



LEA 02		Discretionary Mandate	Gateway
Type of engagement	Individual/ internal staff engagements	<input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify	<input checked="" type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input checked="" type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> To engage internal staff <input type="checkbox"/> Other: specify
Collaborative engagements		<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify
Service provider engagements		<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify	<input type="checkbox"/> To support investment decisionmaking in a company's material ESG issues <input type="checkbox"/> To enhance corporate transition or identify the need for additional or different investments <input type="checkbox"/> Other: specify

RI TRANSPARENCY REPORT

2017

Church Commissioners for England

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2016 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	Asset mix disclosed in OO 06							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Fixed income AUM breakdown	✓	Public							✓
OO 08	Segregated mandates or pooled funds	✓	Private							✓
OO 09	Breakdown of AUM by market	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓
OO End	Module confirmation page	✓	-							

Strategy and Governance				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SG 01	RI policy and coverage	✓	Public							✓
SG 02	Publicly available RI policy or guidance documents	✓	Public							✓
SG 03	Conflicts of interest	✓	Public							✓
SG 04		✓	Public							✓
SG 05	RI goals and objectives	✓	Public							✓
SG 06	Main goals/objectives this year	✓	Private							✓
SG 07	RI roles and responsibilities	✓	Public							✓
SG 08	RI in performance management, reward and/or personal development	✓	Private							✓
SG 09	Collaborative organisations / initiatives	✓	Public				✓	✓		
SG 10	Promoting RI independently	✓	Public				✓			
SG 11	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
SG 12	ESG issues in strategic asset allocation	✓	Public	✓						
SG 13	Long term investment risks and opportunity	✓	Public	✓						
SG 14	Allocation of assets to environmental and social themed areas	✓	Public	✓						
SG 15	ESG issues for internally managed assets not reported in framework	✓	Public							✓
SG 16	ESG issues for externally managed assets not reported in framework	✓	Public							✓
SG 17	Innovative features of approach to RI	✓	Public							✓
SG End	Module confirmation page	✓	-							

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Role of investment consultants/fiduciary managers	✓	Public				✓			
SAM 02	RI factors in selection, appointment and monitoring across asset classes	✓	Public	✓						
SAM 03	Breakdown by passive, quantitative, fundamental and other active strategies	✓	Private							✓
SAM 04	ESG incorporation strategies	✓	Public	✓	✓					
SAM 05	Selection processes (LE and FI)	✓	Public	✓						
SAM 06	Evaluating engagement and voting practices in manager selection (listed equity/fixed income)	✓	Public		✓					
SAM 07.1	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 07.2-5	Appointment processes (listed equity/fixed income)	✓	Public	✓						
SAM 08	Monitoring processes (listed equity/fixed income)	✓	Public	✓						
SAM 09	Monitoring on active ownership (listed equity/fixed income)	✓	Public	✓						
SAM 10	Percentage of (proxy) votes	🔒	n/a		✓					
SAM 11	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						
SAM 12	Examples of ESG issues in selection, appointment and monitoring processes	✓	Public	✓						✓
SAM 13	Disclosure of RI considerations	✓	Public							✓
SAM End	Module confirmation page	✓	-							

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising collaborative engagement	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓				✓	
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagement methods	✓	Private		✓					
LEA 13	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 14	Companies changing practices / behaviour following engagement	✓	Private		✓					
LEA 15	Examples of ESG engagements	✓	Private		✓					
LEA 16	Disclosure of approach to ESG engagements	✓	Public		✓				✓	
LEA 17	Voting policy & approach	✓	Public	✓	✓	✓				
LEA 18	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 19	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 20	Confirmation of votes	✓	Public		✓					
LEA 21	Securities lending programme	✓	Private		✓					
LEA 22	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 23	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 24	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 25	Shareholder resolutions	✓	Private		✓					
LEA 26	Examples of (proxy) voting activities	✓	Private		✓					
LEA 27	Disclosing voting activities	✓	Public		✓				✓	
LEA End	Module confirmation page	✓	-							

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 05	Fund placement documents and RI	🔒	n/a	✓			✓			✓
PR 06	Formal commitments to RI	🔒	n/a				✓			
PR 07	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 08	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 09	ESG issues impact in selection process	✓	Public	✓						
PR 10	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 11	ESG issues in post-investment activities	✓	Public		✓					
PR 12	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 13	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 14	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 15	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 16	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 17	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 18	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 19	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 20	Disclosure of ESG information to public and clients/beneficiaries	✓	Public							✓
PR End	Module confirmation page	✓	-							

Church Commissioners for England

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01

Mandatory

Public

Gateway/Peering

General

OO 01.1

Select the type that best describes your organisation or the services you provide.

- Non-corporate pension or superannuation or retirement or provident fund or plan
- Corporate pension or superannuation or retirement or provident fund or plan
- Insurance company
- Foundation
- Endowment
- Development finance institution
- Reserve - sovereign or government controlled fund
- Family office
- Other, specify

OO 01.2

Additional information. [Optional]

The Church Commissioners manage the Church of England's endowment. The endowment funds the payment of clergy pensions for service prior to 1998, provides essential support for the ministry costs of less well endowed dioceses, meets the costs of bishops' ministry, supports the ministry costs of cathedrals, and finances mission activities in areas of opportunity.

OO 02

Mandatory

Public

Peering

General

OO 02.1

Select the location of your organisation's headquarters.

United Kingdom

OO 02.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2-5
- 6-10
- >10

OO 02.3

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

35

OO 02.4 Additional information. [Optional]

There are 35 staff in the investments function at the Church Commissioners including front office and operational functions.

OO 03 **Mandatory** **Public** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 04 **Mandatory** **Public** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2016

OO 04.2 Indicate your total AUM at the end of your reporting year, excluding subsidiaries you have chosen not to report on.

	trillions	billions	millions	thousands	hundreds
Total AUM		7	900	000	000
Currency	GBP				
Assets in USD		10	058	323	409

OO 06 **Mandatory** **Public** **Descriptive** **General**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

OO 06.1 How you would like to disclose your asset class mix.

- as percentage breakdown

	Internally managed (%)	Externally managed (%)
Listed equity	0	38
Fixed income	9	7
Private equity	0	4
Property	12	3

Infrastructure	0	0
Commodities	0	0
Hedge funds	0	10
Forestry	0	4
Farmland	8	0
Inclusive finance	0	0
Cash	3	0
Other (1), specify	2	0
Other (2), specify	0	0

	'Other (1)' specified
--	-----------------------

Strategic land

as broad ranges

OO 06.2	Publish our asset class mix as per attached image [Optional].
----------------	---

OO 07	Mandatory to Report Voluntary to Disclose	Public	Gateway	General
--------------	--	---------------	----------------	----------------

OO 07.1	Provide to the nearest 5% the percentage breakdown of your Fixed Income AUM at the end of your reporting year, using the following categories.
----------------	--

Internally managed	SSA	100
	Corporate (financial)	0
	Corporate (non-financial)	0
	Securitised	0
	Total	100%
Externally managed	SSA	30
	Corporate (financial)	0
	Corporate (non-financial)	60
	Securitised	10
	Total	100%

Gateway asset class implementation indicators

OO 10	Mandatory	Public	Gateway	General
--------------	------------------	---------------	----------------	----------------

OO 10.1 Select the direct or indirect ESG incorporation activities your organisation implemented for listed equities in the reporting year.

- We address ESG incorporation in our external manager selection, appointment and/or monitoring processes
- We do not incorporate ESG in our directly managed listed equity and/or we do not address ESG incorporation in our external manager selection, appointment and/or monitoring processes.

OO 10.2 Select the direct or indirect engagement activities your organisation implemented for listed equity in the reporting year.

- We engage with companies on ESG factors via our staff, collaborations or service providers
- We require our external managers to engage with companies on ESG issues on our behalf
- We do not engage directly and do not require external managers to engage with companies on ESG factors.

OO 10.3 Select the direct or indirect voting activities your organisation implemented for listed equity in the reporting year

- We cast our (proxy) votes directly or via dedicated voting providers
- We require our external managers to vote on our behalf
- We do not cast our (proxy) votes directly and do not require external managers to vote on our behalf

OO 11	Mandatory	Public	Gateway	General
--------------	------------------	---------------	----------------	----------------

OO 11.1 Select the internally managed asset classes in which you addressed ESG incorporation into your investment decisions and/or your active ownership practices (during the reporting year).

- Fixed income – SSA
- Property
- Farmland
- Cash
- Other (1)
- None of the above

'Other (1)' [as defined in OO 05]

Strategic land

OO 11.2

Select the externally managed assets classes where you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes (during the reporting year)

- Fixed income – SSA
- Fixed income – corporate (non-financial)
- Fixed income – securitised
- Private equity
- Property
- Hedge funds
- Forestry
- None of the above

OO 12**Mandatory****Public****Gateway****General**

You will need to make a selection in OO 12.1 only if you have any voluntary modules that you can choose to report on.

OO 12.1

Select from below any additional applicable modules or sections you would like to report on voluntarily. You are only required to report on asset classes that represent 10% or more of your AUM.

Core modules

- Organisational Overview
- Strategy and Governance

RI implementation directly or via service providers

Direct - Listed Equity active ownership

- Engagements
- (Proxy) voting

Direct - Fixed Income

- Fixed income - SSA

Direct - Other asset classes with dedicated modules

- Property

RI implementation via external managers

Indirect - Selection, Appointment and Monitoring of External Managers

- Listed Equities
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private Equity
- Property

Closing module

- Closing module

Church Commissioners for England

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01

Mandatory

Public

Core Assessed

General

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> Formalised guidelines on environmental factors <input checked="" type="checkbox"/> Formalised guidelines on social factors <input checked="" type="checkbox"/> Formalised guidelines on corporate governance factors <input checked="" type="checkbox"/> Asset class-specific RI guidelines <input checked="" type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Other, specify (1) Pooled Funds Policy <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

SG 01.3

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Processes / approaches to incorporating ESG
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

SG 01.4

Indicate what norms you have used to develop your investment policy that covers your responsible investment approach.

- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- International Bill of Human Rights
- International Labour Organization Conventions
- United Nations Convention Against Corruption
- OECD Guidelines for Multinational Enterprises
- Other, specify (1)

other (1) description

All our policies are grounded in Christian norms and developed using theological and biblical analysis. This covers international/UN norms and goes beyond them.

- Other, specify (2)
- Other, specify (3)
- None of the above

SG 01.5

Describe your organisation's investment principles, and overall investment strategy, and how they consider ESG factors and real economy impact.

The Church Commissioners' five overarching **investment objectives** are to:

- manage the fund to ensure sustainable distributions for our beneficiaries
- achieve a total return of RPI +5% per annum measured over the long term
- meet performance benchmarks for individual asset classes
- manage financial risks appropriately
- act within our responsible investment guidelines

The Commissioners' **investment policy** is to hold a diversified portfolio of investments across a broad range of asset classes consistent with our ethical guidelines.

Two key documents govern the Church Commissioners' **ethical and responsible investment policy**:

- A Statement of Ethical Investment Policy setting out the exclusions we apply, our ethical expectations of companies in which we invest and our commitment to engagement.
- A Responsible Investment (RI) Framework setting out our RI commitments for our internally managed assets and our RI expectations of our managers for our externally managed assets.

