

Churches and corporate engagement

**Investing in your Mission:
Churches and Socially Responsible Investment
6-7 May 2008**

**Bill Seddon
Chief Executive
Central Finance Board of the Methodist Church**

Churches and corporate engagement

The CFB

- **Established in 1960 through the Methodist Church Funds Act**
- **Formed own investment team in 1972**
- **Provides unitised investment vehicles**
- **Currently manages €1.6billion for Methodist and other churches**
- **All invested in line with Christian beliefs**
- **Excludes inappropriate activities**
- **Encourages companies to consider issues of social justice**

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The CFB model

- **In-depth briefing papers prepared**
- **Integrates ethical and financial issues**
- **Accompanied to meetings by Methodist social justice team**
- **Meeting notes reviewed by company to ensure factual accuracy**
- **Explicit understanding to share information with other churches**
- **Seek ongoing relationship that develop mutual trust**

IIGCC Overall Objective

- To be **the** investor voice on climate change in Europe engaging with investors, governments and companies

IIGCC Aims

- **Public policy**
 - To encourage clear and substantial government targets for greenhouse gas emission reductions
 - To stimulate a global and liquid carbon market
- **Investors**
 - To encourage increased asset owner demand for asset managers to take action on climate change
- **Companies**
 - To improve company performance on climate change

The logo for IIGCC, consisting of the letters 'IIGCC' in a bold, blue, sans-serif font. The 'I' is significantly taller than the other letters.

Institutional Investors Group on Climate Change

IIGCC Public Policy Workstream

- dialogue with government

- On setting credible long-term emission targets
- On clear commitments on the future of the EU ETS
- On an expanded and more efficient global carbon market
- On transparent and comparable corporate reporting

IIGCC Investors Workstream

- dialogue with other investors

- Investor Statement on Climate Change
- Trustee training module
- Seminars on investment implications of climate change
- Guidelines on how to integrate climate change into investment policy

The logo for the Institutional Investors Group on Climate Change (IIGCC). It features the letters 'IIGCC' in a bold, blue, sans-serif font. The 'I' is significantly taller than the other letters. The 'G' and 'C' are connected at the top.

