

Ethical and responsible investment considerations are at the heart of our investment strategy and applied across all asset classes.

In addition to screening and rigorously monitoring our portfolio for ethical issues, we also actively engage with the companies in which we are invested. To do this, we often partner with other faith and non-faith asset owners, collaborating with them to challenge what we regard as inappropriate corporate practices.

We have developed a [Stewardship Implementation Framework](#) that sets out our approach to screening, voting, engagement and ESG integration. Some key initiatives are set out below.

In March 2021, we also published our first annual [Stewardship Report](#) which highlights the real world impact being made through the Board's leadership and collaborative approach on climate change and extractive industries.

Our stewardship strategy prioritises our efforts in certain areas, where we undertake 'Impact Engagement' focused on systemic or strategic interventions that will have a wider impact than standard corporate engagement. These include:

Key initiatives

The Transition Pathway Initiative ('TPI')

[The TPI](#) is an 'open access' climate action benchmarking tool which assesses top publicly-listed companies' preparedness for the future low carbon economy. It analyses how companies manage their carbon emissions and whether these are aligned with the [Paris Climate Agreement](#).

Co-founded by the Church of England [National Investing Bodies](#), the TPI enables us (and other investors) to make investment decisions and engage based on a clear assessment of the climate change transition risk faced by carbon intense companies.

[Visit the TPI website](#)

Global climate emergency and climate lobbying

The ongoing climate emergency poses not only a systemic, long-term risk to investors but is also an ethical issue for the Church.

The Pensions Board actively engages with companies on climate change, particularly with regards to lobbying and political influence.

We have also been developing leadership positions within investor coalitions, including the IIGCC, Climate Action 100+, and in responding to public policy consultations.

[The FTSE TPI Climate Transition Index](#)

Investor Mining & Tailings Safety Initiative

We recognise extractive companies provide important resources for modern day life. However, many mining, oil and gas companies are exposed to a range of ethical and regulatory risks and we engage with them on these.

An example is tailings dams, on which we have led an investor coalition – [Mining and Tailings Safety Initiative](#) – that is working to improve disclosure and operating standards across the mining sector.

[More on the initiative](#)

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