We have **individual ethical policies** covering a large number of environmental, social & governance issues from a screening, engagement and/or voting perspective.

This makes for a comprehensive framework through which we invest for the long-term as a perpetual endowment, seek to avoid negative impact and enhance positive impact from our investments, and seek to incorporate material ESG issues into investment practice.

No

Our motivations for pursuing Responsible Investment are both ethical and financial.

Ethical Investment

The Church Commissioners' Statement of Ethical Investment Policy sets out our belief that the way in which we invest forms an integral part of the Church of England's witness and mission. It acknowledges our stewardship responsibilities on behalf of our beneficiaries, and states our commitment to the UK Stewardship Code, PRI and the incorporation of ESG issues into our investment decisions and active ownership.

The policy explains that we incorporate ethical exclusions because we do not wish directly to profit from, or provide capital to, activities that are materially inconsistent with Christian values, and are mindful of the danger of undermining the credibility, effectiveness and unity of the Church's witness were we to do so. The policy explains that we conduct engagement activities because we wish companies in which we invest to manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice.

The policy sets out the governance arrangements for ethical investment policy - that the Commissioners receive advice on ethical investment from the Church's Ethical Investment Advisory Group (EIAG) but that legal responsibility for investment decisions rests solely with the Commissioners.

The Commissioners have had an ethical policy since our foundation in 1948. The policy is constantly refreshed and updated. The Statement of Ethical Investment Policy was last amended in 2017. Ethical policies are recommended by the EIAG but adopted by the Commissioners' Board of Governors. We are committed to an ethical approach across the entirety of our fund but this cannot be done in just one way across such a large and diversified portfolio. We follow asset class/strategy-specific policy guidance on how to integrate ethical considerations in property, hedge funds and pooled funds. We have issue specific policies covering climate change, defence, non-military firearms, gambling, alcohol, pornography, high interest rate lending, human embryology, genetic modification, executive remuneration and corporate tax.

Responsible Investment

The Commissioners' Responsible Investment (RI) Framework states that the Church Commissioners believe that taking account of ESG issues is an intrinsic part of being a good investor and that we hold this belief for both ethical and financial reasons. Ethically, we think that investors who take account of ESG issues will be better aligned with the broader objectives of society and better corporate citizens. Financially, our experience is that when ESG issues are well managed they can have a good impact on the performance of investments, particularly over the longer term. The Framework states our commitment to the incorporation of material ESG issues into investment analysis and decision-making across all asset classes.

The Framework sets out RI commitments for internally managed assets and RI expectations of managers for externally managed assets. The Framework includes a manager rating system which enables us to categorise managers or prospective managers according to the quality of their RI practices. It also sets out a wide range of indicative ESG issues - from climate change to human rights to diversity - which we expect to incorporate or see incorporated into investment analysis and active ownership when they are material.

The Framework makes clear that adherence to, and implementation of, the Framework is everyone's responsibility in the investment function and that individual investment teams lead on ESG incorporation and active ownership for the area of investments for which they are responsible. The role of the Head of Responsible Investment is to support, monitor and communicate implementation of this policy.

The Framework was approved at trustee level by the Commissioners' Assets Committee in July 2015 and last reviewed by the Assets Committee in July 2016.

Climate change and public policy

The Church Commissioners' Board of Governors adopted a new, comprehensive climate change policy in 2015, incorporating exclusions of companies focused on the highest carbon fossil fuels, low carbon investment, engagement with companies and engagement with public policy.

Our public policy objective on climate change is to promote a fair and stable regulatory and structural environment, nationally and internationally, that supports the transition to a low carbon economy, including through greenhouse gas emissions reductions, adaptation to the physical impacts of climate change, appropriate protection for the natural environment, and just and affordable access to energy for the poor. Our public policy engagement on climate change is normally done collaboratively through IIGCC and UKSIF.

In the UK, as the largest investing body of the national church, we also seek actively to input to broader public policy on ESG issues, responding for example to the recent UK government consultation on corporate governance reform. We advocate policy that will promote ethical outcomes for society and a sustainable economy, both of which we believe are in the long-term interests of investors.

SG 02	Mandatory	Public	Core Assessed	PRI 6
-------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 02.1	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

Policy setting out your overall approach

	URL/Attachment
--	----------------

URL

	URL
--	-----

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment (will be made public)

Formalised guidelines on environmental factors

	URL/Attachment
--	----------------

URL

	URL
--	-----

<https://www.churchofengland.org/media/2235218/climate%20change%20policy%2030%2004%2015.pdf>

Attachment (will be made public)

	Attachment
--	------------

[Environmental statement 2004.pdf](#)

Formalised guidelines on social factors

	URL/Attachment
--	----------------

URL

URL

https://www.churchofengland.org/media/36543/supply_chain_engagement_framework.pdf

Attachment (will be made public)

Formalised guidelines on corporate governance factors

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/1717796/executive%20remuneration%20policy%20april%202013.pdf>

Attachment (will be made public)

Attachment

[Corporate tax ethics 2013.pdf](#)

Asset class-specific RI guidelines

URL/Attachment

URL

URL

https://www.churchofengland.org/media/1898077/property_investments_policy_2010.pdf

Attachment (will be made public)

Sector specific RI guidelines

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/1376280/alcohol%20policy%20june%202011.pdf>

Attachment (will be made public)

Attachment

[Pornography policy Nov 2011.pdf](#)

[Non-military firearms.pdf](#)

[Human embryonic cloning policy 2008.pdf](#)

[High interest lending policy Nov 2011 - amended.pdf](#)

[GMOs Feb 2013.pdf](#)

[Gambling policy 2003.pdf](#)

[Defence policy May 2010.pdf](#)

Screening / exclusions policy

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2235231/statement%20of%20ethical%20investment%20policy%20-%20sep%202014.pdf>

Attachment (will be made public)

Engagement policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[Business and Engagement Policy 2014.pdf](#)

(Proxy) voting policy

URL/Attachment

URL

Attachment (will be made public)

Attachment

[2016 Voting Policy Overview Final 3 Mar 2016.docx](#)

Other, specify (1)

Other, specify (1) description

Pooled Funds Policy

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2235205/pooled%20funds%20policy%20-%202014.pdf>

Attachment (will be made public)

We do not publicly disclose our investment policy documents

SG 02.2

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment

Your investment objectives that take ESG factors/real economy influence into account

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

Attachment

Processes / approaches to incorporating ESG

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment

Time horizon of your investment

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

Attachment

Governance structure of organisational ESG responsibilities

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment

ESG incorporation approaches

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment

Active ownership approaches

URL/Attachment

URL

Attachment

File Attachment

Business and Engagement Policy 2014.pdf [247KB]

Reporting

URL/Attachment

URL

URL

<https://www.churchofengland.org/media/2270694/ri%20framework%20july%202015.pdf>

Attachment

We do not publicly disclose any investment policy components

SG 02.3

Indicate if your organisation's investment principles, and overall investment strategy is publicly available

Yes

Url

<https://www.churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

No

SG 02.4

Additional information [Optional].

It is quite hard to fit our policy suite neatly into the categories above.

Our overall approach is covered in two policies - our Statement of Ethical Investment Policy and our RI Framework. The latter url is given in the screening category, the former in the overall approach category.

We have two published policies on environmental issues. The key policy - our climate change policy - is signposted with the url. The wider Environmental Statement is attached.

As Church investors we have a large number of policy positions on social issues. The one policy dedicated entirely to social issues that is not a sector-specific policy is our supply chain engagement framework and this is signposted with the url.

In the area of corporate governance we have policies on executive remuneration (signposted with the url) and corporate taxation (attached).

On asset class policies, as well as the property policy signposted, we have internal hedge funds guidelines for our analysts.

We have a large number of sector specific policies, most of them incorporating ethical exclusions. The url is given for our alcohol policy. Other policies are included as attachments.

On engagement, we have a Business and Engagement Policy which is being reviewed and is not currently published, which is attached.

We have a bespoke voting template which is not published but which we are happy to make available e.g. to companies. The overview of our 2016 voting template is attached.

Information on our investment strategy and objectives is found in our annual report and on our approach to Responsible Investment in our RI Framework. The appropriate document is signposted for each of the questions in SG 02.2 apart from active ownership for which our Business and Engagement Policy is attached.

SG 03

Mandatory

Public

Core Assessed

General

SG 03.1

Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

SG 03.2

Describe your policy on managing potential conflicts of interest in the investment process.

The Commissioners' Code of Conduct for trustees includes a conflict of interest policy consistent with Charity Commission guidance and the Seven Principles of Public Life set out by the UK's Committee on Standards in Public Life.

There are extensive provisions in the Code "to avoid any danger of members being influenced, or appearing to be influenced, by their private interests (or the interests of those persons or bodies they are closely connected with) in the exercise of their duties as a member". These include a register of interests, the declaration and recording of any interests relating to individual items under discussion at meetings, and withdrawal from meetings in cases of relevant pecuniary interest. Conflicts of loyalty are also covered and there are rules on gifts and hospitality.

Staff are subject to a compliance policy part of which covers conflicts of interest or loyalty. Staff are prohibited from making recommendations or effecting transactions for the Commissioners if they have directly or indirectly a material interest of any description in the recommendation or transaction. Personal dealing by investments staff and connected persons is subject to prior approval by the Commissioners' Compliance Officer and there are rules on gifts and hospitality.

No

SG 04	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 04.1

Indicate if your organisation has a process for identifying and managing incidents that occur within portfolio companies.

Yes

No

SG 04.2

Describe your process on managing incidents

We monitor news flow relating to our major direct holdings. In identifying issues of particular concern we are mindful of the standards of corporate conduct specified in our Statement of Ethical Investment Policy - namely our expectation that companies in which we invest should manifest sustainable environmental practice, fair treatment of customers and suppliers, responsible employment practices, conscientiousness with regard to human rights, sensitivity towards the communities in which they operate and best corporate governance practice. Where we identify ESG incidents of particular concern we will either engage ourselves to seek assurance that the company is responding appropriately or reach out to our managers to establish whether they are satisfied that the company is responding appropriately. For example, following the Samarco tailings dam disaster in 2015 we have engaged directly with BHP Billiton and asked our managers about Vale's response.

If we have serious concerns about a company's conduct that are not allayed by engagement then our policies allow us to divest as a last resort. We have done this in three instances in since 2010 (Vedanta Resources, News Corporation and SOCO International). Intensive engagements on corporate crises are included in our reporting to beneficiaries.

We ask all our managers in every asset class, on a best efforts basis, to report to us serious ESG situations or incidents with regard to both directly managed and indirectly held underlying assets.

Objectives and strategies

SG 05	Mandatory	Public	Gateway/Core Assessed	General
-------	-----------	--------	-----------------------	---------

SG 05.1	Indicate if and how frequently your organisation sets and reviews objectives for its responsible investment activities.
----------------	---

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc basis
- It is not reviewed

SG 05.2	Additional information. [Optional]
----------------	------------------------------------

The objectives and nature of the Commissioners' ethical and responsible investment activities are subject to robust governance and regular trustee and management review.

Overarching Responsible Investment strategy is reviewed by the Commissioners' Assets Committee at least annually with quarterly reporting on activities and progress by the Commissioners' Head of Responsible Investment to both the Assets Committee and the Board of Governors.

