

Climate change and the fossil fuel divestment campaign

As members of the Church Investors Group we have long recognised the importance of environmental issues in our ethical investment practice, and that climate change is a pressing ethical issue. We welcome the work of campaigners – of which churches are often at the forefront - to highlight the climate change crisis we face. We share both the frustration of campaigners that fossil fuels continue to be burned in quantities that will cause dangerous climate change and the goal of a successful transition to a low carbon economy.

Church Investors Group members are acting collectively and are acutely aware of the important role that we must take in promoting the change we all want to see. We are working through the Institutional Investors Group on Climate Change to build a strong investor voice pressing policy makers for a policy framework that hastens the transition to a low carbon economy. We also play an active, and productive role, in promoting long-term thinking in the companies we invest in. We run a long-standing engagement programme that encourages companies who operate in carbon intensive sectors, or could be considered to be laggards in comparison to their peers, to report their carbon emissions and adopt emissions reduction schemes through the investor-backed Carbon Disclosure Project (CDP). In 2013, 72% of the companies the Church Investors Group contacted improved their responses.

We caution against over-simplifying climate change as an ethical investment issue. As church investors, we have stewardship responsibilities towards creation, and responsibilities towards the global poor and vulnerable who will be less able to adapt to climate change. But we also have a responsibility to acknowledge that the world's economy cannot function without energy and that the transition to a low carbon economy is a process that will take time.

Individual members of the Church Investors Group are responsible for developing their own ethical investment responses to climate change, taking account of their responsibility to align their investment policies with the beliefs and values of their churches and their legal responsibility (known as 'fiduciary duty') to invest in a way that is consistent with the financial interests of our funds' beneficiaries. Church Investors Group members are pursuing a range of ways of making their investment portfolios more sustainable, for example through instituting specialist sustainable investment mandates and employing fund managers who integrate environmental factors into their practice.

Experience tells us that we are in a small percentage of investors who are actively attempting to make their voice heard on the move to a low carbon economy. We are committed to showing continued leadership in promoting investment practice that contributes to the mitigation of, and adaptation to, climate change.

4 November 2013

Church Investors Group, care of CCLA, Senator House, 85 Queen Victoria St, London EC4V 4ET
T 020 7489 6047 E james.corah@ccla.co.uk



Signatories

Baptist Union of Great Britain
BMS World Mission
The Church in Wales
The Church Commissioners for England
The Church of England Pensions Board
The CBF Church of England Funds
The Central Finance Board of the Methodist Church
Methodist Ministers' Pension Trust
Panahpur
The William Leech Foundation Limited
Catholic Trust for England and Wales
Diocese of Portsmouth
Diocese of Westminster
Plater Trust
Servite Friars
Joseph Rowntree Charitable Trust
United Reformed Church Trust
United Reformed Church Ministers Pension Trust
SHARE

Press contacts:

Matter&Co: 0208 533 8893

Sarah Gilbert
+44 (0) 7854 712 318
sarahgilbert@matterandco.com

Isabelle de Grave
+44 (0) 7972 832 319
isabelle@matterandco.com