

CLIMATE CHANGE INVESTMENT FRAMEWORK

“The whole creation belongs to God. As human beings we are part of the whole and have a responsibility to love what God has entrusted to our care. We are called to conserve its complex and fragile ecology, whilst recognising the need for responsible and sustainable development and the pursuit of social justice. The second Great Commandment calls upon us to love our neighbour; climate change reminds us that this applies to our neighbours of tomorrow as much as to our neighbours of today.”

The national investment bodies of the Church of England accept the broad scientific consensus that greenhouse gas emissions from human activities are the most significant contributor to changes in the world’s climate. The Church accepts that climate change is likely to result in profound consequences for human society, disproportionately affect the peoples of the developing world, and materially impact the world’s natural systems and the global economy. We acknowledge that climate change therefore presents a series of material risks and opportunities for investors and companies.

The national investment bodies of the Church of England support a proactive approach that can help achieve substantial reductions in global greenhouse gas emissions. In addition, we recognise that to adapt to the risk of climate change is vital.

We recognise that:

- Greenhouse gases emitted into the atmosphere are causing environmental change and this will impact upon the companies and real estate assets in which we invest, and our asset management activities more generally.
- Current investment research, analysis, decision-making and shareholder ownership activities have the potential to reflect the risks and opportunities presented by global climate change.
- It is in the long-term interests of the ultimate beneficiaries of the assets we represent that climate change mitigation and adaptation should occur.
- By working collectively we, as investors together with agents, companies, regulatory authorities and governments can create an investment environment that contributes towards a low carbon economy.

As Church investors we will seek to:

- Build our capacity to understand and assess the investment implications of climate change by seeking ways in which the adverse impacts as well as the positive opportunities arising from climate change can be better understood.
- Work together as one Church, wherever possible, on initiatives that will help reduce the threat and impact of climate change.
- Encourage our asset managers to integrate consideration of climate change risks and opportunities in their investment research, analysis, decision-making and shareholder ownership activities.
- Explore ways in which our external advisors can be encouraged to consider the impacts and opportunities of climate change and climate change policy in the advice that they provide to us, for example in considering opportunities to invest in new technologies.
- Engage with the companies in which we invest to encourage an approach that minimises the risks, and maximises the opportunities presented by climate change. We will encourage companies to be transparent and accountable about their impact on climate change, for example by setting targets and timelines for reducing their greenhouse gas emissions.
- Explore ways in which a policy of assessment that measures, over time, the carbon footprint of the Church’s investment portfolios can be developed.

On behalf of the Ethical Investment Advisory Group

The Church of England Ethical Investment Advisory Group was established in 1994 and includes representation from the Church Commissioners for England, the CBF Church of England Funds, The Church of England Pensions Board, the General Synod, the Archbishops’ Council, and the Mission & Public Affairs Council