The voting and engagement activities of the joint Church Commissioners and Church of England Pensions Board engagement team are governed by a voting template and engagement plan agreed annually by the National Investing Bodies at trustee level. Activities and progress are reported to trustees biannually and reviewed monthly at working level.

The work of the Ethical Investment Advisory Group (EIAG) is governed by a work plan agreed on a rolling basis by the EIAG and Church of England National Investing Bodies, with quarterly review at CEO level and monthly review at working level.

Annual RI objectives for the Commissioners' Head of Responsible Investment are agreed by the Director of Investments. Performance against these objectives is formally reviewed half way through the year and at the end of the year.

Annual ethical investment policy, engagement and proxy voting objectives are set out in the personal objectives of the Secretary to the Ethical Investment Advisory Group, Engagement Manager and Ethical Screening and Stewardship Manager. Performance against these objectives is also reviewed half way through the year and at the end of the year.

Governance and human resources

SG 07	Mandatory	Public	Core Assessed	General
-------	-----------	--------	---------------	---------

SG 07.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
----------------	---

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
 - Chief Surveyor/Head of Property**
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investor relations
- Other role, specify (1)
- Other role, specify (2)

SG 07.2

For the roles for which you have RI oversight/accountability or implementation responsibilities, indicate how you execute these responsibilities.

There are regular items relating to ethical and RI policy development and implementation on the agenda of the Assets Committee and its securities and property sub-committees. Sitting above the Assets Committee, the Commissioners' Board of Governors has overarching responsibility for meeting stakeholder expectations on ethical investment including approving new or amended ethical investment policies.

The Commissioners' CEO oversees ethical policy development at the Ethical Investment Advisory Group and engagement by the Head of Engagement.

The Commissioners' CIO oversees RI policy development and its implementation by the investment team including through line management of the Head of Property, Investment Team Heads and the Head of RI.

The Head of Property oversees ethical and RI policy and implementation with regard to property investments.

Team Heads are accountable for the implementation of ethical and RI policy in the asset classes for which they are responsible.

The Head of RI oversees and supports the implementation of ethical and RI policy by the Head of Property and Investment Team Heads e.g. advising on sustainability in property, supporting manager selection, reviewing investment proposals to trustees, advising trustees, and engaging with managers post-appointment on RI.

External managers are accountable for their ethical and RI commitments to us including implementation of our investment restrictions.

SG 07.3 Indicate the number of dedicated responsible investment staff your organisation has.

Number

3.5

SG 07.4 Additional information. [Optional]

RI staff comprise the Commissioners' Head of Responsible Investment (1 x FTE), the Head of Engagement for the Church Commissioners and Church of England Pensions Board (0.5 x FTE), the Engagement Manager for the Church Commissioners and Church of England Pensions Board (1 x FTE) and the Ethical Screening & Stewardship Manager for the Church Commissioners and Church of England Pensions Board who is responsible for screening and proxy voting (1 x FTE). This is an increase of 1 x FTE compared to 2015.

The Commissioners are advised on ethical investment by the Church of England's Ethical Investment Advisory Group (EIAG), which the Commissioners co-sponsor alongside the Church's two other national investing bodies. In 2016 the EIAG Secretariat comprised an additional 1.5 x FTE which is not included in the total for dedicated RI staff given the advisory nature of this role. This is an increase of 1 x FTE compared to 2015.

Promoting responsible investment

SG 09 Mandatory Public Core Assessed PRI 4,5

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 09.1 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners' Head of Responsible Investment is on the advisory committee for the Hedge Funds work stream and participated in the development of RI DDQ for hedge funds. He has also worked with the PRI Secretariat on encouraging signatories to incorporate climate risk in voting in line with PRI Principle 2. The Head of Engagement for the Commissioners (& Church of England Pensions Board) has liaised with the PRI Secretariat on PRI involvement in the Transition Pathway Initiative. The Commissioners have continued to encourage asset managers to join PRI and our UK small cap manager joined in 2016.

- AFIC – La Commission ESG
- Asian Corporate Governance Association
- Australian Council of Superannuation Investors
- BVCA – Responsible Investment Advisory Board
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We continued in 2016 to co-lead the "Aiming for A" investor initiative which encourages the 10 largest UK-listed extractives and utilities companies to achieve a CDP performance rating of 'A' and improve their climate change strategy and disclosure. This has involved high profile advocacy of CDP in engagement with companies, at corporate AGMs, in shareholder resolutions, and in the investment trade press and wider media.

- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners are investor signatories.

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

The Commissioners are investor signatories.

- CFA Institute Centre for Financial Market Integrity
- Code for Responsible Investment in SA (CRISA)
- Code for Responsible Finance in the 21st Century
- Council of Institutional Investors (CII)
- ESG Research Australia
- Eumedion
- EVCA – Responsible Investment Roundtable
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Impact Investing Network (GIIN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Green Bond Principles
- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative.
[Optional]

The Commissioners' Head of Responsible Investment is on the IIGCC's Policy Group and actively participates in its discussions, including the drafting of policy positions and public statements. The Head of Engagement for the Commissioners and Pensions Board sits on the IIGCC's Corporate Group and actively participates in the IIGCC's co-ordination of member engagement on climate change issues.

- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Through membership of the Church Investors Group (CIG), the Commissioners are an observer member of ICCR and interact with US faith-based investors.

- International Corporate Governance Network (ICGN)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

Our ethical screening and stewardship manager is a member of ICGN.

- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- International Integrated Reporting Council (IIRC)
- Investor Network on Climate Risk (INCR)/CERES

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners worked intensively with CERES on a 2 degrees portfolio resilience resolution for ExxonMobil's 2016 AGM as part of the Carbon Asset Risk programme. The Commissioners are co-lead filers with New York State Common Retirement Fund the lead co-filers.

- Local Authority Pension Fund Forum
- Principles for Sustainable Insurance
- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
UKSIF

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners' Head of Responsible Investment sits on UKSIF's Leadership Committee and contributes to the development of UKSIF's public policy positions.

- Responsible Finance Principles in Inclusive Finance
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Church Investors Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners' Head of Responsible Investment is Vice-Chair and involved in all decision-making and events, is a regular public and private advocate of the initiative and speaks at CIG events.

- Other collaborative organisation/initiative, specify

Mercer Future Makers Working Group

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Commissioners were active partners for the Mercer study 'Investing in a time of Climate Change' which reported in 2015 and are active participants in the follow-up 'Future Makers Working Group' co-ordinated by Mercer which shares climate change best practice.

- Other collaborative organisation/initiative, specify

Transition Pathway Initiative

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The Transition Pathway Initiative (TPI) is a joint initiative of the Church Commissioners, Church of England Pensions Board and Environment Agency Pension Fund. Together we built the initiative and assessment methodology working with the Grantham Institute at the London School of Economics and FTSE Russell. At launch in January 2017 we had asset owner and asset manager supporters with over £2 trillion of assets. The assessments of corporate responses to the transition to a low carbon economy are available for all investors to use free of charge via the TPI website.

- Other collaborative organisation/initiative, specify

SG 10

Mandatory

Public

Core Assessed

PRI 4

SG 10.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

- Yes

SG 10.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Wrote articles on responsible investment in the media.
- Other, specify

- No

SG 10.3

Describe any additional actions and initiatives that your organisation has taken part in during the reporting year to promote responsible investment [Optional]

The Commissioners are one of the UK's leading asset owners for the advocacy of Responsible Investment both publically and privately.

We remained particularly active on climate change in 2016 spearheading one of the defining climate change shareholder resolutions of the year at ExxonMobil and co-developing the Transition Pathway Initiative.

Our new RI Framework encourages enhanced RI incorporation, active ownership and transparency by our asset managers with whom we actively work to help them to make progress against the Framework.

Implementing our pooled funds policy, we encourage asset managers, especially in alternatives, to cater for socially responsible investors by creating new investment products incorporating investment restrictions.

We are active participants in the informal UK Pension Fund RI Roundtable which allows the sharing of good practice and a stronger collective asset owner RI voice in the UK.

We seek to maintain strong networks with other church investors, and share good practice, both through the Church Investors Group and ICCR and informally e.g. participating in a meeting of CIOs of US church investors in New York City in 2016.

We are strong advocates of responsible investment in the hedge fund industry and our Head of RI was filmed for a video by leading hedge funds investment consultants Albourne.

The Commissioners' Head of Responsible Investment is a regular speaker at conferences and events, and a frequent media and social media commentator on, and promoter of, RI and sustainability.

Implementation not in other modules

SG 12	Mandatory	Public	Descriptive	PRI 1
-------	-----------	--------	-------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 12.1	Indicate if your organisation executes scenario analysis and/or modelling in which the risk profile of future ESG trends at portfolio level is calculated.
---------	--

- We execute scenario analysis which includes factors representing the investment impacts of future environmental trends
- We execute scenario analysis which includes factors representing the investment impacts of future social trends
- We execute scenario analysis which includes factors representing the investment impacts of future governance trends
- We execute other scenario analysis, specify
- We do not execute such scenario analysis and/or modelling

SG 12.2	Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.
---------	---

- We do the following
- We do not consider ESG issues in strategic asset allocation

SG 12.3	Additional information. [OPTIONAL]
---------	------------------------------------

As part of our participation in the Mercer study 'Investing in a time of climate change' we received a tailored report in 2015 showing how different asset classes in our portfolio might perform under 2, 3 and 4 degrees Celsius climate change scenarios.

Our current approach to ESG incorporation is to incorporate ESG within asset classes rather than consider ESG issues in strategic asset allocation. However, we noted from the Mercer tailored report that the diversification of our portfolio was supportive of resilience in all of the climate scenarios considered, including the 2 degrees scenario.

SG 13	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
-------	---	--------	---------------------	-------

SG 13.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following you act on.

- Changing demographics
- Climate change

SG 13.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

We have established the Transition Pathway Initiative comprehensively and robustly to track companies' alignment with the transition to a low carbon economy.

- None of the above

SG 13.3

Indicate which of the following tools you use to manage emissions risks and opportunities

- Carbon footprinting
- Scenario testing
- Disclosure on emissions risk to clients/trustees/management/beneficiaries

SG 13.4

If you selected disclosure on emissions risks, list any specific climate related disclosure tools or frameworks that you used.

We use Trucost data to monitor the carbon footprint of our listed equities portfolio. We disclose the relative carbon intensity of the portfolio in our annual report.

- Target setting for emissions risk reduction
- Encourage internal and/or external portfolio managers to monitor emissions risk
- Emissions risk monitoring and reporting are formalised into contracts when appointing managers
- Other, specify

other description

We actively engage with investee companies in high carbon sectors on climate change including actively participating in Aiming for A and filing shareholder resolutions.

- None of the above
- Resource scarcity
- Technology developments
- Other, specify(1)
- Other, specify(2)
- None of the above

SG 13.5	Additional information [Optional]
----------------	-----------------------------------

We have significant holdings in real assets - rural land and forestry - as well as energy infrastructure investments which play to resource scarcity themes.

SG 14	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
--------------	--	---------------	--------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 14.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
----------------	---

Yes

SG 14.2	Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.
----------------	--

	Area
--	------

Clean technology (including renewable energy)

	Asset class invested
--	----------------------

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Forestry
- Farmland
- Cash
- Other (1)

	% of AUM
--	----------

0.37

Brief description of investment

A £29m investment in Impax Environmental Markets, an investment trust invested in companies involved in clean technology and environmental and energy efficiency solutions.

