

## Jewish Values Investing at RPB Frequently Asked Questions

### **Q1. What is Jewish Values Investing?**

A1. As affirmed in our mission statement, the Reform Pension Board (RPB) is committed to the values and vitality of Reform Judaism. We strive to integrate consideration of Jewish values into our investment process while maintaining our paramount focus of fiduciary obligation as a pension fund.

“Jewish Values Investing” (JVI) involves particular focus on the environment, social issues, such as the health and safety of employees, and good corporate governance, as well as support of Israel, along with other issue areas as appropriate. We have a duty to act in the best long-term interests of our participants. In this fiduciary role, we realize that environmental, social, and corporate governance (ESG) issues may affect the performance of investment portfolios.

### **Q2. How does “Jewish Values Investing” (JVI) differ from “Socially Responsible Investing” (SRI)?**

A2. SRI references the historical approach of avoiding investments that are not aligned with an investor’s values. Our JVI policy, as approved in 2014, evolves our long-standing Socially Responsible Investing (SRI) policy to:

- Consider Jewish values during investment analysis, manager selection and the ongoing investment management evaluation process.
- Include environmental, social, and corporate governance (ESG) investment factors, as well as strong support of Israel.

### **Q3. How does RPB define “Jewish values?”**

A3. The Jewish values of *tikkun olam* (repair of the world) and *tzedek* (justice) help to guide our investment process. Fundamental Reform Jewish beliefs, as articulated by the Central Conference of American Rabbis (CCAR) and the Union for Reform Judaism (URJ) resolutions from 1889 to the present, are the foundation for the RPB’s Jewish Values Investing policy. Click on the following link to view the RPB’s “Review of CCAR and URJ Resolutions:” [Review of CCAR and URJ Resolutions](#)

### **Q4. How does JVI view ESG (environmental, social, governance) considerations?**

A4. “Jewish Values Investing” involves particular focus on the environment, social issues and good corporate governance, as well as support of Israel. The RPB has a duty to act in the best long-term interests of our participants. In this fiduciary role, we realize that environmental, social, and corporate governance (ESG) issues may affect the performance of investment portfolios.

To varying degrees across companies, sectors, regions, asset classes and through time, we believe that a focus on ESG may expose potential investment risks, and provide one indication of management excellence and leadership. As a result, where appropriate and consistent with our fiduciary duty, the RPB is seeking investment managers that understand how ESG factors may influence investment performance.

On the environment, the Jewish community's mandate to cultivate, protect, and nurture the environment is deeply rooted in our tradition. We strive to ensure that our investment managers are asking companies to adhere to best industry practices on the management and reporting of environmental concerns.

On social issues, concern for the welfare of humankind is an essential teaching of the Jewish tradition. RPB seeks investment managers that are sensitive to social issues and that recognize the potential impact these policies and practices may have on investment performance. Countries and companies that focus on human rights, health, safety and diversity may have better worker productivity, more innovation and fewer labor-management disputes, which may enhance profits and economic growth.

On corporate governance, the Reform Movement has long advocated ethical and transparent business practices. We believe that consistent with our fiduciary duty, countries and companies with strong and consistent governance practices may attract investment, which can drive stronger corporate profits and economic growth.

**Q5. Why does JVI incorporate a focus on Israel?**

A5. Israel holds a special place in the Jewish community, and a connection to Israel is a core value of the Jewish people and our Reform Movement. RPB strongly opposes all efforts to delegitimize Israel. Furthermore, where possible, we strive to not hold investments in companies or countries that advocate boycott, divestment or sanctions against Israel or Israeli products or services. Where possible, we also strive to hold investments that positively impact Israel, its economy and the people of Israel.

**Q6. Will JVI impact the financial performance of my account?**

A6. We strive to integrate consideration of Jewish values into our investment process while maintaining our paramount focus of fiduciary obligation as a pension fund. In this fiduciary role, we realize that environmental, social, and corporate governance (ESG) issues may affect the performance of investment portfolios.

Goldman Sachs has commented that “ESG-related factors can be an important driver of risk and return and need to be incorporated into the investment process.” JVI is not in opposition to our focus on financial return, rather it is an important component of our investment process to select the most suitable investments for long-term financial performance.

