo/globalcitizenship/index.html>. It mentions nothing about the company's human rights policies and practices in the occupied territories.
- 2010 - A shareholder resolution was developed by the United Methodist General Board of Pension and Health Benefits requesting a review of HP's human rights policies, and a report on their implementation.
- February 2010 – Meeting between religious shareholders, including GBGM staff, with a representative of HP Israel in Jerusalem. The discussion was informative about the extent and variety of HP's businesses. However, the company did not mention its relationship with the illegal settlements of Ariel and Modi'in Illit. Information that had been requested on the company's employment practices and how the human rights policy influences the company's business with governments was not provided. (Presbyterian Committee on Mission Responsibility Through Investment - MRTI)
- March 31, 2010 - EAG Telephone Conference with HP executives. At the meeting, company executives repeatedly failed to provide direct answers to questions. They made it clear that they wanted to be 'finished' with the conversation. The company indicated it would be conducting a global human rights assessment and agreed to meet with the EAG representatives when that report was complete. (Call notes from EAG) Note from UMKR: That HR assessment is complete and does not mention HP's relationships to illegal settlements or its role in equipping the checkpoints built outside Israel's borders on Palestinian land. It does not mention the occupation or Palestinians.
- December 2010 - The West Ohio Conference Divestment Task Force wrote to HP President and CEO Leo Apotheker. No reply was received.
- April 18, 2011 - EAG Telephone Conference with HP executives, including some who took part in the earlier meeting, on Monday,. One participant in that call stated afterwards, "In

March 2010 the same questions about checkpoints were raised **They seem not to have taken any effort to reply to these specifics in the past 12 months.**" (Call notes from EAG)

- The Presbyterians summarized the EAG experience with HP thus: **"Although, Hewlett-Packard has been open to meet with religious shareholders on an annual basis, but (*sic*) the discussions have been very disappointing. The company declines to engage the serious issues of its involvement in non-peaceful pursuits. It has never addressed the issue of how its human rights policy, about which the company is very proud, informs its decisions about its business with governments, especially governments involved in serious human rights violations. Without a major change in HP's willingness to engage in serious discussions, corporate engagement is not likely to achieve positive results. Regrettably, there is no indication at present that HP will change its present course."** (MRTI)

Motorola Solutions

- June 30, 2006 - The New England Conference Divestment Task Force first contacted Motorola's Chairman in a letter, explaining specific concerns about the company's involvement in the occupation. **There was no reply.**
- January 12, 2007 - The Task Force wrote to the company again. Again, **there was no reply.**
- February 2007 - An e-mail was sent to the investor relations department at Motorola. Motorola asked the Task Force to send the material again. This was done and an exchange of emails ensued. Motorola confirmed that it provided the Mountain Rose Communications System to the Israeli Ministry of Defense, and that it provided radar surveillance systems to clients in Israel, though it said it could not disclose the locations where these were installed.
- March 30, 2007 - A conference call was held between a member of the NEC Divestment Task Force, Motorola's Director of Investor Relations Dean Lindroth, and Eugene Delaney, director of operations for Motorola in Europe, the Middle East and Africa. They talked about all the good things Motorola does around the world. They seemed surprised when told some consumers were not buying Motorola phones because of the company's involvement in the occupation. They asked for more information.
- April 12, 2007 - NEC followed up with an explanation of the international laws that confirm the illegality of the settlements and additional information and maps about the occupation. A letter of thanks was received.
- June 18, 2007 - A dialogue was held between Motorola and an ecumenical group of religious shareholders including the United Methodist Board of Pensions, Presbyterians, Lutherans and other ecumenical shareholders.
- Fall of 2007 - A broad shareholder resolution on human rights was filed by several religious shareholders including the General Board of Global Ministries.

- January 7, 2008 - Follow-up meeting held at request of Motorola. The company indicated its intent to review and amend its policies but would not specify the particular changes under consideration. Motorola executives made clear that its human rights policies would not be applied to their business relationships with foreign governments.
- 2009 - The Board of Pensions co-filed a shareholder resolution. The company did not respond to a request in the filing letter for a meeting to discuss the resolution. When the filers tried to set one up following the annual meeting, the company declined, but offered to answer written questions.
- Following the 2009 annual meeting, religious shareholders requested another dialogue
- June 12, 2009 - An email from Motorola's legal department stated that the company refused a direct meeting and would only answer questions in writing. Questions were submitted, but answers did not adequately respond to the concerns expressed.
- December 2009 - The New England Conference sent another letter to Mr. Dean Lindroth, Corporate Vice President for Investor Relations at Motorola. Mr. Lindroth replied with an answer to one of the questions, confirmed the pending sale of MIRS and said, "Regarding your additional questions, we do not provide this level of detail about our operations." He confirmed that "Motorola did supply the Mountain Rose communications system to the Israeli Ministry of Defense and has sold radar surveillance systems in Israel." There was no indication that those relationships and sales had ended.
- The Ecumenical Action Group led a study trip to the Holy Land in February 2010, and asked Motorola to help in setting up a meeting with Motorola Israel while the group was in the area. In an email of January 13, 2010, the company declined to facilitate this meeting.
- Motorola also announced that it would be splitting into two new companies by the end of 2010: Motorola Solutions and Motorola Mobility. Motorola Solutions would continue to handle the company's contracts with the Israeli government, while Motorola Mobility would be strictly a cell phone company.
- On November 4, 2010, a shareholder resolution was filed by religious shareholders requesting a strengthening of Motorola's human rights policies that guide its international operations as well as its U.S operations. The group expressed its hope that the company would respond positively through constructive dialogue. The company did not respond.
- Religious shareholders sought more information about Motorola Solutions activities in the occupied territories, but the company has not responded to the information request.
- The General Board of Pension and Health Benefits does not list any current corporate engagement with Motorola solutions on its web site.