In addition we have made a commitment to a US private equity anaerobic digestion fund with £4m capital from us invested so far.

Green buildings

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Forestry
- Farmland
- Cash
- Other (1)

% of AUM

0.16

Brief description of investment

A £13m investment in a green office development in Singapore.

Sustainable forestry

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Forestry
- Farmland
- Cash
- Other (1)

% of AUM

3.73

Brief description of investment

The Commissioners have a £295m sustainable forestry portfolio with assets in the UK & US.

- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing
- Education
- Global health
- Water
- Other area, specify

Sustainability themed equities mandate

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Private equity
- Property
- Hedge funds
- Forestry
- Farmland
- Cash
- Other (1)

% of AUM

4

Brief description of investment

The Commissioners have a £316m equities portfolio managed by Generation Investment Management, which has a long term investment approach integrating sustainability factors directly into the investment process.

No

SG 15	Mandatory	Public	Descriptive	General
--------------	------------------	---------------	--------------------	----------------

SG 15.1	Describe how you address ESG issues for internally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
----------------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - SSA	In internally managed sovereign bonds, we invest only in low ESG risk short-dated UK gilts.
Farmland	<p>Our internally managed farmland is all in the UK. We employ agents to manage the portfolio within a policy framework set by the Commissioners. Within tenancy agreements it is generally stipulated that tenants must farm the land in accordance with good practice. This will in most cases reflect the principles of good conservation and environmental practice. Many tenants have entered Environmental Stewardship Schemes. Advice is available from our agents for tenants wishing to consider environmentally sensitive farming practices.</p> <p>Estates are visited by our agents at least monthly. They consult with us if any tenants are experiencing difficulties including financial hardship. Animal welfare is taken seriously and any perceived issues are addressed by agents in conjunction with the Commissioners. Quarterly meetings are held with our agents who provide comprehensive management reports. The reports provide regular updates on Health and Safety measures that have been or are being taken on estates.</p> <p>A strategic review of the rural portfolio was carried out in 2014. Flooding risk was a factor in the decision to alter the management outcomes on a number of estates. We have a framework agreement with a developer for solar power generation on the rural estate and 9MW installed capacity.</p>
Cash	Ethical considerations are an intrinsic part of the selection process for the Commissioners' banking services provider.
Other (1) [as defined in Organisational Overview module]	<p>Strategic land</p> <p>Strategic land is rural land in the UK for which the Commissioners seek planning permission for development, typically for housing.</p> <p>Social issues are prominent in strategic land. Issues include community consultation, relations with local councils, communication with strategic land tenants and negotiation of Section 106 agreements, including with regard to affordable housing. It is not the general practice of the Commissioners to promote development if the local authority is not supportive, in the way that some housebuilders might. As long term investors, the Commissioners prefer to work with development plans and wait for land to feature in councils' plans, which the team would then support through the making of representations.</p> <p>The Commissioners make sure that they are always present at community consultation events.</p> <p>There is a strong regulatory framework for environmental issues relevant to housebuilding in the UK, from requirements for environmental impact assessments and assessment of flood risk to building regulations and stipulations for energy performance.</p> <p>Land is assessed for flood risk before the Commissioners acquire it, including taking into account risks posed by climate change.</p>

SG 16	Mandatory	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 16.1	Describe how you address ESG issues for externally managed assets for which a specific PRI asset class module has yet to be developed or for which you are not required to report because your assets are below the minimum threshold.
---------	--

Asset Class	Describe what processes are in place and the outputs or outcomes achieved
Fixed income - Securitised	Our small exposure to securitised debt occurs within hedge funds strategies. As part of the manager selection process, strategies are assessed against our hedge funds policy which requires robust analysis of both strategies and firms for potential ethical and ESG concerns. This analysis is reported to trustees as part of the appointment process. Investments are also subject to our pooled funds policy. Finally managers are assessed using our manager ratings system under our Responsible Investment Framework.
Hedge funds	All hedge fund investments are subject to our hedge funds policy which requires robust analysis of both strategies and firms for potential ethical and ESG concerns. This analysis is reported to trustees as part of the appointment process. Investments are also subject to our pooled funds policy. Finally managers are assessed using our manager ratings system under our Responsible Investment Framework.
Forestry	All our UK and US forestry is sustainably certified to either FSC or SFI standards. The sandalwood plantation in Australia in which we invest is managed in accordance with an ISO 14001 environmental management system.

Innovation

SG 17	Voluntary	Public	Descriptive	General
-------	-----------	--------	-------------	---------

SG 17.1	Indicate whether any specific features of your approach to responsible investment are particularly innovative.
---------	--

Yes

SG 17.2	Describe any specific features of your approach to responsible investment that you believe are particularly innovative.
---------	---

The Commissioners are involved in a number of innovative RI initiatives and practices:

- The Aiming for A engagement on climate change with the 10 largest UK-listed extractives and utilities companies. This has modelled a new kind of institutional investor active stewardship involving attendance at AGMs and filing stretching shareholder resolutions. The initiative achieved further success in 2016 when the boards of Anglo American, Glencore and Rio Tinto recommended our resolutions to shareholders and the resolutions were passed with over 95% support. The co-filing coalition included institutional investors with over \$8 trillion of assets.
- The ExxonMobil climate scenario analysis resolution. This initiative has involved an unprecedented demonstration of investor support for climate risk reporting. The resolution received 38% support at Exxon's 2016 shareholders' meeting - the highest ever vote for a climate change proposal at the company - in spite of Exxon's opposition. Over half of the company's top 25 investors voted for the resolution. The resolution has been re-filed for Exxon's 2017 shareholders' meeting by over 50 investors with over \$4.5 trillion in assets, a level of co-filing support never seen before in the US.
- The Transition Pathway Initiative. This is a new, industry leading, assessment framework to track companies' alignment with the transition to a low carbon economy in high carbon sectors, developed and operated in a partnership with the Grantham Institute at the London School of Economics. The tool has been made available for free on the internet for any investor to use.

- The Mining and Faith Reflections Initiative. This initiative is the result of a group of eight mining company CEOs reaching out to the Catholic, Anglican and Methodist Churches for an honest and open dialogue about the social licence to operate of their sector. This is a high level and different style of engagement that enables issues to be raised in a forum that contrasts from normal engagement outreach. So far, the initiative has involved high level dialogues with the CEOs at the Vatican and Lambeth Palace. The Commissioners' Head of Engagement represents the Church of England on the Mining and Faith Reflections International Steering Committee, and the Bishop of Birmingham leads on behalf of the Church of England more broadly. The dialogue is intended to provide a forum for difficult issues to be raised and addressed with companies.
- A new approach to ethical screening in the alcohol sector. This involves excluding companies not on the basis of revenues derived from alcohol but the extent to which companies market and retail alcohol responsibly. This is much more faithful to the Church of England's ethical view of alcohol - we are opposed not to alcohol per se but to corporate complicity in its misuse - and has formed the basis of engagement with UK-listed alcohol producers and retailers that has led to important policy changes at major companies. We are now preparing to extend our assessment and engagement process beyond the UK.
- We have developed a detailed policy on ethical investment in hedge funds on a strategy by strategy basis which, from our contacts with other investors, including through PRI, we believe is industry leading.
- We have developed a detailed policy on ethical investment in pooled funds which, from our contacts with other investors, we believe is industry leading.

No

Church Commissioners for England

Reported Information

Public version

Indirect – Manager Selection, Appointment and Monitoring

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

SAM 01	Mandatory	Public	Core Assessed	PRI 4
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

SAM 01.1 Indicate whether your organisation uses investment consultants and/or fiduciary managers.

- Yes, we use investment consultants
- Yes, we use a fiduciary manager that delegates management of some or all of our assets to third-party managers.
- No, we do not use investment consultants or fiduciary managers.

SAM 01.7 Additional information [Optional].

We do not have overarching investment consultants but maintain relationships with a number of consultants for ad hoc bespoke advice and specialist support in certain asset classes.

SAM 02	Mandatory	Public	Gateway	PRI 1
--------	-----------	--------	---------	-------

SAM 02.1 Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - SSA	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - Corporate (non-financial)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Private equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SAM 02.2

Provide a brief description of how your organisation includes responsible investment considerations in your investment manager selection, appointment and monitoring processes.

Ethical and responsible investment considerations are integral to our manager selection, appointment and monitoring processes. They are part of our dialogue with, and diligence on, prospective managers from the start as we will not appoint or retain a manager who cannot comply with our ethical and responsible investment policies. For direct investments, all managers must be able to apply our investment restrictions, and for indirect investments, all managers must be able to conform with our pooled funds policy. In addition, certain asset classes have asset class specific ethical policies; this applies to property and hedge funds. Finally, all managers are assessed against our Responsible Investment Framework which we introduced in 2015. The Framework includes a manager rating system which enables us to categorise managers as meeting our minimum standards of RI practice, good RI practitioners or outstanding RI practitioners. The categories of practice assessed are RI policy, RI integration, active ownership, climate change, RI reporting and external assurance.

Appointment decisions are made by our trustees based on recommendations from staff. Papers prepared for trustees always indicate the manager's ability to comply with our ethical and responsible investment policies and include our rating of the manager under our RI Framework. Trustees meet recommended managers in person at selection meetings and interrogate their investment processes, regularly raising ethical and responsible investment issues either with the managers themselves or in committee discussion. Following a decision to appoint, ethical and responsible investment requirements - both required actions and reporting - are captured in IMAs or side letters.

Staff maintain close monitoring relationships with managers after appointment, speaking to and meeting managers regularly as well as reviewing their written reporting. We monitor listed equities managers' portfolio ESG characteristics and carbon footprint using third party data from MSCI ESG Research and Trucost. In our ongoing dialogue with managers we encourage them to make progress on RI integration, active ownership and reporting, and suggest steps that they might take. The objective is, wherever appropriate to a strategy, to take a manager up our RI rating system, and to encourage managers who are at minimum standards to become good RI practitioners, and to encourage managers who are good RI practitioners to become outstanding RI practitioners. Manager ratings are reviewed when there have been developments in a manager's RI practice and at least every two years.

It is the responsibility of all members of the investment team to implement our ethical and responsible investment policies at every stage of manager selection, appointment and monitoring. The Head of RI is a resource that analysts can draw on at any stage. Support that the Head of RI provides includes:

- helping team heads or analysts to identify specific ethical and responsible investment due diligence issues for a particular investment;
- being brought in to engage with a manager on specific ethical or responsible investment improvements we will require before being able to consider a manager for appointment;
- advising on a manager's RI rating and the ethical and responsible investment analysis to go into papers for trustees;
- advising trustees orally on ethical and responsible investment issues at selection meetings;
- advising team heads, analysts and the Chief Operating Officer on IMA and side letter requirements on ethical and responsible investment issues; and
- contributing to ongoing assessment of ethical and responsible investment practice by a manager and improving manager practice on ethical and responsible investment issues, including through calls and meetings with managers.

We believe our manager selection, appointment and monitoring processes have a material impact on the uptake and practice of ethical and responsible investment. Through our active approach we have seen managers become PRI signatories, join groups such as the Institutional Investors Group on Climate Change, develop RI policies, recruit RI professionals, offer their first ethically screened segregated mandates or SRI funds, and improve their ESG integration and active ownership practice.