**Q7. How will the JVI policy be implemented at RPB?**

A7. We are taking a comprehensive approach to the incorporation of Jewish values. Jewish Values Investing has several dimensions and will continue to evolve with the growing expertise and focus of investment managers. RPB anticipates the consideration of Jewish values throughout the investment process.

The implementation process will include the following aspects:

- Asset Allocation, Manager Selection and Evaluation
- Screens
- Proxy Voting Policy
- Monitoring and Communication

For additional information on the implementation process, please read our JVI Policy Statement: [RPB Jewish Values Investing Policy Statement](#)

**Q8. Is RPB engaged with the responsible/impact investment field?**

A8. Yes, RPB supports the work of organizations that advance implementation of values-based investing. RPB has been a member of the Interfaith Center for Corporate Responsibility (ICCR) for over twenty years. Additionally, RPB may sponsor or co-sponsor shareholder resolutions, participate in shareholder dialogue, and/or become a signatory on various campaigns that relate to Jewish Values Investing.

**Q9. How do I learn more or ask additional questions?**

A9. Participants will be updated periodically on JVI implementation at RPB. Please email additional questions to [PensionBoard@rpb.org](mailto:PensionBoard@rpb.org). We welcome your input.



## **Jewish Values Investing Policy Statement Reform Pension Board Approved June 19, 2014**

As affirmed in our mission statement, the Reform Pension Board (RPB) is committed to the values and vitality of Reform Judaism. We strive to integrate consideration of Jewish values into our investment process while maintaining our paramount focus of fiduciary obligation as a pension fund.

The Jewish values of *tikkun olam* (repair of the world) and *tzedek* (justice) help to guide our investment process. Fundamental Reform Jewish beliefs, as articulated by the Central Conference of American Rabbis (CCAR) and the Union for Reform Judaism (URJ) resolutions from 1889 to the present, are the foundation for the RPB's "**Jewish Values Investing.**"

### **Defining "Jewish Values Investing"**

"Jewish Values Investing" involves particular focus on the environment, social issues, such as the health and safety of employees, and good corporate governance, as well as support of Israel, along with other issue areas as appropriate. We have a duty to act in the best long-term interests of our participants. In this fiduciary role, we realize that environmental, social, and corporate governance (ESG) issues may affect the performance of investment portfolios.

To varying degrees across companies, sectors, regions, asset classes and through time, we believe that a focus on ESG may expose potential investment risks, and provide one indication of management excellence and leadership. As a result, where appropriate and consistent with our fiduciary duty, the RPB is seeking investment managers that understand how ESG factors may influence investment performance.

#### *Environmental*

The Jewish community's mandate to cultivate, protect, and nurture the environment is deeply rooted in our tradition. The commandment "Bal Tashchit" enjoins "do not destroy" (Deuteronomy 20: 19 -20). We strive to ensure that our investment managers are asking companies to adhere to best industry practices on the management and reporting of environmental concerns. For example, it has increasingly been shown that companies that focus on environmental considerations may be less likely to incur significant liabilities due to environmental violations or accidents.

#### *Social*

Concern for the welfare of humankind is an essential teaching of the Jewish tradition. As Jews, we are intimately acquainted with what happens when otherwise good people are silent in the face of political oppression and violence. Our tradition teaches us that human life is sacred because all of humanity is created

*b'tselem elohim*, in the image of God (Gen 1:26). Further, the Torah makes clear that we have an obligation to preserve the sanctity of life by speaking out in response to oppression and brutality in our world. In the “Holiness Code,” we are told that we “may not stand idly by when [our] neighbor's blood is being shed” (Leviticus 19:16). RPB seeks investment managers that are sensitive to social issues and that recognize the potential impact these policies and practices may have on investment performance. Countries and companies that focus on human rights, health, safety and diversity may have better worker productivity, more innovation and fewer labor-management disputes, which may enhance profits and economic growth.

The RPB has consistently held community development bonds through our fixed income managers in accordance with URJ/RAC resolutions.

### *Governance*

“You shall appoint magistrates and officials for your tribes...and they shall govern the people with due justice” (Deuteronomy 16:18). Our Movement also has long advocated ethical and transparent business practices. We are guided by our sacred texts in our business ventures. We believe that consistent with our fiduciary duty, countries and companies with strong and consistent governance practices may attract investment, which can drive stronger corporate profits and economic growth.