Institutional Investors Group on Climate Change

IIGCC Companies Workstream

- dialogue with companies

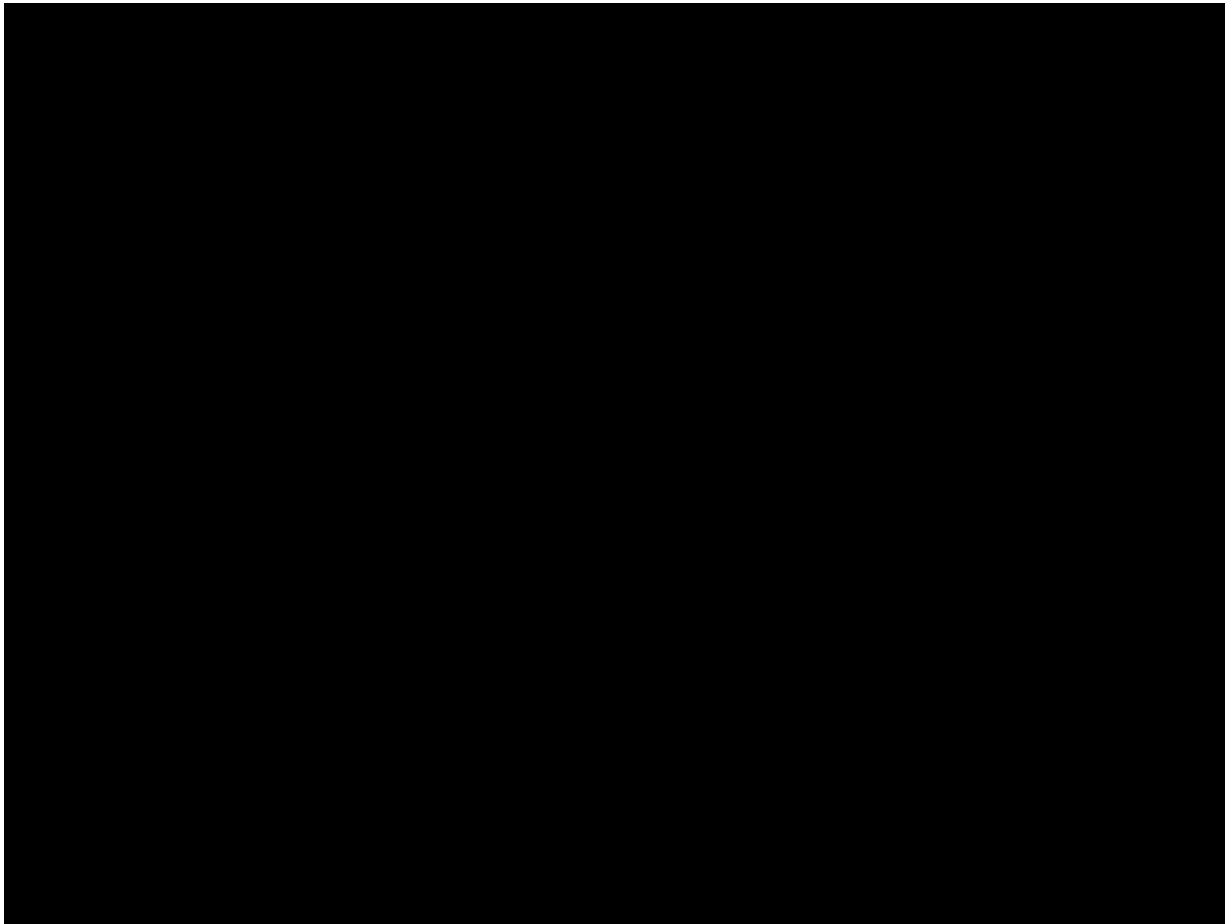
- Industry studies: Aviation, Power generation, Construction and Electric utilities.
- Identification of failings in current corporate reporting.
- Production of Disclosure Framework to provide the data essential to make informed decisions.
- Active collaboration with companies

The logo for the Institutional Investors Group on Climate Change (IIGCC). It features the letters 'IIGCC' in a bold, blue, sans-serif font. The 'I' is significantly taller than the other letters. The 'G' and 'C' are also tall, while the 'I' and 'C' are shorter. The letters are closely spaced.

Institutional Investors Group on Climate Change

IIGCC collaboration on climate change

- 47 members across Europe controlling over €4trillion



IIGCC membership,
April 2008

IIGCC

Institutional Investors Group on Climate Change

*members of the Church Investors Group

Churches and corporate engagement

Lessons from IIGCC approach

- **Helpful to work in collaboration with others...**
- **...for a clear consistent message**
- **Support of churches often welcomed by others...**
- **...for moral weight out of all proportion to value of assets**
- **Allows limited resources of Church to be maximised...**
- **...and voice to be heard across a wider range of issues**

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Church Investors Group

- **Established formally in January 2005...**
- **... out of informal gathering dating to early 1970s**
- **Desire of all participating churches to contribute to challenge...**
- **... of integrating ethics and investment management**
- **Membership limited to organisations controlling Church assets**

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CIG approach

- **Formal presentations to all members**
 - For example: Nestle, Tesco, Vodafone and GlaxoSmithKline
- **Delegation to discuss controversial issues made up of executive officers, trustees and social justice experts representing a variety of denominations**
 - For example: BP, Royal Dutch Shell and Rio Tinto
- **Correspondence**
 - For example: British Airways and Reed Elsevier
- **Presentations from activists**
 - For example: Tesco shareholder resolution and Sudan

Churches and corporate engagement

Lessons from CIG approach of acting together

- **Provides opportunity to meet company management**
- **Represents substantial shareholding and huge consumer group**
- **Resources targeted as members take responsibility for projects**
- **Focus for those who want to alert Church to ethical issues**
- **Enables rapid dissemination of information**
- **Provides forum for discussion**
- **Church has global reach to face companies where they operate**
- **Provides a Christian witness to the world of business**