Listed Equity and Fixed Income Strategies

SAM 04**Mandatory****Public****Gateway****PRI 1,2****SAM 04.1**

Indicate which of the following ESG incorporation strategies you require your external manager(s) to implement on your behalf:

Active investment strategies

Active investment strategies	Listed Equity	FI - SSA	FI - Corporate (non-financial)
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Passive investment strategies

Passive investment strategies	Listed Equity				
Screening	<input checked="" type="checkbox"/>				
Thematic	<input type="checkbox"/>				
Integration	<input type="checkbox"/>				
None of the above	<input type="checkbox"/>				

SAM 04.2

Explain how you integrate ESG factors in the selection, appointment and monitoring of your passive funds

We have a longstanding relationship with our passive listed equities manager. The manager is expert at implementing our investment restrictions in customised indices and we work closely together around the time of index rebalancings to ensure that ethical screening remains policy compliant. We have encouraged our passive manager on their RI journey for many years, including encouraging them to become PRI signatories and to develop their engagement capabilities. We hold regular liaison meetings and calls on ESG engagement so that we are aware of their engagement activities and they are aware of ours, and we can compare notes, co-ordinate and comment on each other's activities. They are now recognised leaders in RI in passive listed equity management, recently receiving Mercer's highest rating for ESG in passive management.

SAM 04.3

Additional information. [Optional]

Screening: where a listed equity or fixed income manager is unable to agree to the creation of a screened segregated mandate or an ethically compliant pooled fund, then we require regular reporting of any indirect exposure to restricted investments.

Thematic: we have one thematic segregated mandate in listed equities (a sustainability strategy) and one thematic pooled fund (environmental opportunities).

Integration: we require a minimum standard of ESG incorporation for all asset classes, namely that the manager factors basic ESG risk analysis into their investment process where appropriate, especially in regard to governance.

Selection

SAM 05

Mandatory

Public

Core Assessed

PRI 1

SAM 05.1

Indicate what RI-related information your organisation typically covers in the majority of selection documentation for your external managers

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property
Investment strategy and how ESG objectives relate to it	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG incorporation requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
No RI information covered in the RFPs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Our RI DDQ covers RI policy, ESG incorporation, active ownership, climate change, RI reporting and external assurance.

SAM 05.2

Explain how your organisation evaluates the investment manager's ability to align between your investment strategy and their investment approach

Strategy

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property
Assess the time horizon of the investment manager's investment strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the quality of investment policy and its reference to ESG	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the investment approach and how ESG objectives are implemented in the investment process (asset class specific)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess the ESG definitions to be used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG people/oversight

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property
Assess ESG expertise of investment teams	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review the ownership of the ESG implementation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Review how is ESG implementation enforced /ensured	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Process/portfolio construction/investment valuation

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property	
Review the process ensuring the quality of the ESG data used	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree the investment decision making process (and ESG data use in it)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree the ESG incorporation strategy impact of ESG analysis on investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree how the manager is targeting returns and ESG objectives	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree how the manager identifies, measures and manages ESG risk	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review and agree return and risk in combination at a portfolio level (portfolio construction) and ESG objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Review how ESG materiality is evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review process for defining and communicating on ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

If you select any 'Other' option(s), specify

Our RI DDQ and manager RI rating system also cover:

Strategy: governance arrangements for RI policy and practice, RI collaboration, RI innovation, active ownership, public policy engagement, membership/signature of climate change initiatives.

ESG people/oversight: RI training and RI in remuneration, whether the portfolio carbon footprint is measured and monitored.

Process/portfolio construction/investment valuation: incorporation of climate change risks and opportunities, whether the ESG characteristics of the portfolio are compared to a benchmark, whether investors are informed of developments in RI policy and practice, whether investors are given regular examples of how ESG risks or opportunities have been integrated into investment decisions, whether investors receive reporting on active ownership objectives and activities.

SAM 05.3

Describe the selection process

- Review responses to RfP, RfI, DDQ etc.
- Review Limited Partners' Responsible Investment Due Diligence Questionnaire (PE DDQ)
- Review publicly available information
- Review assurance process
- Review PRI Transparency Reports
- Request and discuss PRI Assessment Reports
- Meetings with the potential shortlisted managers
- Site visits to potential managers offices
- Other, specify

SAM 05.4

When selecting external managers does your organisation set any of the following:

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Managers must be able to implement our investment restrictions (direct investments) or comply with our pooled funds policy, including monitoring and reporting of restricted exposures (indirect investments).

SAM 05.5

Provide additional information relevant to your organisation's selection approach [OPTIONAL]

Manager selection must be approved by trustees. The way in which managers approach ethical and responsible investment is included in all manager selection recommendations submitted to trustees. Trustees regularly pose ethical or RI questions to managers being considered for appointment.

We do not make investment decisions based on a scoring or weighting system for any factor, including responsible investment. The investment team make narrative-based recommendations to trustees setting out the grounds for their recommendation. This covers alignment of interest, investment process and track record, and ethical and responsible investment, including the manager's RI rating under our RI manager rating system. No manager can be put forward without meeting our minimum standards on RI and higher ratings are a positive factor.

SAM 06

Mandatory

Public

Additional Assessed

PRI 2

SAM 06.1

Indicate how your organisation typically evaluates the manager's active ownership practices in the majority of the manager.

Engagement

	FI - SSA	FI - Corporate (non-financial)	
Review the manager's engagement policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review the manager's engagement process (with examples and outcomes)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Ensure that engagement outcomes feed back into the investment decision-making process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other engagement issues in your selection process specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	

If you select any 'Other' option(s), specify

We establish specifically whether climate change risks and opportunities are integrated into active ownership activities.

SAM 06.2

Describe how you assess if the manager's engagement approach is effective.

- Impact on investment decisions
- Impact on company / asset level
- Impact on ESG profile or the portfolio
- Evidence of changes in corporate practices
- Other, specify
- None of the above

SAM 06.4

Additional information [OPTIONAL]

We establish whether engagements are escalated when required (e.g. through public statements, AGM questions or filing shareholder resolutions).

Appointment

SAM 07.1

Mandatory

Public

Core Assessed

PRI 1

SAM 07.1

Indicate if in the majority of cases and where the structure of the product allows, your organisation does any of the following as part of the manager appointment

- Sets standard or ESG benchmarks
- Defines ESG objectives
- Sets incentives and controls linked to the objectives
- Requires reporting on these objectives
- None of the above
- None of the above, we invest only in pooled funds and have a thorough selection process

SAM 07.2-5**Mandatory****Public****Core Assessed****PRI 1****SAM 07.2**

Provide an example per asset class of your benchmarks, objectives, incentives/controls and reporting requirements that would typically be included in your managers' appointment.

Asset class

- Listed equity (LE)

Benchmark

- Standard benchmark, specify
MSCI ACWI Developed Markets
- ESG benchmark, specify
FTSE 350 excluding our ethical restrictions and investment trusts

Objectives

- Voting, specify
Agreement that voting will be conducted by the Church Commissioners but that the manager may contact the Commissioners at any time to discuss votes and have input on financially material decisions.
- Engagement, specify
- Integration, specify
Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI
- Investment restrictions, specify
Implementation of our investment restrictions relating to armaments, pornography, tobacco, gambling, alcohol, high interest rate lending, coal, oil sands, human embryology and conduct based restrictions.
- Strategy, specify
- Other, specify

Incentives and controls

- Fee based incentive
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Fixed income - SSA (SSA)

Benchmark

- Standard benchmark, specify
Unconstrained
- ESG benchmark, specify

Objectives

- Other, specify
- Voting, specify
- Engagement, specify
- Integration, specify
- Investment restrictions, specify
Implementation of our investment restrictions relating to sovereign debt of oppressive regimes or reporting on indirect exposure to it.
- Strategy, specify

Incentives and controls

- Fee based incentive
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Fixed income - Corporate (non-financial)

Benchmark

- Standard benchmark, specify
Barclays Global High Yield

- ESG benchmark, specify

Objectives

- Other, specify
- Voting, specify
- Engagement, specify
- Integration, specify
Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI
- Investment restrictions, specify
Implementation of our investment restrictions, or side letter excuse provisions relating to armaments, pornography, tobacco, gambling, alcohol, high interest rate lending, coal, oil sands, human embryology and conduct based restrictions, or reporting on indirect exposures.
- Strategy, specify

Incentives and controls

- Fee based incentive
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Private equity

Benchmark

- Standard benchmark, specify
N/A
- ESG benchmark, specify

Objectives

- Voting, specify
- Engagement, specify
- Integration, specify
Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI
- Investment restrictions, specify
Side letter excuse provisions relating to armaments, pornography, tobacco, gambling, alcohol, high interest rate lending, coal, oil sands and human embryology, or provision to be able to sell entire holding in an instance of unacceptable restricted exposure, or regular reporting on indirect exposures.

- Strategy, specify

Incentives and controls

- Fee based incentive
- Termination
- No fee/ breach of contract

Reporting requirements

- Ad-hoc/when requested
 - Annually
 - Bi-annually
 - Quarterly
 - Monthly
- Property

Benchmark

- Standard benchmark, specify
N/A
- ESG benchmark, specify

Objectives

- Other, specify
- Voting, specify
- Engagement, specify
- Integration, specify
Acknowledgement of the Commissioners' ethical and responsible investment policies and signature of PRI
- Investment restrictions, specify
Side letter excuse provisions relating to armaments, pornography, tobacco, gambling, alcohol, high interest rate lending, coal, oil sands and human embryology, or regular reporting of restricted exposure.
- Strategy, specify

Incentives and controls

- Fee based incentive
- Termination
- No fee/ breach of contract

Reporting requirements

- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc/when requested

SAM 07.3

Explain how your organisation evaluates the reporting capacity of the manager to meet your reporting requirements during the selection process

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property	
Agree upon ESG reporting requirements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Review ESG reporting processes and capacity in place	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Agree processes for raising ad-hoc ESG issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 07.4

Explain which of these actions your organisation might take if any of the requirements are not met

- Discuss requirements not met and set project plan to rectify
- Review performance in more detail
- Place investment manager on a “watch list”
- Investigate reason for non-compliance
- Require action plan from the manager
- Negotiate fees
- Failing all actions, terminate contract with the manager
- Other, specify

Managers are required to reimburse any losses incurred by us following any failure to implement agreed ethical restrictions.

- No actions are taken if any of the requirements are not met

SAM 07.5

Provide additional information relevant to your organisation's appointment processes of external managers. [OPTIONAL]

Engagement on ESG issues and reporting on ESG issues are typically covered in and encouraged/rewarded by our RI ratings system rather than being included in legal documentation.

Even though we do our own engagement for listed equity we do also evaluate listed managers' approach to engagement because we value their engagement activities as well and think that understanding their approach to engagement provides useful insight into their investment philosophy and the quality of their RI practice.