### *Israel*

The Reform Movement has spoken out in support of the State of Israel and her people. Israel holds a special place in the Jewish community, and a connection to Israel is a core value of the Jewish people and our Reform Movement. RPB strongly opposes all efforts to delegitimize Israel. Furthermore, where possible, we strive to not hold investments in companies or countries that advocate boycott, divestment or sanctions against Israel or Israeli products or services.

Where possible we also strive to hold investments that positively impact Israel, its economy and the people of Israel.

## **Responsibilities**

### *Fiduciary Responsibility*

RPB is obligated to make prudent investment decisions on behalf of our participants. All investment opportunities will be subject to careful review and consideration in order to ensure that RPB’s fiduciary obligation is paramount.

### *Decision Making Responsibility*

RPB’s Board and Investment Concentration are at all times responsible for ultimate decision-making with respect to manager selection and investment strategy. Expert advice, research and guidance will be provided to the Board and Investment Concentration by RPB’s external financial consultant (currently Summit Strategies Group), Jewish Values Investing consultant (currently JLens), and other internal and external information providers.

## **Implementation**

We are taking a comprehensive approach to the incorporation of Jewish values. Jewish Values Investing has several dimensions and will continue to evolve with the growing expertise and focus of investment managers. RPB anticipates the consideration of Jewish values throughout the investment process.

### *Asset Allocation, Manager Selection and Evaluation*

While our fiduciary obligations are paramount, Jewish values are taken into consideration during the analysis and selection of asset classes and strategies employed by RPB to meet pension obligations. Primary focus is placed on financial return; however, alignment with Jewish values is assessed during ongoing strategic review of RPB's investment portfolio. When feasible, investment strategies may be adopted that further Jewish values related to ESG, and to Israel.

Specialized investment managers oversee RPB's portfolio. In the course of selecting new investment managers, the RPB will evaluate and consider a manager's ability and willingness to invest consistent with Jewish Values Investing. Once selected, investment managers will be expected to engage periodically with RPB on the intersection of Jewish values and investment strategy. Selection of investment managers will be the responsibility of RPB's Board and Investment Concentration.

In keeping with the spirit and intent of the foregoing, the Investment Concentration will develop a set of questions to be incorporated into the due diligence procedure utilized by our outside investment advisor. These questions will be designed to identify and verify whether the prospective manager can meet a reasonable test of compliance with the aims of Jewish Values Investing. The responses to the questions will be forwarded to a person or persons who will be responsible for reviewing said responses and submit an appropriate rating for the prospective manager. This rating will then be used as part of the criteria for manager selection.

### *Screens*

To implement Jewish Values Investing, RPB may employ screening methodologies to certain asset classes as appropriate. Positive and negative screens are a common technique used by values-oriented investors. Careful consideration will be given to the impact on financial return as a result of screening.

### *Proxy Voting Policy*

As an owner of individual securities, RPB recognizes the responsibilities of shareholders including annual proxy voting. RPB votes proxies in accordance with the social, environmental, and Israel-related components of Jewish Values Investing as described above. Additionally, RPB is sensitive to current corporate governance issues such as: executive benefits and compensation, bribery and corruption, shareholder rights, business ethics, board diversity, board structure, independent directors, risk management, whistle-blowing policies, stakeholder dialogue, lobbying, and disclosure.

### *Monitoring and Communication*

RPB will monitor alignment with Jewish Values Investing on an ongoing basis and as relevant issues arise. RPB anticipates providing communication to participants and other interested parties on Jewish Values Investing.

### *Collaboration*

There are a number of opportunities for RPB to engage with other values-based investors to further shared environmental and social goals. RPB is a member of the Interfaith Center on Corporate Responsibility (ICCR), an investor coalition engaging in dialogue with corporations to pursue positive social change. RPB may sponsor or co-sponsor shareholder resolutions, participate in shareholder dialogue, and/or become a signatory on various campaigns that relate to Jewish Values Investing. Additionally, RPB supports the work of organizations that advance implementation of values-based investing.