Monitoring

SAM 08	Mandatory	Public	Core Assessed	PRI 1
---------------	------------------	---------------	----------------------	--------------

SAM 08.1	When monitoring managers, indicate which of the following types of responsible investment information your organisation typically reviews and evaluates from the investment manager in meetings/calls
-----------------	---

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property	
ESG objectives linked to investment strategy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Investment restrictions and any controversial investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG incorporation objectives (with examples)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ESG portfolio characteristics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
How ESG materiality has been evaluated by the manager in the monitored period	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Information on any ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Metrics on the real economy influence of the investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
PRI Transparency Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
PRI Assessment Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Other general RI considerations in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

SAM 08.2

When monitoring external managers, does your organisation set any of the following to measure compliance/progress

	LE	FI - SSA	FI - Corporate (non-financial)	Private equity	Property
ESG score	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
ESG weight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Real world economy targets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SAM 08.3

Provide additional information relevant to your organisation's monitoring processes of external managers. [OPTIONAL]

Our approach is that managers RI practice and ratings should be reviewed at least every two years. Monitoring and discussion of RI practice at our key managers, however, is done on an ongoing basis.

SAM 09

Mandatory

Public

Additional Assessed

PRI 1

SAM 09.1

When monitoring managers, indicate which of the following active ownership information your organisation typically reviews and evaluates from the investment manager in meetings/calls

Engagement

	FI - SSA	FI - Corporate (non-financial)
Report on engagements undertaken (outcomes and examples)	<input type="checkbox"/>	<input type="checkbox"/>
Account on engagement ESG impacts	<input type="checkbox"/>	<input type="checkbox"/>
Other RI considerations relating to engagement in investment management agreements; specify	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Outputs and outcomes

SAM 12

Mandatory

Public

Additional Assessed

PRI 1,6

SAM 12.1

Provide examples of how ESG issues have been addressed in the manager selection, appointment and/or monitoring process for your organisation during the reporting year.

Add Example 1

Topic or issue	Improving a manager's ESG incorporation.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	We are working with our UK small cap manager with a view to their taking steps forward on engagement with RI, ESG incorporation and RI reporting. We are doing this through regular meetings and interactions with the manager by our Head of Equities and Head of Responsible Investment in our offices and theirs.
Outcomes	In 2016 the manager joined PRI, attended a RI conference organised by UKSIF, added a new tab covering ESG issues to company entries on their research database, and started to provide regular updates on RI in their reporting to us.

Add Example 2

Topic or issue	Incorporating investment exclusions.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input checked="" type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	For some time, our main emerging markets investment had been in a pooled fund without investment restrictions, meaning that we were recording persistent restricted exposure. The manager was not willing to create an investment vehicle incorporating our investment exclusions. We conducted a long term search for a high quality emerging markets manager that would allow us to set up a segregated mandate.
Outcomes	The manager search concluded successfully in 2016 and the investment team's recommendation to redeem the pooled fund investment and set up a new segregated mandate with the other manager was approved by trustees. The new mandate is now fully operational.

Add Example 3

Topic or issue	Establishing a Responsible Investment Policy
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input checked="" type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Private equity <input type="checkbox"/> Property
Scope and process	We opened a dialogue with one of our credit managers about establishing a Responsible Investment Policy. A meeting was held at their London office with senior staff participating from the US remotely.
Outcomes	The firm developed a new Social Responsibility Framework including a policy commitment to incorporate material ESG issues into investment decisions and is in the process of setting up a Responsible Investing Awareness Program and a Responsible Investing Committee.

Add Example 4

Topic or issue	Achieving an international sustainable forestry certification
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Private equity <input checked="" type="checkbox"/> Property
Scope and process	Of all our UK and US forestry managers, one was not certified to FSC or SFI standards. We engaged to encourage the manager to achieve certification to one of these international standards.
Outcomes	In early 2016 the manager achieved SFI certification.

Add Example 5

Topic or issue	Re-orientating our energy infrastructure investment programme towards lower carbon energy.
Conducted by	<input checked="" type="checkbox"/> Internal staff
Asset class	<input type="checkbox"/> All asset classes <input type="checkbox"/> Listed Equity <input type="checkbox"/> Fixed income – SSA <input type="checkbox"/> Fixed income – corporate (financial) <input type="checkbox"/> Private equity <input checked="" type="checkbox"/> Property
Scope and process	In 2015, following the adoption of our new Climate Change Policy, we created a new investment framework for our energy infrastructure programme to reflect our commitment to promote the transition to a lower carbon economy. Energy infrastructure investments are now evaluated against this framework.
Outcomes	In 2016 we made our first energy infrastructure investment following the adoption of our Climate Change Policy. The investment is in a fund that develops anaerobic digestion facilities for waste water in the US. The manager achieved the highest rating in our RI rating system - outstanding RI practitioner.

We are not able to provide examples

Communication

SAM 13

Mandatory

Public

Core Assessed

PRI 6

SAM 13.1

Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.

Yes, we disclose information publicly

provide URL

<https://www.churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

provide URL

https://www.churchofengland.org/media/2561515/ar_20160706.pdf

SAM 13.2

Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.

Yes

SAM 13.3

Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

- Yes, we disclose information to clients/beneficiaries only
- We do not proactively disclose information to the public and/or clients/beneficiaries

SAM 13.4

Additional information. [Optional]

We publish a Responsible Investment Review in our annual report. This explains how we use our RI Framework in manager selection, appointment and monitoring; the investment exclusions applied by our managers in making direct investments for us; the ESG and carbon footprint characteristics of our listed equity portfolio; the extent to which our investments qualify for inclusion in the Global Investor Coalition on Climate Change's Low Carbon Investment Registry or are orientated around sustainability; and external assessment of, and awards for, our RI practice.

Church Commissioners for England

Reported Information

Public version

Direct - Listed Equity Active Ownership

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Engagement

Overview

LEA 01

Mandatory

Public

Core Assessed

PRI 2

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 01.1

Indicate whether your organisation has a formal engagement policy.

Yes

LEA 01.2

Indicate what your engagement policy covers:

- Conflicts of interest
- Prioritisation of engagements
- Transparency
- Environmental factors
- Social factors
- Governance factors
- Engagements following on from decisions
- Other, describe
- None of the above

LEA 01.3

Attach or provide a URL to your engagement policy. [Optional]

URL

<https://www.churchofengland.org/media/1891510/statement%20of%20ethical%20investment%20policy%20-%20nov%202014.pdf>

Attach document

[Business and Engagement Policy 2014.pdf](#)

LEA 01.4

Provide a brief overview of your organization’s approach to engagement

The Church Commissioners with the Church of England Pensions Board jointly resource an in-house Engagement Team. It is important to prioritise our engagement interventions in line with our capacity and ability to seek genuine change in corporate practices and behaviour. Our approach distinguishes engagement interventions into six categories:

- **Catalytic Engagement:** A significant strategic intervention on a policy issue that seeks to influence both company behaviour as well as the wider investment community. Likely to be resource intensive and high profile.
- **Church Collaborative:** Via the Church Investors Group (CIG) to pool some of our engagement capacity with other UK Church Investors to work on four commonly agreed engagement priorities.
- **Investor Collaborative:** Led by other asset owners/managers and we work collaboratively on an issue relating to a number of companies or a particular issue relating to a single company's behaviour.
- **Church Specific:** Specific bespoke Church policy working as three National Investing Bodies. Requires capacity either through our screening provider or consultancy support to independently assess company responses against engaged criteria.
- **Monitoring:** We maintain a monitoring engagement brief on a particular policy.
- **Intensive:** This category is reserved for instances when there is a particular event that falls outside of our planned engagement activities.

○ No

LEA 02	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

LEA 02.1 Indicate the method of engagement, giving reasons for the interaction.

Type of engagement	Reason for interaction
Individual/Internal staff engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
Collaborative engagements	<input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
Service provider engagements	<input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved/increased ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

Process

Process for engagements run internally

LEA 03	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 03.1 Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.

Yes

LEA 03.2 Describe the criteria used to identify and prioritise engagement activities carried out by internal staff.

- Geography/market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In reaction to ESG impacts which has already taken place
- As a response to divestment pressure
- As a follow-up from a voting decision
- Client request
- Other, describe

No

LEA 03.3 Additional information. [Optional]

The first priority of engagement stems from our own policies. These policies are developed by an advisory group - the Church of England Ethical Investment Advisory Group (EIAG). The EIAG's membership ranges from a senior Bishop, to leading theologians, to the Chief Executives of the Church of England's National Investing Bodies (including the Pensions Board and Church Commissioners), to other expertise.

A number of the policies that are developed require engagement as a key aspect of implementation. For example, the responsible alcohol policy, climate change policy, corporate tax policy etc. Trustee bodies will consider the prioritisation of engagement and the focus given to each area. We also use our voting template to address a number of the engagement objectives.

Where we can effectively collaborate, either as a Church Investor, or with other non-church funds we seek to do so in line with our priorities. We continue to play a leading role in the Church Investors Group and actively contribute to the prioritisation of issues that are engaged upon each year. This includes issues ranging from modern day slavery, water resilience, tax transparency and climate change.

Finally, we undertake intensive engagement as issues become apparent during the year such as concerns relating to the way a particular company may be acting or the response to a particular incident.

LEA 04	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 04.1 Indicate if you define specific objectives for your engagement activities.

- Yes
 - Yes, for all engagement activities
 - Yes, for the majority of engagement activities
 - Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out by internal staff.

LEA 04.2 Indicate if you monitor the actions that companies take following your engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out by internal staff.

LEA 04.3 Indicate whether your organisation defines milestones and goals for engagement activities carried out by internal staff.

- Yes

LEA 04.4 Indicate if you do any of the following to monitor and evaluate the progress of your engagement activities carried out by internal staff.

- Define timelines for milestones and goals
 - Tracking, monitoring progress against defined milestones and goals
 - Establish a process for when the goals are not met
 - Revisit and, if necessary revise goals on continuous basis
 - Other, please specify
- No

LEA 04.5 Additional information. [Optional]

In each engagement we record and set clear objectives - although some engagements may be exploratory to begin with before setting clear objectives. We have developed our own internal data-base and monitoring system to track progress. In each policy area that we are engaging on we have a specific over-arching objective that focusses our engagement 'asks' of the company. For example, in developing our engagement strategy for climate change we have engaged academic expertise from the London School of Economics Grantham Research Institute to develop a climate change transition pathway for major companies in energy intensive sectors. Together we have been developing along with other Asset Owners and with the support of FTSE Russell a clear framework to transparently assess company progress on i) management quality and ii) future projected carbon performance. The Transition Pathway Initiative (TPI) has been a major undertaking and seeks to provide a transparent framework for undertaking engagement and guiding our future voting decisions on climate change.

Process for engagements conducted via collaborations

LEA 05	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements
----------	--

Yes

LEA 05.2	Describe the criteria used to identify and prioritise collaborative engagements
----------	---

- Potential to learn from other investors
- Ability to add value to the collaboration
- Geography / market of the companies targeted
- Materiality of ESG factors
- Systemic risks to global portfolios
- Exposure (holdings)
- In response to ESG impacts which has already taken place
- In response to divestment pressure
- Client requests
- Other, describe

No

LEA 05.3	Additional information [Optional]
----------	-----------------------------------

As already stated we use our policies to determine our engagement priorities and thereafter assess the most effective way that we can support engagement to make genuine change in company behaviour. We also involve Trustees in determining this approach and have clear lines of governance oversight.

LEA 06	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 06.1	Indicate if you define specific objectives for your engagement activities carried out collaboratively.
----------	--

Yes

- Yes, for all engagement activities
- Yes, for the majority of engagement activities
- Yes, for a minority of engagement activities
- We do not define specific objectives for engagement activities carried out collaboratively.

LEA 06.2 Indicate if you monitor the actions companies take following your collaborative engagements.

- Yes
 - Yes, in all cases
 - Yes, in the majority of cases
 - Yes, in the minority of cases
- We do not monitor the actions that companies take following engagement activities carried out collaboratively

LEA 06.3 Indicate whether your organisation defines milestones and goals related to engagement activities carried out via collaborations.

- Yes

LEA 06.4 Indicate if you do any of the following to monitor and evaluate the progress of your collaborative engagement activities.

- Define timelines for milestones and goals
 - Tracking, monitoring progress against defined milestones and goals
 - Establish a process for when the goals are not met
 - Revisit and, if necessary revise the goals on a continuous basis
 - Other, please specify
- No

LEA 06.5 Additional information. [Optional]

Where the Commissioners are part of a systematic engagement programme then monitoring and evaluation will be by the collaborative group in the first instance. We will actively participate in this process ensuring clear focus and objective. The systematic collaborative programme in which we participate will normally be subject to evaluation against external data - for example improvements in CDP or FTSE ESG ratings. In the case of the Church Investors Group climate change programme the effectiveness of the engagement programme has been evaluated academically and independently by the University of Edinburgh.

In addition the Engagement Team will assess against their own expectations the effectiveness of collaborative engagements. This will determine the prioritisation of engagement resources and input into the respective initiative. We also are conscious that we can maximize our impact through effective targeting of our engagement and participation.

Over the past year on climate change we have developed a major undertaking - The Transition Pathway Initiative (TPI) to have a transparent and academically robust tool to assess company performance against which we will target our engagement with other asset owners.

General processes for all three groups of engagers

LEA 10	Mandatory	Public	Gateway	PRI 2
---------------	------------------	---------------	----------------	--------------

LEA 10.1 Indicate if you track the number of engagements your organisation participates in.

Type of engagement	Tracking engagements
Individual / Internal staff engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track
Collaborative engagements	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> We do not track and cannot estimate our engagements

LEA 10.2 Additional information. [OPTIONAL]

We report on specific company engagements in our annual reports as well as to Trustee Committees.

Communication

LEA 16

Mandatory

Public

Core Assessed

PRI 2,6

LEA 16.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

provide URL

<https://www.churchofengland.org/media-centre/news/2016/05/church-commissioners-announce-total-2015-return-on-investments-at-82.aspx>

provide URL

<https://churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

LEA 16.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA 16.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA 16.4 Indicate how frequently you report engagements information.

- Disclosed continuously (prior to and post engagements)
- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Ad hoc/when requested
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 16.8 Additional information. [Optional]

Detail about our engagements by type/topic is included in the Commissioners' annual report, in addition to the information disclosed during the year as part of ongoing specific engagements that may attract media attention. Further information about engagement is reported on a bi-annual basis to trustees.

(Proxy) voting and shareholder resolutions

Overview

LEA 17	Mandatory	Public	Gateway	PRI 1,2,3
--------	-----------	--------	---------	-----------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 17.1 Indicate whether your organisation has a formal voting policy.

- Yes

LEA 17.2

Indicate what your voting policy covers:

- Conflicts of interest
- Prioritisation of voting activities
- Transparency
- Decision making processes
- Environmental factors
- Social factors
- Governance factors
- Filing/co-filing resolutions
- Extraordinary meetings
- Share blocking
- Regional voting practices
- Record keeping
- Company dialogue pre/post vote
- Securities lending process
- Other, describe
- None of the above

LEA 17.3

Attach or provide a URL to your voting policy. [Optional]

URL

<https://www.churchofengland.org/media/1717796/executive%20remuneration%20policy%20april%202013.pdf>

Attach document

[Business and Engagement Policy 2014.pdf](#)

[2016 Voting Policy Overview Final 3 Mar 2016.docx](#)

LEA 17.4

Provide a brief overview of your organization's approach to (proxy) voting.

Voting is conducted internally with a dedicated staffing resource with a full time voting and Screening Manager. This role is central to overseeing all voting on all holdings against our agreed voting policies. The policy is reviewed and further developed each year. It is also submitted to Trustee Committees for formal approval. To ensure that Church investors magnify the impact of their voting we seek to align our policy with other UK Church investors.

We use the ISS platform to log our votes. We engage with our proxy provider each year on the voting policy. This is an extensive discussion to ensure that they understand our particular requirements. We have a dedicated provision within the proxy provider to provide bespoke reports against our policy. This ensures that the service provider interprets our policy correctly. The internal staff member then checks votes as a further quality control.

We also answer queries from companies about our voting policies.

LEA 17.5 Provide an overview of how you ensure your voting policy is adhered to, giving details of your approach when exceptions to the policy are made (if applicable).

We have a clear voting policy and when areas emerge that diverge from the instructions these are referred to the Voting and Screening Manager. The Manager then reviews them to consider if they can be addressed in accordance with our policies or if further judgement is needed by the Head of Engagement. Issues can be elevated further to the CIO and even Trustees if of particular importance and variance on a policy issue. Each year we monitor the number of referrals to identify if further clarification is required on the detailed voting template. We also review effectiveness of our voting provider on an annual basis. This year also saw the voting process audited by our internal auditor which concluded that the processes we have in place provide 'substantial assurance' to Trustees.

No

Process

LEA 18 **Mandatory** **Public** **Descriptive** **PRI 2**

LEA 18.1 Indicate how you typically make your (proxy) voting decisions.

Approach

- We use our own research or voting team and make voting decisions without the use of service providers.
- We hire service provider(s) that make voting recommendations or provide research that we use to inform our voting decisions.

Based on

- the service provider voting policy signed off by us
- our own voting policy
- our clients' requests or policy
- other, explain
- We hire service provider(s) that make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) that make voting decisions on our behalf.

LEA 18.2 Additional information.[Optional]

The custom voting policy of the Church Commissioners and Pensions Board draws on the expertise of our proxy advisers on corporate governance good practice, the recommendations of the Church of England's Ethical Investment Advisory Group (EIAG) on executive remuneration (a matter of significant concern to Church stakeholders), and a common approach to issues like board diversity and environmental disclosure agreed with partners in the Church Investors Group who apply the same template.

LEA 20 **Voluntary** **Public** **Descriptive** **PRI 2**

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 20.1	Describe your involvement in any projects to improve the voting trail and/or to obtain vote confirmation .
-----------------	--

We review the internal quality assurance process of our voting provider on an annual basis.

LEA 22	Mandatory	Public	Core Assessed	PRI 2
---------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

LEA 22.1	Indicate whether you or the service providers acting on your behalf raise any concerns with companies ahead of voting
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases:
 - Votes for selected markets
 - Votes relating to certain ESG issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- Neither we nor our service provider raise concerns with companies ahead of voting

LEA 22.2	Indicate whether you and/or the service provider(s) acting on your behalf, communicate the rationale to companies, when , you abstain or vote against management recommendations.
-----------------	---

- Yes, in most cases
- Sometimes, in the following cases.
 - Votes in selected markets
 - Votes on certain issues
 - Votes for significant shareholdings
 - Votes for companies we are engaging with
 - On request by clients
 - Other
- We do not communicate the rationale to companies
- Not applicable because we and/or our service providers do not abstain or vote against management recommendations

LEA 22.3	Additional information. [Optional]
-----------------	------------------------------------

Given the comprehensive nature of our voting policy and the extent of our portfolio we are currently exploring with ISS ways that such disclosures can be routinely made to companies following a vote. We do inform all constituents of the FTSE350 about our voting template ahead of the main voting season. We also respond to requests from companies on particular votes. We are also using media more proactively to communicate our broader thinking on issues to help shape better responses on issues such as executive remuneration.

Outputs and outcomes

LEA 23	Mandatory	Public	Core Assessed	PRI 2
--------	-----------	--------	---------------	-------

LEA 23.1 For listed equities where you and/or your service provider have the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

We do track or collect this information

Votes cast (to the nearest 1%)

%

99

Specify the basis on which this percentage is calculated

- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted

LEA 23.2 Explain your reason(s) for not voting certain holdings

- Shares were blocked
- Notice, ballots or materials not received in time
- Missed deadline
- Geographical restrictions (non-home market)
- Cost
- Conflicts of interest
- Holdings deemed too small
- Administrative impediments (e.g., power of attorney requirements, ineligibility due to participation in share placement)
- We do not vote on environmental resolutions
- We do not vote on social resolutions
- On request by clients
- Other

We do not track or collect this information

LEA 23.3 Additional information. [Optional]




There are a very small number of markets that pose particular challenge to be able to operationalise votes within defined timeframes. We are working with our service provider to ensure that we can vote in these markets in future. At present this presents a very small percentage that we are unable to vote in time. Our clearly stated intention is to always seek to vote in 100% of cases and we have resourced this provision internally to deliver it.

LEA 24	Mandatory	Public	Additional Assessed	PRI 2
--------	-----------	--------	---------------------	-------

LEA 24.1 Indicate if you track the voting instructions that you and/or your service provider on your behalf have issued.

Yes, we track this information

LEA 24.2 Of the voting instructions that you and/or third parties on your behalf issued, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management recommendations	 83.5
Against (opposing) management recommendations	 16.2
Abstentions	 0.3

100%

LEA 24.3 Describe the actions you take after voting against management recommendations.

We review the areas where there is serious misalignment with our ethical policies and consider if we need to undertake engagement with the company. We also consider if additional interventions are required at the AGM itself when having voted in advance.

No, we do not track this information

Communication

LEA 27 **Mandatory** **Public** **Core Assessed** **PRI 2,6**

LEA 27.1 Indicate if your organisation proactively discloses information on your voting activities.

We disclose it publicly

provide URL

<https://www.churchofengland.org/about-us/structure/churchcommissioners/investment/responsible-investment.aspx>

LEA 27.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

Yes

LEA 27.3

Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

LEA 27.4

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/as requested
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

LEA 27.8

Additional information. [Optional]

As well as publishing on our website half yearly summaries of our voting, we disclose in our annual report the proportion of UK remuneration resolutions we supported in the course of the year as a whole, as this a matter of significant stakeholder interest.

Church Commissioners for England

Reported Information

Public version

Direct - Property

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Overview

PR 04	Mandatory	Public	Core Assessed	PRI 1-6
-------	-----------	--------	---------------	---------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 04.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 04.2 Provide a URL or attach the document

URL

<http://www.churchofengland.org/media/1898077/property%20investments%20policy%202010.pdf>

Attach Document

No

PR 04.3 Provide a brief overview of your organisation's approach to responsible investment in property, and how you link responsible investment in property to your business strategy.

The Property Investments Policy should be read in conjunction with the Statement of Ethical Investment Policy, which sets out the exclusions applied to the national investing bodies' direct investments, as well as our policies on climate change and the environment which underline the importance we attach to environmental stewardship.

Our Responsible Investment Framework applies to all asset classes including property and to internally managed as well as externally managed assets. Under the RI Framework we commit to take account of all material ESG factors in our direct property investment appraisals and to actively manage ESG issues across our direct property estate.

Pre-investment (selection)

PR 07	Mandatory	Public	Gateway/Core Assessed	PRI 1
-------	-----------	--------	-----------------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 07.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 07.2 Provide a description of your organisation's approach to incorporating ESG issues in property investment selection.

New direct property investments are assessed against the Property Investments Policy. The property uses and tenants are assessed for breaches of our ethical investment exclusions. Cases of doubt or uncertain interpretation are discussed with the Head of Responsible Investment to ensure adherence to the Commissioners' ethical policies and may be referred to our trustees.

Material environmental and social issues are considered in the due diligence process.

No

PR 07.3

Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process, and list up to three examples per issue.

ESG issues

Environmental

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

E.g. Energy Performance Certificate (EPC) rating, carbon emissions.

List up to three typical examples per E, S and G issue

- Climate change adaptation
- Contamination
- Energy efficiency
- Energy supply
- Flooding
- GHG emissions
- Indoor environmental quality
- Natural hazards
- Resilience
- Transportation
- Water efficiency
- Waste management
- Water supply
- Other
- Other

Description [OPTIONAL]

E.g. resilience to extreme weather events

List up to three typical examples per E, S and G issue

- Climate change adaptation
 - Contamination
 - Energy efficiency
 - Energy supply
 - Flooding
 - GHG emissions
 - Indoor environmental quality
 - Natural hazards
 - Resilience
 - Transportation
 - Water efficiency
 - Waste management
 - Water supply
 - Other
 - Other
- Social

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

List up to three typical examples per E, S and G issue

- Building safety and materials
- Health, Safety and wellbeing
- Socio-economic
- Accessibility
- Affordable Housing
- Occupier Satisfaction
- Other
- Other
- Other

Description [OPTIONAL]

Exposure of the property to issues of social concern e.g. gambling, sex industry, irresponsible marketing of alcohol, high cost lending.

- Governance

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

Nature of co-investors/tenants

List up to three typical examples per E, S and G issue

- Anti-bribery & corruption
- Board structure
- Conflicts of interest
- Governance structure
- Regulatory
- Shareholder structure & rights
- Supply chain governance
- Other
- Other
- Other

Description [OPTIONAL]

Property management arrangements

PR 09	Mandatory	Public	Core Assessed	PRI 1
-------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 09.1	Indicate if ESG issues impacted your property investment selection process during the reporting year.
---------	---

- ESG issues helped identify risks and/or opportunities for value creation
- ESG issues led to the abandonment of potential investments
- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the investment selection process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.2	Indicate how ESG issues impacted your property investment deal structuring processes during the reporting year.
---------	---

- ESG issues impacted the investment in terms of price offered and/or paid
- ESG issues impacted the terms in the shareholder/purchase agreements and/or lending covenants
- ESG issues were considered but did not have an impact on the deal structuring process
- Other, specify
- Not applicable, our organisation did not select any investments in the reporting year
- We do not track this potential impact

PR 09.3	Additional information.
---------	-------------------------

We have undertaken little buying activity during this reporting year on valuation grounds. The Commissioners' typical practice where material ESG issues are identified is to walk away from a potential investment rather than seek a lower price to compensate for the ESG issues.

Selection, appointment and monitoring third-party property managers

PR 10	Mandatory	Public	Core Assessed	PRI 4
-------	-----------	--------	---------------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 10.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 10.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

Selection process of property managers incorporated ESG issues

Types of actions

- Request explanation of how ESG is effectively integrated, including inquiries about governance and processes
- Request track records and examples of how the manager implements ESG in their asset and property management
- Discuss property level out-performance opportunities through greater integration of ESG criteria
- Request explanation of engaging stakeholders on ESG issues
- Other, explain

Coverage

- 75-100%
- 50-75%
- 25 – 50%
- 0 – 25%

Contractual requirements when appointing property managers includes ESG issues

Types of actions

- Include clear and detailed expectations for incorporating ESG
- Require dedicated ESG procedures in all relevant asset and property management phases
- Clear ESG reporting requirements
- Clear ESG performance targets
- Other, explain

Coverage

- 75-100%
- 50-75%
- 25 – 50%
- 0 – 25%

Monitoring of property managers covers ESG responsibilities and implementation

Types of actions

- Performance against quantitative and material environmental / resource targets over specified timeframe.
- Performance against quantitative and material environmental / resource targets against relevant benchmarks
- Performance against quantitative and qualitative targets to address social impacts of the portfolio/investment,
- Other, explain

Coverage

- 75-100%
- 50-75%
- 25 – 50%
- 0 – 25%
- No

PR 10.3 Provide a brief description of your organisations selection, appointment and monitoring of third party property managers and how they contribute to the management of ESG issues for your property investments.

The Commissioners employ a range of property managers that are reviewed on a regular basis but our preference is to build long term relationships with key contractors who understand our approach and share our values. ESG credentials are considered in the tender process and in monitoring of the ongoing relationship.

Our agents contribute to the management of a wide array of ESG issues at our directly held properties. Key environmental responsibilities include the sourcing of power for common parts and monitoring of energy use, carbon emissions, water use and waste.

Key social considerations include the payment of the London Living Wage to contractors' staff based at our properties, health and safety management, and monitoring for infringements of the terms of leases.

Quarterly reports are received from our managers. The Commissioners' agents do not have delegated authority and we make decisions on the terms of leases, which in our directly held properties may have a strong social dimension.

Post-investment (monitoring and active ownership)

Overview

PR 11	Mandatory	Public	Gateway	PRI 2
-------	-----------	--------	---------	-------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 11.1 Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

- Yes

PR 11.2 Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and major renovations.
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 11.3 Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets.

The Commissioners believe that we have an ethical responsibility to manage ESG issues well at our properties. We also believe that active management of property assets including with regard to ESG issues can create investment value.

We very much drive ourselves the management of ESG issues at our flagship prime central London residential estate, the Hyde Park Estate. We take pride in our stewardship of the Estate and believe that by doing so we sustain and create value.

An example of this philosophy in action on the Hyde Park Estate is our investment in promoting urban biodiversity. Working with ecologists from organisations such as the RSPB, the Wildlife Trusts and Bug Life, the Commissioners are promoting wildlife through planting for wildlife and installing insect stacks, bee nests, bird and bat boxes, and green roofs.

Other sustainability initiatives on the Estate include supporting sustainable transport through the creation of secure bicycle parking facilities. With regard to energy efficiency and carbon emissions reduction, investment has been made in new communal boilers and solar powered garden tools. Initiatives have been taken to address energy wastage with measures like taking excess radiators out from lobbies. More significant improvements, particularly glazing, will be possible as part of the major refurbishment works that are under consideration.

The Commissioners are also investing in the public realm of the Hyde Park Estate in order to sustain and create value. A Connaught Village festival is organised each summer with our agents, contributing to social relationships and brand building. Investment has been made in new railings and signage.

Our largest retail asset is managed by our majority investment partner who operate to very high ESG standards that align well with our values and expectations.

In our commercial office portfolio our agents play the leading role in the management of ESG issues under our supervision.

No

Property monitoring and management

PR 12	Mandatory	Public	Core Assessed	PRI 2,3
-------	-----------	--------	---------------	---------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 12.1 Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 12.2 Indicate which ESG targets your organisation and/or property managers typically set and monitor

- Environmental

Target/KPI	Progress Achieved
The Metrocentre is subject to our partner Intu's group carbon emissions reduction target of a 50% reduction in emissions intensity 2010-2020.	Since 2010 Intu have reduced energy intensity at group level by 47 per cent.
The Metrocentre is subject to our partner Intu's group waste target of 99% of waste diverted from landfill by 2020.	100% per cent of waste was diverted from landfill at group level in 2016.
The Metrocentre is subject to our partner Intu's group water use reduction target of a 10% reduction in water intensity 2010-2020.	Since 2010 Intu have reduced water intensity at group level by 14 per cent.

- Social

Target/KPI	Progress Achieved
The MetroCentre is subject to our partner Intu's group target to increase employee volunteering.	A new community manager has been appointed for the north east leading to an 80 per cent increase in volunteering.

- Governance
- We do not set and/or monitor against targets

PR 12.3 Additional information. [Optional]

A sustainability strategy is under preparation for our largest property asset, the Hyde Park Estate in central London, and will be launched this year. It will include ESG targets.

Property developments and major renovations

PR 14	Mandatory	Public	Core Assessed	PRI 2
--------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 14.1	Indicate the proportion of active property developments and major renovations where ESG issues have been considered.
----------------	--

- >90% of active developments and major renovations
- 51-90% of active developments and major renovations
- 10-50% of active developments and major renovations
- <10% of active developments and major renovations
- N/A, no developments and major renovations of property assets are active

(by number of active property developments and refurbishments)

PR 14.2	Indicate if the following ESG considerations are typically implemented and monitored in your property developments and major renovations.
----------------	---

- Environmental site selection requirements
- Environmental site development requirements
- Sustainable construction materials
- Water efficiency requirements
- Energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Resilient building design and orientation
- Other, specify

PR 14.3	Additional information. [Optional]
----------------	------------------------------------

The Commissioners comply with UK sustainability regulations for developments and refurbishments and seek to maximise sustainability subject to financial viability and listed buildings requirements.

Occupier engagement				
----------------------------	--	--	--	--

PR 15	Mandatory	Public	Core Assessed	PRI 2
--------------	------------------	---------------	----------------------	--------------

New selection options have been added to this indicator. Please review your prefilled responses carefully.

PR 15.1	Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.
----------------	---

- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 15.2	Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.
----------------	---

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Offer green leases
- Other, specify

PR 15.3	Additional information. [Optional]
----------------	------------------------------------

The Commissioners' occupier engagement includes for example engagement with residential tenants on the Hyde Park Estate on environmental issues such as the use of radiator valves to save energy.

Quarterly newsletters are sent out to Hyde Park Estate residents which regularly feature news on sustainability, biodiversity and community events.

The Metrocentre is managed by Intu Group who engage with retailer tenants on sustainability management.

Communication				
----------------------	--	--	--	--

PR 20	Mandatory	Public	Core Assessed	PRI 6
--------------	------------------	---------------	----------------------	--------------

PR 20.1	Indicate if your organisation proactively discloses ESG information on your property investments.
----------------	---

- Disclose publicly

	provide URL
--	-------------

<https://www.churchofengland.org/media/2492846/churchcommissionersar2015.pdf>

provide URL

<https://www.hydeparkestate.com/>

PR 20.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
- No property specific reporting standards are used

PR 20.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes

PR 20.4

Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

PR 20.5

Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

- Quarterly or more frequently
- Biannually
- Annually
- Less frequently than annually
- Ad-hoc/when requested, specify

PR 20.6

Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

The Property Section of our annual report includes information on any key ESG developments or improvements. The 2015 annual report covers public realm improvements on the Hyde Park Estate through the installation of new railings

The Responsible Investment Review in the annual report sets out the exclusions applied to direct investments including property, covers the new RI Framework applied to all asset classes, reports green building investments and discloses external assessment of our RI practice and RI awards.

The Hyde Park Estate has its own website which includes information on our 'Green Estate' initiatives.

The Intu website includes a Corporate Responsibility Report with information about ESG policies and outcomes across Intu's portfolio including the Metrocentre in which the Commissioners have a 10% stake. Intu also publish a report on the economic impact of the company's shopping centres.

The Commissioners' Property Investments Policy and RI Framework are published on the Church of England's website.

- No
- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries